



**IFS Capital (Thailand)
Public Company Limited**

IFS 216/ 2015

16st February 2015

Subject: Explanation of the Operating Results for the year ended 31st December 2014

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 2014 as certified by our auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and to explain the significant variance of the operating results as follows:-

(Unit : Million Baht)

	For the year ended 31 st December			
	2014	2013	Increase / (decrease)	% Change
Revenues				
Factoring Income	234.68	244.73	(10.05)	(4.11)
Hire Purchase Income	1.08	1.60	(0.51)	(32.21)
Finance Lease Income	38.76	48.81	(10.05)	(20.60)
Factoring Commission and Service Fee	81.00	80.28	0.72	0.90
Other Income	17.12	27.72	(10.60)	(38.23)
Total Revenues	372.64	403.14	(30.50)	(7.57)
Expenses				
Selling Expenses	15.67	16.57	(0.90)	(5.43)
Administration Expenses	70.55	66.20	4.34	6.56
Management Benefit Expenses	32.02	29.55	2.46	8.33
Allowance (Reversal) for Doubtful Accounts	2.01	39.96	(37.95)	(94.97)
Total Expenses	120.24	152.29	(32.05)	(21.04)
Profit before Finance Cost and Income Tax Expenses	252.40	250.85	1.55	0.62
Finance Cost	75.86	93.80	(17.94)	(19.13)
Profit before Income Tax Expenses	176.53	157.04	19.49	12.41
Income Tax	38.42	31.96	6.46	20.20
Net Profit	138.12	125.08	13.04	10.42

Year to Year Analysis


In 2014, the Company reported Net Profit of Baht 138.12 million, an increase of Baht 13.04 million or 10.42% from the previous year. The reasons for the increase in the Company's Net Profit were:

1) Lower provision for doubtful debts of Baht 37.95 million or a decrease of 94.97% was due mainly to (i) in 2014, the Company was able to settle the debt with one major NPL client and received a lump sum payment from this client, and (ii) the Company had to make a large provision for doubtful debts on one major client in the Q4 of 2013 but needed to make a smaller amount in 2014.

2) Higher net interest margin (NIM) of 8.27% from 5.56% in 2013 to 6.02% in 2014 was due mainly to higher yield as a result of lower cost of fund.

Please be informed accordingly

Sincerely yours,


(Mr. Tan Ley Yen)
Director and CEO

20th Floor Lumpini Tower, 1168/55 Rama IV Road, Tungmahamek, Sathorn, Bangkok 10120 www.ifscapthai.com โทร 010755000033

ชั้น 20 อาคารลุมพินีทาวเวอร์ 1168/55 ถนนพระราม 4 แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพมหานคร 10120 โทรศัพท์ 66 (2) 285-6326-32, (2) 679-9140-4 โทรสาร 66 (2) 285-6335, (2) 679-9159

Headline: Audited Yearly F/S (F45-1)

Security Symbol: IFS

Announcement Details

The Company Financial Statement (F45-1)

Company name IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

Quarter Yearly

(In thousands)

The Company Financial Statement

Yearly

Status

Audited

Ending

31 December

Year

2014

2013

Net profit (loss)

138,116

125,079

EPS (baht)

0.29

0.27

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 and CEO

Authorized to sign on behalf of the company

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

We have audited the financial statements of IFS Capital (Thailand) Company Limited, which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of IFS Capital (Thailand) Company Limited as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
January 28, 2015

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

			BAHT
	Notes	2014	2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4.3	172,565,524	306,469,635
Factoring receivable, net	5	2,636,437,389	2,744,078,652
Current portion of hire purchase receivable, net	6	5,867,013	11,098,022
Current portion of lease contract receivable, net	7	168,157,726	212,503,335
Inventory finance receivable, net	8	33,212,643	29,784,479
Amounts due from a related company	22	19,500	19,000
Other current assets		3,253,168	18,027,693
Total Current Assets		<u>3,019,512,963</u>	<u>3,321,980,816</u>
NON-CURRENT ASSETS			
Bank deposits held as collateral	9	151,687	148,379
Hire purchase receivable, net	6	2,100,819	2,126,861
Lease contract receivable, net	7	148,450,507	250,072,462
Property, plant and equipment	10	27,403,283	28,036,599
Intangible assets	11	2,738,606	325,420
Deferred tax assets	12	55,279,514	55,760,712
Other non-current assets		333,150	373,150
Total Non-current Assets		<u>236,457,566</u>	<u>336,843,583</u>
TOTAL ASSETS		<u><u>3,255,970,529</u></u>	<u><u>3,658,824,399</u></u>

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, 2014

			BAHT
	Notes	2014	2013
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term loans from financial institutions	13	1,570,000,000	2,155,000,000
Current portion of long-term loans	14	285,240,000	245,080,000
Amounts due to a related company	22	-	19,326
Other current liabilities		62,504,528	68,811,973
Total Current Liabilities		<u>1,917,744,528</u>	<u>2,468,911,299</u>
NON-CURRENT LIABILITIES			
Long-term loans	14	275,600,000	205,340,000
Employee benefits obligation	16	23,175,442	19,789,292
Total Non-current Liabilities		<u>298,775,442</u>	<u>225,129,292</u>
TOTAL LIABILITIES		<u>2,216,519,970</u>	<u>2,694,040,591</u>
EQUITY			
SHARE CAPITAL			
Authorized share capital			
470,000,000 ordinary shares of Baht 1 each		<u>470,000,000</u>	<u>470,000,000</u>
Issued and paid-up share capital			
470,000,000 ordinary shares of Baht 1 each, fully paid-up		470,000,000	470,000,000
ADDITIONAL PAID-UP CAPITAL			
Premium on ordinary shares	17	31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve	19	44,362,189	37,456,352
Unappropriated		493,341,971	425,581,057
TOTAL EQUITY		<u>1,039,450,559</u>	<u>964,783,808</u>
TOTAL LIABILITIES AND EQUITY		<u>3,255,970,529</u>	<u>3,658,824,399</u>

