



IFS Capital (Thailand)
Public Company Limited

IFS 407 / 2019

7th May 2019

Subject: Explanation of the Operating Results for Quarter 1/2019

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 1/2019 ended 31st March 2019 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 2019			
	2019	2018	Increase / (decrease)	% Change
<u>Revenues</u>				
Factoring Income	71.12	69.20	1.92	2.77
Hire Purchase Income	0.17	0.42	(0.26)	(61.06)
Finance Lease Income	4.13	4.69	(0.56)	(11.94)
Factoring Commission and Service Fee	25.59	23.69	1.89	7.99
Other Income	10.11	11.98	(1.87)	(15.63)
Total Revenues	111.11	109.99	1.12	1.02
<u>Expenses</u>				
Selling Expenses	5.36	4.78	0.58	12.12
Administration Expenses	24.23	23.14	1.09	4.71
Management Benefit Expenses	8.27	8.15	0.13	1.55
Allowance for Doubtful Accounts	(1.51)	9.07	(10.58)	(116.64)
Finance cost	17.22	17.48	(0.27)	(1.53)
Total Expenses	53.57	62.62	(9.06)	(14.46)
Income before Income Tax Expenses	57.54	47.37	10.17	21.48
Income Tax Expense	11.50	9.54	1.97	20.65
Net Profit	46.04	37.84	8.21	21.69

Quarterly to Quarterly Analysis

For the 1st quarter of 2019, the Company reported Net Profit of Baht 46.04 million, an increase of Baht 8.21 million or 21.69% from the same period last year. The main reasons for the increase in the Company's Net Profit were :

- 1) Write-back of NPLs of about Baht 9.22 million in 1Q/19 compared to the same period of last year due to recoveries and more robust credit risk management, and
- 2) Higher net interest margin (NIM) of 22 basis points or about 3.5%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)
Director and CEO

Headline: Reviewed Quarter 1 F/S (F45-1)

Security Symbol: IFS

Announcement Details

The Company Financial Statement (F45-1)

Company name IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

Quarter Quarter 1

(In thousands)

The Company Financial Statement

		Quarter 1	
Status		Reviewed	
Ending		31 March	
Year	2019		2018
Net profit (loss)		46,041	37,836
EPS (baht)		0.09	0.08

Type of report Unqualified opinion

Please see details in financial statements, auditor's report and remarks from SET SMART

"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), and has also submitted the original report to the Securities and Exchange Commission."

Signature _____

(Mr. Tan Ley Yen)

Director & CEO

Authorized Persons to Disclose Information

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

TO THE BOARD OF DIRECTORS

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at March 31, 2019 and the related statements of profit or loss and other 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 7, 2019

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, 2019

UNIT : BAHT

		"Unaudited"	
	Notes	As at March 31, 2019	As at December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		398,393,339	362,988,332
Factoring receivables	5	3,232,506,641	3,411,563,939
Current portion of hire purchase receivables	6	5,268,893	7,829,491
Current portion of lease contract receivables	7	93,498,627	96,011,331
Inventory finance receivables	8	155,986,270	151,149,729
Amounts due from related companies	12	19,800	19,550
Other current assets		6,590,598	2,785,202
Total Current Assets		<u>3,892,264,168</u>	<u>4,032,347,574</u>
NON-CURRENT ASSETS			
Bank deposits held as collateral		159,447	159,447
Hire purchase receivables	6	220,076	562,475
Lease contract receivables	7	103,951,489	93,409,635
Plant and equipment	9	32,210,880	55,881,414
Investment property	9	70,860,010	49,848,686
Other intangible assets		821,883	1,157,006
Deferred tax assets		49,407,632	50,281,026
Other non-current assets		682,625	805,875
Total Non-current Assets		<u>258,314,042</u>	<u>252,105,564</u>
TOTAL ASSETS		<u><u>4,150,578,210</u></u>	<u><u>4,284,453,138</u></u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2019