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, 2014

		BAHT	
	Notes	2014	2013
REVENUE			
Factoring income		234,676,845	244,731,838
Hire purchase income		1,083,410	1,598,264
Finance lease income		38,755,308	48,808,393
Factoring commission and service fees		81,002,250	80,281,649
Other income		17,121,630	27,717,209
Total Revenue		<u>372,639,443</u>	<u>403,137,353</u>
EXPENSES			
Selling expenses		15,671,679	16,570,769
Administrative expenses		70,545,481	66,204,933
Management benefit expenses	22	32,016,169	29,554,244
Allowance for doubtful accounts		2,011,089	39,961,791
Total Expenses		<u>120,244,418</u>	<u>152,291,737</u>
PROFIT BEFORE FINANCE COST AND			
INCOME TAX EXPENSE		252,395,025	250,845,616
FINANCE COST		75,861,293	93,804,779
INCOME BEFORE INCOME TAX EXPENSE		<u>176,533,732</u>	<u>157,040,837</u>
INCOME TAX EXPENSE	21	38,416,981	31,961,062
TOTAL COMPREHENSIVE INCOME		<u><u>138,116,751</u></u>	<u><u>125,079,775</u></u>
OTHER COMPREHENSIVE GAIN			
Gain on investments		-	9,558
Actuarial gains on defined employee benefit plans		-	4,028,180
OTHER COMPREHENSIVE GAIN		<u>-</u>	<u>4,037,738</u>
FOR THE YEARS, NET OF TAX		<u>-</u>	<u>4,037,738</u>
NET COMPREHENSIVE INCOME FOR THE YEARS		<u><u>138,116,751</u></u>	<u><u>129,117,513</u></u>
BASIC EARNINGS PER SHARE	BAHT	0.29	0.27
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	470,000,000	470,000,000

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

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

BAHT							
	Notes	Issued and paid-up share capital	Premium on Ordinary Shares	Retained earnings Appropriated Legal reserve	Unappropriated	Other Components of Equity	Total equity
Beginning balance as at January 1, 2013		470,000,000	31,746,399	31,202,363	359,127,091	(9,558)	892,066,295
Net comprehensive income for the year		-	-	-	129,107,955	9,558	129,117,513
Dividend paid	18	-	-	-	(56,400,000)	-	(56,400,000)
Legal reserve	19	-	-	6,253,989	(6,253,989)	-	-
Ending balance as at December 31, 2013		<u>470,000,000</u>	<u>31,746,399</u>	<u>37,456,352</u>	<u>425,581,057</u>	<u>-</u>	<u>964,783,808</u>
Beginning balance as at January 1, 2014		470,000,000	31,746,399	37,456,352	425,581,057	-	964,783,808
Net comprehensive income for the year		-	-	-	138,116,751	-	138,116,751
Dividend paid	18	-	-	-	(63,450,000)	-	(63,450,000)
Legal reserve	19	-	-	6,905,837	(6,905,837)	-	-
Ending balance as at December 31, 2014		<u>470,000,000</u>	<u>31,746,399</u>	<u>44,362,189</u>	<u>493,341,971</u>	<u>-</u>	<u>1,039,450,559</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, 2014

BAHT

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax expenses	176,533,732	157,040,837
Adjustments for :		
Allowance for doubtful accounts (reversal)	(14,830,374)	39,073,468
Write-off bad debts	16,841,463	888,323
Gain from sales of fixed assets	(154,203)	-
Gain from sales investment	-	(31,497)
Interest expenses	74,548,343	92,836,288
Employee benefits expense	3,386,150	3,120,245
Depreciation and amortization	4,614,791	4,825,727
	<u>260,939,902</u>	<u>297,753,391</u>
Operating assets (increase) decrease		
Factoring receivable	104,670,038	(129,244,048)
Hire purchase receivable	5,316,591	(3,607,386)
Lease contract receivable	146,849,067	43,178,134
Inventory finance receivable	(3,409,071)	141,960
Amounts due from a related company	(500)	2,900
Other current assets	14,774,525	5,493,415
Fixed deposits pledged as collateral	(3,308)	(3,935)
Non-other current assets	40,000	(70,000)
Operating liabilities increase (decrease)		
Amounts due to a related company	(19,326)	19,326
Other current liabilities	(2,467,730)	8,908,567
Cash generated from operating activities	526,690,188	222,572,324
Interest expenses paid	(73,976,188)	(93,311,289)
Income tax paid	(44,756,650)	(50,963,076)
Net cash provided by operating activities	<u>407,957,350</u>	<u>78,297,959</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of fixed assets	(3,896,868)	(292,997)
Cash paid for purchases of intangible assets	(88,799)	(202,872)
Cash received from sale of fixed assets	154,206	-
Cash received from sale of temporary investment	-	169,434
Net cash used in investing activities	<u>(3,831,461)</u>	<u>(326,435)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from short-term loans from financial institutions	2,164,000,000	6,419,000,000
Cash paid for short-term loans from financial institutions	(2,749,000,000)	(6,319,000,000)
Cash received from long-term loans	400,000,000	200,000,000
Cash paid for long-term loans	(289,580,000)	(292,900,000)
Cash paid for dividend	(63,450,000)	(56,400,000)
Net cash used in financing activities	<u>(538,030,000)</u>	<u>(49,300,000)</u>
Net increase (decrease) in cash and cash equivalents	(133,904,111)	28,671,524
Cash and cash equivalents at beginning of the years	<u>306,469,635</u>	<u>277,798,111</u>
Cash and cash equivalents at end of the years	<u><u>172,565,524</u></u>	<u><u>306,469,635</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, 2014

1. GENERAL INFORMATION AND THE COMPANY'S OPERATION

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 principal business activities of the Company are factoring, hire purchase and leasing businesses.

The major shareholders as at December 31, 2014 and 2013 were IFS Capital Holdings (Thailand) Limited with 36.64% and IFS Capital Limited (registered in Singapore) with 36.49%. The major shareholder of IFS Capital Limited was Phillip Asset Pte. Ltd. (registered in Singapore) with 40.40% shareholding.

The status of the Company has been changed to that of a foreign Company after submitting 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.

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 (Revised 2012) "Presentation of Financial Statements", and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statement B.E. 2554".
- 2.3 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2014 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible assets

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2012)	Share - Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standards Interpretations ("TSIC")

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Disclosure - Service Concession Arrangements
TSIC 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies

Thai Financial Reporting Standard Interpretations (“TFRIC”) (Continue)

TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets Form Customers

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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2015 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard (TFRS), which is effective for the accounting period beginning on or after January 1, 2016 onwards as follow:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4 (Revised 2014)	Insurance Contracts
-----------------------	---------------------

The Company’s management will adopt the above TFRSs relevant to the Company in the preparation of the Company’s financial statements when they become 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 financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

Significant accounting policies adopted by the Company are summarized below:

3.1 Cash and cash equivalents

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

3.2 Income recognition

Factoring income is recognized on an accrual basis.

The hire purchase income is recognized using the effective interest rate method.

The finance lease income is recognized using the direct financing method of accounting, based on effective interest rate.

Interest on hire purchase and finance lease contract is recognized on an accrual basis, 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.

3.3 Accounts receivable

Factoring receivable is shown net of allowance for doubtful accounts.

Hire purchase receivable and lease contract receivable are stated at the outstanding hire purchase contract price and lease contract price after deducting unearned financing income and allowance for doubtful accounts.

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is an estimate of the debts which may prove to be uncollectible. Based on review of the current status of each receivable, the Company sets up the allowance for doubtful accounts as follows:

	Percentage of receivable
Overdue up to 3 months not over 6 months	20
Overdue up to 6 months not over 12 months	50
Overdue up to 12 months	100

In addition, the Company had determined to set up the allowance for doubtful accounts on a collective basis for factoring, hire purchase, lease contract receivables and inventory finance receivable which are classified as normal and overdue less than 3 months which have similar credit risk characteristics assessed based on the historical loss experience of each loan category (see Notes 5, 6, 7 and 8).

3.5 Temporary investments

Temporary investments represent investments in equity securities which are classified as security available for sale and are stated at fair value. Gain or loss on the change in fair value is presented as an item in equity. In case of an impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the statements of comprehensive income.

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 loss on impairment in the statements of comprehensive income.

3.7 Intangible assets and amortization

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 loss on impairment in the statements of comprehensive income.

3.8 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.

3.9 Employee benefits obligation

The Company provides provision regarding the severance pay under the Thai Labor Protection Act and long service awards payable to employees. The liability in respect of 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. Actuarial gains or losses will be recognized 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 16).

3.10 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 expenses are charged or credited in the statement 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.

3.11 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted average ordinary shares outstanding during the year. In case of a capital increase, the number of ordinary shares is weighted according to the time of subscription was received. The Company did not have any common share equivalents outstanding which would have a dilutive effect on basic earnings per share.

3.12 Accounting estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards and Practices generally accepted accounting in Thailand also requires the Company's management to exercise 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 expenses during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Plant and equipment for the years ended December 31, 2014 and 2013 are as follows:

	2014 Baht	2013 Baht
Other payable - equipment, beginning balance (included in other current liabilities)	30,603	-
<u>Add</u> Purchases of equipment	3,866,265	323,600
<u>Less</u> Cash paid for purchases of equipment	<u>(3,896,868)</u>	<u>(292,997)</u>
Other payable - equipment, ending balance (included in other current liabilities)	<u>-</u>	<u>30,603</u>

4.2 Intangible assets for the years ended December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Other payable - intangible assets, beginning balance (included in other current liabilities)	-	14,445
<u>Add</u> Purchases of intangible assets	2,528,399	188,427
<u>Less</u> Cash paid for purchases of intangible assets	<u>(88,799)</u>	<u>(202,872)</u>
Other payable - intangible asset, ending balance (included in other current liabilities)	<u>2,439,600</u>	<u>-</u>

4.3 Cash and cash equivalents as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	15,374,549	34,248,156
Cash at banks - savings accounts	157,160,975	272,191,479
	<u>172,565,524</u>	<u>306,469,635</u>

5. FACTORING RECEIVABLE, NET

Factoring receivable, net as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Factoring receivable	3,401,975,949	3,545,827,716
<u>Less</u> Allowance for doubtful accounts (*)	<u>(92,097,154)</u>	<u>(104,632,886)</u>
	3,309,878,795	3,441,194,830
<u>Less</u> Factoring payable	<u>(673,441,406)</u>	<u>(697,116,178)</u>
Factoring receivable, net	<u>2,636,437,389</u>	<u>2,744,078,652</u>

(*) As at December 31, 2014 and 2013, the Company has provided for the allowance for doubtful accounts on a collective basis for factoring receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 1,873,201 and Baht 2,059,604, respectively.