UNIT : BAHT

		"Unaudited"	
	Notes	As at March 31, 2019	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	10	2,340,000,000	2,585,000,000
Current portion of long-term borrowings			
from financial institutions	11	141,360,000	116,000,000
Amounts due to a related company	12	29,522	-
Other current liabilities		86,432,132	90,360,679
Total Current Liabilities		<u>2,567,821,654</u>	<u>2,791,360,679</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	11	134,640,000	92,000,000
Provisions for employee benefits		37,137,499	36,153,940
Other non-current liabilities		762,750	762,750
Total Non-current Liabilities		<u>172,540,249</u>	<u>128,916,690</u>
TOTAL LIABILITIES		<u>2,740,361,903</u>	<u>2,920,277,369</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2019

UNIT : BAHT

	Notes	"Unaudited" As at March 31, 2019	As at December 31, 2018
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		835,619,933	789,579,395
TOTAL SHAREHOLDERS' EQUITY		1,410,216,307	1,364,175,769
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,150,578,210	4,284,453,138

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
"UNAUDITED"

		UNIT : BAHT	
	Note	2019	2018
REVENUES			
Factoring income		71,121,420	69,202,334
Hire purchase income		165,436	424,817
Finance lease income		4,130,049	4,690,196
Factoring commission and service fees		25,586,098	23,693,799
Other income		10,107,546	11,980,466
Total Revenues		<u>111,110,549</u>	<u>109,991,612</u>
EXPENSES			
Selling expenses		5,355,890	4,776,862
Administrative expenses		24,230,343	23,140,660
Management benefit expenses	12	8,273,627	8,147,275
Doubtful accounts (reversal)		(1,509,910)	9,072,253
Finance cost		17,215,918	17,483,818
Total Expenses		<u>53,565,868</u>	<u>62,620,868</u>
PROFIT BEFORE INCOME TAX EXPENSE		57,544,681	47,370,744
INCOME TAX EXPENSE		<u>11,504,143</u>	<u>9,535,232</u>
PROFIT FOR THE PERIODS		<u><u>46,040,538</u></u>	<u><u>37,835,512</u></u>
BASIC EARNINGS PER SHARE	BAHT	0.09	0.08
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
"UNAUDITED"

UNIT : BAHT

	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, 2018	493,499,975	31,746,399	49,350,000	698,366,341	1,272,962,715
Changes during the period					
Total comprehensive income	-	-	-	37,835,512	37,835,512
Ending balance as at					
March 31, 2018	<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>736,201,853</u>	<u>1,310,798,227</u>
Beginning balance as at					
January 1, 2019	493,499,975	31,746,399	49,350,000	789,579,395	1,364,175,769
Changes during the period					
Total comprehensive income	-	-	-	46,040,538	46,040,538
Ending balance as at					
March 31, 2019	<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>835,619,933</u>	<u>1,410,216,307</u>

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, 2019
"UNAUDITED"

UNIT : BAHT

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expenses		57,544,681	47,370,744
Adjustments for :			
Doubtful accounts		(1,509,910)	9,072,253
Gain from sales of fixed assets		-	(1,214,953)
Interest expenses		17,086,073	17,385,903
Employment benefits expense		983,559	920,262
Depreciation and amortization		3,039,273	3,354,105
		<u>77,143,676</u>	<u>76,888,314</u>
Operating assets (increase) decrease			
Factoring receivables		179,776,213	(144,021,439)
Hire purchase receivables		2,908,143	4,000,721
Lease contract receivables		(7,862,793)	(13,560,663)
Inventory finance receivables		(4,217,049)	(5,221,127)
Amount due from related companies		(250)	(2,097)
Other current assets		(3,805,396)	(1,875,226)
Bank deposits held as collateral		-	(602)
Other non-current assets		123,250	32,400
Operating liabilities increase (decrease)			
Amount due to a related company		29,522	-
Other current liabilities		(14,847,091)	13,103,833
Other non-current liabilities		-	762,750
Cash received from (used in) operating activities		<u>229,248,225</u>	<u>(69,893,136)</u>
Interest paid		<u>(16,798,278)</u>	<u>(16,537,552)</u>
Net cash provide by (used in) operating activities		<u>212,449,947</u>	<u>(86,430,688)</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
"UNAUDITED"