Factoring receivable as at December 31, 2014 and 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	2,060,922,617	2,317,230,760
Over due :		
Less than 3 months	1,244,029,902	1,129,667,028
3 - 6 months	6,769,378	10,087,235
6 - 12 months	2,231,089	-
Restructuring	6,616,133	14,419,793
Debtors subject to legal proceedings	81,406,830	74,422,900
	<u>3,401,975,949</u>	<u>3,545,827,716</u>

6. HIRE PURCHASE RECEIVABLE, NET

Hire purchase receivable, net as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Outstanding contract price	8,606,130	14,216,973
<u>Less</u> Unearned financing income	<u>(574,626)</u>	<u>(868,878)</u>
	8,031,504	13,348,095
<u>Less</u> Allowance for doubtful accounts (*)	<u>(63,672)</u>	<u>(123,212)</u>
	7,967,832	13,224,883
Due within one year	6,362,641	11,894,705
<u>Less</u> Unearned financing income	<u>(495,628)</u>	<u>(796,683)</u>
Current portion of hire purchase receivable, net	5,867,013	11,098,022
Hire purchase receivable, net	<u>2,100,819</u>	<u>2,126,861</u>

(*) As at December 31, 2014 and 2013, the Company has provided for the allowance for doubtful accounts on a collective basis for hire purchase receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 63,672 and Baht 123,212, respectively.

Hire purchase receivable as at December 31, 2014 and 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	<u>8,031,504</u>	<u>13,348,095</u>
	<u>8,031,504</u>	<u>13,348,095</u>

7. LEASE CONTRACT RECEIVABLE, NET

Lease contract receivable, net as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Outstanding contract price	565,536,642	767,539,921
<u>Less</u> Deposits on long-term lease contracts	(205,285,040)	(236,477,481)
<u>Less</u> Unearned financing income	(35,870,968)	(58,498,233)
	<u>324,380,634</u>	<u>472,564,207</u>
<u>Less</u> Allowance for doubtful accounts (*)	(7,772,401)	(9,988,410)
	<u>316,608,233</u>	<u>462,575,797</u>
Due within one year	258,951,955	282,945,725
<u>Less</u> Deposits on long-term lease contracts	(68,342,576)	(34,664,781)
<u>Less</u> Unearned financing income	(22,451,653)	(35,777,609)
Current portion of lease contract receivable, net	<u>168,157,726</u>	<u>212,503,335</u>
Lease contract receivable, net	<u>148,450,507</u>	<u>250,072,462</u>

(*) As at December 31, 2014 and 2013, the Company has provided for the allowance for doubtful accounts on a collective basis for lease contract receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 2,530,070 and Baht 4,309,689, respectively.

Lease contract receivable as at December 31, 2014 and 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	294,560,937	428,335,834
Overdue :		
Less than 3 months	19,005,398	32,616,084
3 - 6 months	1,466,271	-
6 - 12 months	540,304	2,933,568
Debtors subject to legal proceedings	<u>8,807,724</u>	<u>8,678,721</u>
	<u>324,380,634</u>	<u>472,564,207</u>

8. INVENTORY FINANCE RECEIVABLE, NET

Inventory finance receivable, net as at December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Inventory finance receivable	45,991,464	42,582,393
<u>Less</u> Allowance for doubtful accounts (*)	<u>(12,778,821)</u>	<u>(12,797,914)</u>
Inventory finance receivable, net	<u>33,212,643</u>	<u>29,784,479</u>

(*) As at December 31, 2014 and 2013, the Company has provided for the allowance for doubtful accounts on a collective basis, for inventory finance receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 56,917 and Baht 76,010, respectively.

Inventory finance receivable as at December 31, 2014 and 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	33,269,560	29,860,489
Overdue :		
Less than 3 months	-	10,000,000
Debtors subject to legal proceedings	<u>12,721,904</u>	<u>2,721,904</u>
	<u>45,991,464</u>	<u>42,582,393</u>

9. BANK DEPOSIT HELD AS COLLATERAL

As at December 31, 2014 and 2013, fixed deposit at bank of Baht 151,687 and Baht 148,379, respectively, have been pledged with a bank as security for issuing bank guarantees on behalf of the Company.

10. PLANT AND EQUIPMENT

Plant and equipment as at December 31, 2014 and 2013 consist of the following:

	Balance as at January 1, 2014 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2014 Baht
Cost				
Condominium	40,875,264	-	-	40,875,264
Furniture and fixtures	37,368,257	577,265	(43,256)	37,902,266
Vehicles	5,391,439	3,289,000	(514,000)	8,166,439
Total cost	<u>83,634,960</u>	<u>3,866,265</u>	<u>(557,256)</u>	<u>86,943,969</u>
Accumulated depreciation				
Condominium	(18,609,368)	(936,450)	-	(19,545,818)
Furniture and fixtures	(34,172,516)	(2,201,856)	43,253	(36,331,119)
Vehicles	(2,816,477)	(1,361,272)	514,000	(3,663,749)
Total accumulated depreciation	<u>(55,598,361)</u>	<u>(4,499,578)</u>	<u>557,253</u>	<u>(59,540,686)</u>
Plant and equipment	<u>28,036,599</u>			<u>27,403,283</u>
	Balance as at January 1, 2013 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2013 Baht
Cost				
Condominium	40,875,264	-	-	40,875,264
Furniture and fixtures	37,547,320	323,600	(502,663)	37,368,257
Vehicles	5,391,439	-	-	5,391,439
Total cost	<u>83,814,023</u>	<u>323,600</u>	<u>(502,663)</u>	<u>83,634,960</u>
Accumulated depreciation				
Condominium	(17,672,918)	(936,450)	-	(18,609,368)
Furniture and fixtures	(31,875,784)	(2,799,395)	502,663	(34,172,516)
Vehicles	(1,848,889)	(967,588)	-	(2,816,477)
Total accumulated depreciation	<u>(51,397,591)</u>	<u>(4,703,433)</u>	<u>502,663</u>	<u>(55,598,361)</u>
Plant and equipment	<u>32,416,432</u>			<u>28,036,599</u>
Depreciation for the years ended December 31,				
2014			Baht	<u>4,499,578</u>
2013			Baht	<u>4,703,433</u>

11. INTANGIBLE ASSETS

Intangible assets as at December 31, 2014 and 2013 were as following:

	Balance as at January 1, 2014 Baht	Additions Baht	Disposals/ Write-off Baht	Balance as at December 31, 2014 Baht
Cost				
Golf membership fee	150,000	-	-	150,000
Computer software	3,674,264	88,799	-	3,763,063
Computer software installation	-	2,439,600	-	2,439,600
Total cost	<u>3,824,264</u>	<u>2,528,399</u>	<u>-</u>	<u>6,352,663</u>
Accumulated amortization				
Computer software	(3,498,844)	(115,213)	-	(3,614,057)
Total accumulated amortization	<u>(3,498,844)</u>	<u>(115,213)</u>	<u>-</u>	<u>(3,614,057)</u>
Intangible assets	<u>325,420</u>			<u>2,738,606</u>
	Balance as at January 1, 2013 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2013 Baht
Cost				
Golf membership fee	150,000	-	-	150,000
Computer software	3,485,837	188,427	-	3,674,264
Total cost	<u>3,635,837</u>	<u>188,427</u>	<u>-</u>	<u>3,824,264</u>
Accumulated amortization				
Computer software	(3,376,550)	(122,294)	-	(3,498,844)
Total accumulated amortization	<u>(3,376,550)</u>	<u>(122,294)</u>	<u>-</u>	<u>(3,498,844)</u>
Intangible assets	<u>259,287</u>			<u>325,420</u>
Amortization for the years ended December 31,				
2014			Baht	<u>115,213</u>
2013			Baht	<u>122,294</u>

12. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Deferred tax assets	<u>55,279,514</u>	<u>55,760,712</u>

Deferred tax assets as at December 31, 2014 and 2013 consist of tax effects from the following items:

	As at December 31, 2013	Transactions recognized in the statement of comprehensive income	Transaction recognized in the Equity	As at December 31, 2014
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	25,508,485	(2,966,075)	-	22,542,410
Bad debt in process of litigation	4,432,658	266,901	-	4,699,559
Assets from lease contract	21,861,710	1,540,746	-	23,402,456
Employment benefits obligation	3,957,859	677,230	-	4,635,089
	<u>55,760,712</u>	<u>(481,198)</u>	<u>-</u>	<u>55,279,514</u>

	As at December 31, 2012	Transactions recognized in the statement of comprehensive Income	Transactions recognized in the Equity	As at December 31, 2013
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	17,693,791	7,814,694	-	25,508,485
Bad debt in process of litigation	4,926,648	(493,990)	-	4,432,658
Assets from lease contract	11,256,933	10,604,777	-	21,861,710
Unrealized gain on the change in value of investments				
- available-for-sale securities	2,389	-	(2,389)	-
Employment benefits obligation	4,340,855	624,049	(1,007,045)	3,957,859
	<u>38,220,616</u>	<u>18,549,530</u>	<u>(1,009,434)</u>	<u>55,760,712</u>

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Promissory notes	1,570,000,000	2,155,000,000

As at December 31, 2014 and 2013, the company have short-term loans from financial institutions which bear interest rate at 3.17% - 3.85% per annum and 3.40% - 3.85% per annum, respectively.

14. LONG-TERM LOANS

Long-term loans as at December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Long-term loans	560,840,000	450,420,000
<u>Less</u> Current portion of long-term loans	<u>(285,240,000)</u>	<u>(245,080,000)</u>
	<u>275,600,000</u>	<u>205,340,000</u>

As at December 31, 2014 and 2013, the company entered into long-term loans with several financial institutions at the floating interest rates 4.03% to 4.88% p.a. and 4.10% to 5.30% p.a. respectively, and are repayable quarterly installments, the last installment of such loans fall due in December 2017.

15. 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, 2014 and 2013, the Company's contributions included in selling and administrative expenses in the financial statements amounting to Baht 3.2 million and Baht 2.8 million, respectively.