		UNIT : BAHT	
	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of plant and equipment	4.1	(44,940)	(3,772,100)
Cash received from sale of fixed assets		-	1,214,953
Net cash used in investing activities		<u>(44,940)</u>	<u>(2,557,147)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings			
to financial institutions	4.3	(4,585,000,000)	(3,160,000,000)
Cash received from short-term borrowings			
from financial institutions	4.3	4,340,000,000	3,250,000,000
Cash paid for long-term borrowings			
to financial institutions	4.3	(32,000,000)	(24,000,000)
Cash received from long-term borrowings			
from financial institutions	4.3	<u>100,000,000</u>	<u>100,000,000</u>
Net cash provided by (used in) financing activities		<u>(177,000,000)</u>	<u>166,000,000</u>
Net increase in cash and cash equivalents		35,405,007	77,012,165
Cash and cash equivalents at the beginning of the periods		<u>362,988,332</u>	<u>305,290,447</u>
Cash and cash equivalents at the end of the periods	4.2	<u><u>398,393,339</u></u>	<u><u>382,302,612</u></u>

See condensed notes to the financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
“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, leasing 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.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 The interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company present the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The statements of financial position as at December 31, 2018, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.

- 2.3 The unaudited results of operations presented in the three-month period ended March 31, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 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 and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. 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 Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases”

This financial reporting standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this Standard. An entity shall apply this Standard consistently to contracts with similar characteristics and in similar circumstances.

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, 2018.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Non-cash items for plant and equipment for three-month period ended March 31, 2019 and 2018 were as follows:

	2019 Baht	2018 Baht
Payable - plant and equipment, beginning balance	-	32,100
<u>Add</u> Purchases of plant and equipment	44,940	3,740,000
<u>Less</u> Cash paid for purchases of plant and equipment	<u>(44,940)</u>	<u>(3,772,100)</u>
Payable - plant and equipment, ending balance	<u>-</u>	<u>-</u>

4.2 Cash and cash equivalents as at March 31, 2019 and 2018 consist of the following:

	2019 Baht	2018 Baht
Cash on hands	30,000	30,000
Cash at banks - current accounts	17,061,397	20,446,681
Cash at banks - savings accounts	381,301,942	361,825,931
	<u>398,393,339</u>	<u>382,302,612</u>

4.3 Change in liabilities from financing activities as at March 31, 2019, consist of the following:

	Balances as at January 1, 2019 Baht	Cash flows from financing activities		Balances as at March 31, 2019 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	2,585,000,000	4,340,000,000	(4,585,000,000)	2,340,000,000
Long-term borrowings from financial institutions	208,000,000	100,000,000	(32,000,000)	276,000,000
Total	2,793,000,000	4,440,000,000	(4,617,000,000)	2,616,000,000

5. FACTORING RECEIVABLES

Factoring receivables as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Factoring receivables	4,198,022,519	4,441,606,709
<u>Less</u> Allowance for doubtful accounts (*)	<u>(125,770,622)</u>	<u>(126,489,537)</u>
	4,072,251,897	4,315,117,172
<u>Less</u> Factoring payables	<u>(839,745,256)</u>	<u>(903,553,233)</u>
Factoring receivables, net	<u>3,232,506,641</u>	<u>3,411,563,939</u>

(*) As at March 31, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for factoring receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 3,656,865 and Baht 3,763,226, respectively.