16. EMPLOYEE BENEFITS OBLIGATION

The Company calculated employee benefits obligation by using actuarial technique. The assumptions at the reporting date consist of the following:

Discount rate (%)	4.18
Resignation rate (%) depending on age group of employees	4, 6, 9
Salary increase (%)	10
Retirement age (years)	60

Employee benefits obligation for the years ended December 31, 2014 and 2013 consist of the following:

	2014 Baht	2013 Baht
Provision for severance pay (see Note 16.1)	21,592,705	18,128,863
Provision for long service awards (see Note 16.2)	<u>1,582,737</u>	<u>1,660,429</u>
	<u>23,175,442</u>	<u>19,789,292</u>

16.1 Provision for severance pay

Change in the present value of provision for severance pay as at December 31, 2014 and 2013, is as follows:

	2014 Baht	2013 Baht
Present value of obligation, beginning balance	18,128,863	19,061,707
Cost of service - current period	2,706,082	2,366,689
Finance cost	757,760	632,424
Actuarial gains	-	(3,931,957)
Present value of obligation, ending balance	<u>21,592,705</u>	<u>18,128,863</u>

Provision for severance pay expenses recognized in the statement of income for the years ended December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Cost of service - current period	2,706,082	2,366,689
Finance cost	757,760	632,424
	<u>3,463,842</u>	<u>2,999,113</u>

Provision for severance pay expense (income) recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Actuarial gains	-	(3,931,957)
	<u>-</u>	<u>(3,931,957)</u>

16.2 Provision for long service awards

Change in the present value of provision for long service awards for the years ended December 31, 2014 and 2013 were as follows:

	2014 Baht	2013 Baht
Present value of obligation, beginning balance	1,660,429	2,642,565
Cost of service - current period	348,709	326,792
Finance cost	68,599	64,340
Benefits paid during the period	(495,000)	(270,000)
Actuarial gains	-	(1,103,268)
Present value of obligation, ending balance	<u>1,582,737</u>	<u>1,660,429</u>

Provision for long service awards expense recognized in the statement of income for the years ended December 31, 2014 and 2013 is as follows:

	2014 Baht	2013 Baht
Cost of service - current period	348,709	326,792
Finance Cost	68,599	64,340
	<u>417,308</u>	<u>391,132</u>

Provision for long service awards expense (income) recognized in other comprehensive income for the years ended December 31, 2014 and 2013 is as follows:

	2014 Baht	2013 Baht
Actuarial gains	-	(1,103,268)
	<u>-</u>	<u>(1,103,268)</u>

17. 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.

18. DIVIDENDS PAID

On April 8, 2014, the Ordinary Shareholder's Meeting passed a resolution to pay dividend of Baht 0.135 per share on 470,000,000 shares, totaling Baht 63.45 million. Such dividend was paid on May 6, 2014.

On April 19, 2013, the Ordinary Shareholder's Meeting passed a resolution to pay dividend of Baht 0.12 per share on 470,000,000 shares, totaling Baht 56.40 million. Such dividend was paid on May 15, 2013.

19. 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.

20. 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. On December 31, 2014 and 2013, the Company's financial statements show of 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, 2014 and 2013, the Company's financial statements showed compliance to the conditions as mentioned.

21. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2014 and 2013 consist of the following;

	2014 Baht	2013 Baht
Income tax expense from taxable income per income tax return	37,935,783	50,510,592
Deferred tax expenses relating to the origination and reversal of temporary differences	481,198	(18,549,530)
Income tax per the statements of income	<u>38,416,981</u>	<u>31,961,062</u>

The reconciliation between income tax - income (expense) and accounting income for the years ended December 31, 2014 and 2013 were follows:

	2014 Baht	2013 Baht
Accounting income before tax	176,533,732	157,040,837
Income tax at 20%	35,306,747	31,408,167
Tax effect of non-deductible expenses	3,110,234	552,895
Income tax per the statements of income	38,416,981	31,961,062
Deferred tax income (expense) relating to the origination and reversal of temporary differences	(481,198)	18,549,530
Income tax per the statements of income	<u>37,935,783</u>	<u>50,510,592</u>

The Company used tax rates of 20% for the corporate income tax calculation for the years ended December 31, 2014 and 2013 and deferred tax as at December 31, 2014 and 2013.

22. 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.

Balance with related companies as at December 31, 2014 and 2013 consist of the following;

	Relationship	2014 Baht	2013 Baht
Amount due from a related company			
IFS Capital Limited	Major Shareholder company	19,500	19,000
Amount due to a related company			
IFS Capital Limited	Major Shareholder company	-	19,326

Significant transactions with related parties for the years ended December 31, 2014 and 2013 were as follow:

	2014 Baht	2013 Baht
Management benefit expenses		
Short-term benefits	30,526,460	28,226,090
Post-employment benefits	1,451,768	1,293,593
Other long-term benefits	37,941	34,561
	<u>32,016,169</u>	<u>29,554,244</u>

23. COMMITMENTS

As at December 31, 2014 and 2013, the Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Total credit facilities	4,556,000,000	4,855,000,000

As at December 31, 2014 and 2013, the Company had utilized the letter of credit amounting to Baht 7.98 million and Baht 13.63 million, respectively, for factoring, hire purchase and leasing contracts. However, as at December 31, 2014 and 2013, the Company had unused such credit facilities with banks totaling Baht 2,078 million and Baht 1,795 million, respectively.

24. EXPENSES BY NATURE

Net profit for the years ended December 31, 2014 and 2013 were arrived at after charging the following items:

	2014 Baht	2013 Baht
Directors and management benefit expenses	32,016,169	29,554,244
Employee benefit expenses	49,218,898	45,935,929
Depreciation and amortization	4,614,791	4,825,727
Bad debts and doubtful accounts	2,011,089	39,961,791
Business tax	10,956,523	11,599,720
Professional fee	6,339,279	4,522,734
Finance cost	75,861,293	93,804,779

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 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, 2014 and 2013, 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, 2014 and 2013 were as follow:

	For the year ended December 31, 2014				For the year ended December 31, 2013			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Income from operations	315,679	39,838	-	355,517	325,013	50,407	-	375,420
Other income	16,483	639	-	17,122	26,760	957	-	27,717
Total income	332,162	40,477	-	372,639	351,773	51,364	-	403,137
Allowance for doubtful accounts (reversal)	2,952	(941)	-	2,011	37,412	2,549	-	39,961
operation expenses	105,390	12,843	-	118,233	98,018	14,312	-	112,330
Total operation expenses	108,342	11,902	-	120,244	135,430	16,861	-	152,291
Net income before finance cost and income tax	223,820	28,575	-	252,395	216,343	34,503	-	250,846
Finance cost	67,621	8,240	-	75,861	81,853	11,952	-	93,805
Income tax expenses	33,623	4,794	-	38,417	27,262	4,699	-	31,961
Net income for the years	122,576	15,541	-	138,117	107,228	17,852	-	125,080
Total assets	2,669,650	324,576	261,745	3,255,971	2,773,863	475,801	409,160	3,658,824

26. 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 impairment.

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, 2014 and 2013, financial assets and liabilities exposed to interest rate risk are as follows:

2014							
Outstanding balances of net financial instruments							
Repricing or maturity dates							
	Depend on	With in 1 year	1-5 years	No Interest	Total	Average interest rate	
	Market					Floating	Fixed
	Rate						
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%	%
Financial assets							
Cash and cash equivalents	172,566	157,161	-	15,405	172,566	0.37	-
Bank deposits held as collateral	152	-	152	-	152	-	1.50
Factoring receivable	2,636,437	2,636,437	-	-	2,636,437	9.29	-
Hire purchase receivable	7,968	5,867	2,101	-	7,968	-	10.43
Lease contract receivable	316,608	168,158	148,450	-	316,608	9.76	-
Inventory finance receivable	33,213	33,213	-	-	33,213	9.16	-
Financial liabilities							
Short-term loans	1,570,000	1,570,000	-	-	1,570,000	3.27	-
Long-term loans	560,840	285,240	275,600	-	560,840	4.24	-
2013							
Outstanding balances of net financial instruments							
Repricing or maturity dates							
	Depend on	With in 1 year	1-5 years	No Interest	Total	Average interest rate	
	Market					Floating	Fixed
	Rate						
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	%	%
Financial assets							
Cash and cash equivalents	306,470	272,192	-	34,278	306,470	0.49	-
Bank deposits held as collateral	148	-	148	-	148	-	2.25
Factoring receivable	2,744,079	2,744,079	-	-	2,744,079	9.31	-
Hire purchase receivable	13,225	11,098	2,127	-	13,225	-	11.03
Lease contract receivable	462,576	212,503	250,073	-	462,576	9.89	-
Inventory finance receivable	29,784	29,784	-	-	29,784	9.14	-
Financial liabilities							
Short-term loans	2,155,000	2,155,000	-	-	2,155,000	3.51	-
Long-term loans	450,420	245,080	205,340	-	450,420	4.43	-

Methods and assumptions in estimating fair value of financial instruments

Considerable judgment is necessarily in the estimation of fair values. Accordingly, the estimates presented herein are 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 value of financial instruments.

Cash and cash equivalents

The fair values are based on the amounts recognized in the statements of financial position.

Current investments

The fair value for listed securities are based on quoted market prices.

Factoring receivable

The fair value of factoring receivables bearing floating rates of interest are based on the amounts recognized in the statements of financial position.

Hire purchase and lease contract receivables

The fair values of hire purchase and lease contract receivables are estimated by using discounted cash flow analysis using interest rates currently being offered and average remaining years to maturity.

	As at December 31, 2014	
	Carrying Value	Fair Value
	Baht	Baht
Hire purchase and lease contract receivables including current portion	324,576,065	324,576,065
	As at December 31, 2013	
	Carrying Value	Fair Value
	Baht	Baht
Hire purchase and lease contract receivables including current portion	475,800,680	475,800,680

Inventory finance receivable

The fair value of inventory financial receivable which is short-term finance receivable, is based on the amounts recognized in the statements of financial position.

Short-term loans from financial institutions

The fair values of short-term loans from financial institutions bearing floating rates of interest are based on the amounts recognized in the statements of financial position.

Long-term loans

The fair value of long-term loans bearing fixed and floating rate of interest are based on the amounts recognized in the statements of financial position.

27. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on January 28, 2015.