Factoring receivables as at March 31, 2019 and December 31, 2018 were classified by aging as follows:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Current	2,981,218,017	3,116,674,268
Overdue :		
Not more than 3 months	1,087,264,843	1,195,877,536
Over 3 months but not more than 6 months	7,978,671	1,310,545
Over 12 months	9,587,564	15,825,348
Debtors subject to legal proceedings	111,973,424	111,919,012
	<u>4,198,022,519</u>	<u>4,441,606,709</u>

6. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Outstanding contract price	5,722,884	8,796,463
<u>Less</u> Unearned financing income	<u>(226,851)</u>	<u>(392,287)</u>
	5,496,033	8,404,176
<u>Less</u> Allowance for doubtful accounts (*)	<u>(7,064)</u>	<u>(12,210)</u>
	5,488,969	8,391,966
Due within one year	5,485,276	8,203,825
<u>Less</u> Unearned financing income	<u>(216,383)</u>	<u>(374,334)</u>
Current portion of hire purchase receivables, net	<u>5,268,893</u>	<u>7,829,491</u>
Hire purchase receivables, net	<u>220,076</u>	<u>562,475</u>

(*) As at March 31, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for hire purchase receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 7,064 and Baht 12,210, respectively.

Hire purchase receivables as at March 31, 2019 and December 31, 2018 were classified by aging as follows:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Current	<u>5,496,033</u>	<u>8,404,176</u>

7. LEASE CONTRACT RECEIVABLES

Lease contract receivables as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Outstanding contract price	339,361,769	333,277,601
<u>Less</u> Deposits on long-term lease contracts	(108,602,977)	(112,236,477)
<u>Less</u> Unearned financing income	(23,883,593)	(22,028,718)
	206,875,199	199,012,406
<u>Less</u> Allowance for doubtful accounts (*)	(9,425,083)	(9,591,440)
	197,450,116	189,420,966
Due within one year	144,448,475	142,090,534
<u>Less</u> Deposits on long-term lease contracts	(37,636,320)	(32,968,086)
<u>Less</u> Unearned financing income	(13,313,528)	(13,111,117)
Current portion of lease contract receivables, net	93,498,627	96,011,331
Lease contract receivables, net	103,951,489	93,409,635

(*) As at March 31, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for lease contract receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 254,093 and Baht 275,590, respectively.

Lease contract receivables as at March 31, 2019 and December 31, 2018 were classified by aging as follows:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Current	175,713,603	177,151,734
Overdue :		
Not more than 3 months	15,725,527	6,044,127
Over 6 months but not more than 12 months	6,007,564	6,152,424
More than 12 months	345,660	581,276
Debtors subject to legal proceedings	9,082,845	9,082,845
	206,875,199	199,012,406

8. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Inventory finance receivables	168,708,174	164,491,125
<u>Less</u> Allowance for doubtful accounts (*)	<u>(12,721,904)</u>	<u>(13,341,396)</u>
Inventory finance receivables, net	<u>155,986,270</u>	<u>151,149,729</u>

(*) As at March 31, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for inventory finance receivables which were classified as normal and overdue for less than 3 months. There is no additional allowance for doubtful accounts required for such allowance for doubtful accounts.

Inventory finance receivables as at March 31, 2019 and December 31, 2018 were classified by aging as follows:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Current	155,986,270	150,530,236
Overdue :		
Over 6 months but not more than 12 months	-	1,238,985
Debtors subject to legal proceedings	<u>12,721,904</u>	<u>12,721,904</u>
	<u>168,708,174</u>	<u>164,491,125</u>

9. INVESTMENT PROPERTY

In March 2019, the Company transferred partial of condominium at cost and net book value of Baht 25.51 million and Baht 21.92 million, respectively, from plant and equipment to investment property because of change in purpose from owner-occupation to investing in the future.

As at March 31, 2019 and December 31, 2018, fair value of investment property of the Company which amounted to Baht 126.67 million and Baht 80.07 million, respectively.

10. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Promissory notes	<u>2,340,000,000</u>	<u>2,585,000,000</u>

As at March 31, 2019 and December 31, 2018, the Company has short-term borrowings from financial institutions which bear interest rates at 2.55% to 3.10% per annum and 2.28% to 3.06% per annum, respectively. The Company has to comply with the conditions specified in the loan agreements with each financial institutions in that the Company should maintain its financial covenants.

11. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at March 31, 2019 and December 31, 2018 consist of the following:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Long-term borrowings from financial institutions	276,000,000	208,000,000
Current portion of long-term borrowings from financial institutions	<u>(141,360,000)</u>	<u>(116,000,000)</u>
	<u>134,640,000</u>	<u>92,000,000</u>

As at March 31, 2019 and December 31, 2018, the Company entered into long-term borrowings with financial institutions at the floating interest rates 3.87% to 4.00% per annum and 4.00% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in March 2022. The Company has to comply with the conditions specified in the loan agreements with each financial institutions in that the Company should maintain its financial covenants.

12. 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 at the date received by the Board or the shareholders approved.

Significant balance with related companies as at March 31, 2019 and December 31, 2018 consist of the following:

	Relationship	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Amount due from related companies			
IFS Capital Limited	Major Shareholder Company	19,300	19,300
IFS Capital Holdings (Thailand) Limited	Related Company	500	250
		<u>19,800</u>	<u>19,550</u>
Amount due to a related company			
IFS Capital Limited	Major Shareholder Company	<u>29,522</u>	<u>-</u>

Significant transactions with related parties for the three-month period ended March 31, 2019 and 2018 are as follows:

	2019 Baht	2018 Baht
Management benefit expenses		
Short-term benefits	8,060,250	7,947,025
Post-employment benefits	197,133	184,312
Other long-term benefits	16,244	15,938
	<u>8,273,627</u>	<u>8,147,275</u>

13. COMMITMENTS

As at March 31, 2019 and December 31, 2018, the Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at March 31, 2019 Baht	As at December 31, 2018 Baht
Total credit facilities	<u>5,555,000,000</u>	<u>5,558,000,000</u>

As at March 31, 2019 and December 31, 2018, the Company had utilized the letter of credit amounting to Baht 5.64 million and Baht 9.36 million, respectively, for factoring, hire purchase and leasing contract. However, as at March 31, 2019 and December 31, 2018, the Company had unused such credit facilities with financial institutions totaling Baht 2,509 million and Baht 2,364 million, respectively.

14. 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 borrowings 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 Leasing business: are long-term borrowings 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, 2019 and 2018, 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, 2019 and 2018 were as follow:

	For the three-month period ended March 31, 2019				For the three-month period ended March 31, 2018			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	96,708	4,295	-	101,003	92,896	5,116	-	98,012
Other income	9,410	698	-	10,108	10,683	1,297	-	11,980
Total income	106,118	4,993	-	111,111	103,579	6,413	-	109,992
Selling and administrative expenses	36,159	1,701	-	37,860	33,962	2,103	-	36,065
Doubtful accounts (reversal)	(1,338)	(172)	-	(1,510)	9,305	(233)	-	9,072
Finance cost	16,442	774	-	17,216	16,465	1,019	-	17,484
Total operation expenses	51,263	2,303	-	53,566	59,732	2,889	-	62,621
Profit before income tax	54,855	2,690	-	57,545	43,847	3,524	-	47,371
Income tax expenses	10,774	730	-	11,504	8,572	963	-	9,535
Net profit for the periods	44,081	1,960	-	46,041	35,275	2,561	-	37,836

	As at March 31, 2019				As at December 31, 2018			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Total assets	3,388,493	202,939	559,146	4,150,578	3,562,714	197,813	523,926	4,284,453

15. EVENT AFTER THE REPORTING PERIOD

- 15.1 On April 22, 2019, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend of Baht 0.17 per share on 493,499,975 shares, totaling Baht 83.89 million. Such dividend will be paid on May 17, 2019.
- 15.2 In 2015, the Company as the plaintiff had prosecuted a customer for factoring receivable in the Court. Subsequently, on May 7, 2019, the Supreme Court judged the Company to win the lawsuit against the customer and ordered the customer to pay the Company in amount of Baht 41.30 million plus interest rate at 7.50% per annum on the principal amount of Baht 37.39 million.

16. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the authorized director of the Company on May 7, 2019.