IFS Capital (Thailand)
Public Company Limited
IFS 162/2015

16th February 2015

Subject: Resolutions of the Board of Directors' Meeting

To: The President
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited would like to inform you that the Board of Directors' Meeting No. 2/2015 held on 16th February 2015 passed the resolutions as follows:-

1. Approved the Audited Balance Sheet and the Profit and Loss Statements for the year ended 31st December 2014 and this would be proposed to the 2015 Annual General Meeting of Shareholders for approval.
2. Approved the appropriation of the net profit in the amount of Baht 6,905,838 as the legal reserve of the Company, approved the transfer of the net profit of the fiscal year ended 31st December 2014 after deducting the legal reserve to the unappropriated retained earnings and approved the payment of the dividend for the year 2014 at the rate of Baht 0.145 per share, for 470,000,000 shares, totaling Baht 68,150,000, to the Shareholders whose names appear in the Share Register Book by complying under Section 225 of the Securities and Exchange Act B.E. 2535 by closing the Share Register Book to suspend share transfers on 6th March 2015. The Record Date for the right to receive the Dividend will be on 5th March 2015 and the Dividend shall be paid on 18th May 2015. The Dividend Payment will be appropriated from the Retained Earnings of the Company which are subject to Corporate Income Tax of 30% therefore, Individual Shareholders will be entitled to a tax credit pursuant to Section 47 bis of the Revenue Code. This would be proposed to the 2015 Annual General Meeting of Shareholders for approval.

However, the right to receive dividend is not confirmed until approved by the 2015 Annual General Meeting of Shareholders.

3. Approved the resignation of Mr. Lua Too Swee from the Company's Board of Directors. This would be effective on 16th February 2015. Also, approved the appointment of Mr. Heng Hock Kiong as a Director of the Company, effective on 16th February 2015. Mr. Heng Hock Kiong would assume the office for the remaining term of which the resigning director whom he replaced was entitled.
4. Approved the re-election of 3 directors who retired by rotation this year for another term as follows:-
 - 1) Dr. Thamnoon Anathothai Deputy Chairman, Independent Director and the Chairman of the Audit Committee Member, the Compensation and Nomination Committee Member and the Risk Management Committee Member
 - 2) Mr. Singha Nikornpun Independent Directors, the Audit Committee Member and the Risk Management Committee Member.
 - 3) Mr. Niphat Chamroonrat Director and Chairman of the Compensation and Nomination Committee

This would be proposed to the 2015 Annual General Meeting of Shareholders for approval.

5. Approved the remuneration of directors for the year 2015 and this would be proposed to the 2015 Annual General Meeting of Shareholders for approval as follows:-

5.1 Adoption of the existing remuneration structure of directors of the Company for the year 2015 as below:

Board of Directors' Meeting

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	100,000	25,000/meeting
Deputy 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

20th Floor Lumpini Tower, 1168/55 Rama IV Road, Tungmahamek, Sathon, Bangkok 10120 www.ifscapthai.com โทร 010755000033

ชั้น 20 อาคารลุมพินีทาวเวอร์ 1168/55 ถนนพระราม 4 แขวงคลองตันเหนือ เขตสาทร กรุงเทพมหานคร 10120 โทรศัพท์ 66 (2) 285-6326-32, (2) 679-9140-4 โทรสาร 66 (2) 285-6335, (2) 679-9159

IFS - 001

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

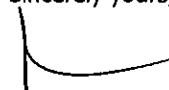
5.2 Approved the payment of bonus totaling Baht 2,187,500 to the following directors of the Company:

	<u>Baht</u>
1. Mr. Lee Soon Kie	625,000.00
2. Dr. Thamnoon Ananthothai	312,500.00
3. Mr. Niphat Chamroonrat	312,500.00
4. Mr. Suvait Theeravachirakul	312,500.00
5. Mr. Singha Nikornpun	312,500.00
6. Mr. Lua Too Swee	312,500.00
7. Mr. Tan Ley Yen	-
	<u>2,187,500.00</u>

6. Approved the appointment of Ms. Nisakorn Songmanee, Certified Public Accountant No. 5035 and/or Mr. Permsak Wongpatcharapakorn, Certified Public Accountant No. 3427 and/or Dr. Suphamit Techamontrikul, Certified Public Accountant No. 3356 of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be Auditors of the Company for the year ended 31st December 2015 and fixed the total remuneration of Baht 1,955,000 (excluding out-of pocket expenses and group reporting). This would be proposed to the 2015 Annual General Meeting of Shareholders for approval.
7. Approved the convocation of the 2015 Annual General Meeting of Shareholders as follows:-
- 7.1 The 2015 Annual General Meeting of Shareholders would be held on Monday 20th April 2015 at 2.00 p.m. at the Infinity I Room, 7th Floor the AETAS Lumpini Hotel, 1030/4 Rama IV Road, Thungmahamek, Sathorn, Bangkok 10120, Thailand to consider the following agenda:-
1. To certify the Minutes of the 2014 Annual General Meeting of Shareholders;
 2. To acknowledge the Annual Report of the Board of Directors and the operating results for the year 2014;
 3. To consider and approve the Balance Sheet and the Profit and Loss Statements for the fiscal year ended 31st December 2014;
 4. To consider and approve the appropriation of the net profit and dividend payment for the year 2014;
 5. To consider and approve the election of the directors to replace the directors who retire by rotation;
 6. To consider and approve the determination of the remuneration of the directors;
 7. To consider and approve the appointment of the auditors and the determination of the remuneration of the auditors for the year 2015;
 8. To consider other matters (if any).
- 7.2 The date on which the recorded shareholders have the right to attend the 2015 Annual General Meeting of Shareholders (Record Date) was determined on 5th March 2015, and the closing date on which name list of shareholders was compiled under Section 225 of the Securities and Exchange Act B.E. 2535 by closing the Share Register Book to suspend share transfer would be determined on 6th March 2015.
- 7.3 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 2015 Annual General Meeting of Shareholders as deem appropriate.

Please be informed accordingly.

Sincerely yours,



(Mr. Tan Ley Yen)
Director and CEO