

IFS 308/2016

3<sup>rd</sup> August 2016

Subject: Explanation of the Operating Results for Quarter 2/2016

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 2/2016 ended 30<sup>th</sup> June 2016 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)

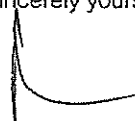
	Quarter 2 ended 30 <sup>th</sup> June				For Six-Month Period ended 30 <sup>th</sup> June			
	2016	2015	Increase / (decrease)	% Change	2016	2015	Increase / (decrease)	% Change
<b>Revenues</b>								
Factoring Income	60.67	59.50	1.17	1.97	118.67	118.71	(0.05)	(0.04)
Hire Purchase Income	0.05	0.19	(0.13)	(70.93)	0.15	0.39	(0.24)	(61.73)
Finance Lease Income	5.84	6.54	(0.70)	(10.70)	11.33	13.72	(2.40)	(17.46)
Factoring Commission and Service Fee	20.75	19.65	1.09	5.56	40.19	39.63	0.56	1.41
Other Income	5.62	5.47	0.15	2.72	11.74	8.84	2.90	32.84
<b>Total Revenues</b>	<b>92.94</b>	<b>91.35</b>	<b>1.58</b>	<b>1.73</b>	<b>182.08</b>	<b>181.29</b>	<b>0.78</b>	<b>0.43</b>
<b>Expenses</b>								
Selling Expenses	3.46	3.99	(0.54)	(13.43)	6.93	7.72	(0.79)	(10.25)
Administrative Expenses	22.15	18.24	3.91	21.43	42.88	36.04	6.84	18.98
Management Benefit Expenses	9.31	9.26	0.06	0.62	16.97	16.50	0.47	2.84
Allowance Made (Reversal) for Doubtful Accounts	(0.16)	6.47	(6.63)	(102.54)	(0.77)	14.56	(15.33)	(105.30)
<b>Total Expenses</b>	<b>34.75</b>	<b>37.96</b>	<b>(3.20)</b>	<b>(8.44)</b>	<b>66.01</b>	<b>74.83</b>	<b>(8.81)</b>	<b>(11.78)</b>
<b>Profit before Finance Cost and Income Tax Expenses</b>	<b>58.18</b>	<b>53.40</b>	<b>4.79</b>	<b>8.97</b>	<b>116.06</b>	<b>106.47</b>	<b>9.59</b>	<b>9.01</b>
Finance cost	15.37	17.16	(1.79)	(10.41)	29.85	35.27	(5.42)	(15.36)
<b>Profit before Income Tax Expenses</b>	<b>42.81</b>	<b>36.24</b>	<b>6.57</b>	<b>18.14</b>	<b>86.21</b>	<b>71.20</b>	<b>15.01</b>	<b>21.08</b>
Income Tax	8.42	7.84	0.58	7.33	18.21	14.93	3.29	22.01
<b>Net Profit</b>	<b>34.39</b>	<b>28.40</b>	<b>5.99</b>	<b>21.12</b>	<b>68.00</b>	<b>56.28</b>	<b>11.73</b>	<b>20.84</b>

#### Quarterly to Quarterly Analysis

For the 2<sup>nd</sup> quarter of 2016, the Company reported Net Profit of Baht 34.39 million, an increase of Baht 5.99 million or 21% from the same period last year. The reasons for the increase in the Company's Net Profit were lower provision for doubtful debts of Baht 6.63 million due to robust credit risk management and higher net interest margin (NIM) of 8%. For the year-to-date ended 30<sup>th</sup> June 2016, the Company reported Net Profit of Baht 68 million, an increase of Baht 11.73 million or 21% from the same period last year, and Earnings Per Share (EPS) also showed an increase to Baht 0.14 per share (YTD Q2/2015: Baht 0.12 per share) or an increase of 17%.

Please be informed accordingly.

Sincerely yours,



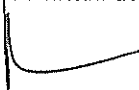
(Mr. Tan Ley Yen)  
Director and CEO

**Headline:** Reviewed Quarter 2 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 2			
The Company Financial Statement				(In thousands)
	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2016	2015	2016	2015
Net profit (loss)	34,395	28,396	68,002	56,276
EPS (baht)	0.07	0.06	0.14	0.12
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 Chief Executive Officer				
Authorized to sign on behalf of the company				

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

**TO THE BOARD OF DIRECTORS**

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at June 30, 2016 and the related statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2016, changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

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

**BANGKOK**  
August 3, 2016

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

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

UNIT : BAHT

		"Unaudited"	
	Notes	As at June 30, 2016	As at December 31, 2015
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		237,395,389	227,228,991
Factoring receivables	5	2,756,889,846	2,745,463,284
Current portion of hire purchase receivables	6	1,251,906	3,671,467
Current portion of lease contract receivables	7	108,183,527	117,089,833
Inventory finance receivables	8	76,467,039	74,376,817
Amounts due from related companies	13	24,098	43,991
Properties foreclosed	3	4,928,913	-
Other current assets		3,439,506	1,605,079
Total Current Assets		<u>3,188,580,224</u>	<u>3,169,479,462</u>
<b>NON-CURRENT ASSETS</b>			
Bank deposits held as collateral		154,934	154,168
Hire purchase receivables	6	-	259,267
Lease contract receivables	7	141,375,688	127,156,719
Plant and equipment		54,522,674	56,438,093
Investment property	9	73,002,850	32,104,981
Intangible assets		5,878,890	4,406,770
Deferred tax assets		51,499,055	55,315,275
Other non-current assets		764,817	466,670
Total Non-current Assets		<u>327,198,908</u>	<u>276,301,943</u>
<b>TOTAL ASSETS</b>		<u><u>3,515,779,132</u></u>	<u><u>3,445,781,405</u></u>

See condensed notes to the financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT JUNE 30, 2016**

**UNIT : BAHT**

		<b>"Unaudited"</b>	
	<b>Notes</b>	<b>As at June 30, 2016</b>	<b>As at December 31, 2015</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term loans from financial institutions	10	2,065,000,000	2,010,000,000
Current portion of long-term loans	11	166,500,000	172,100,000
Amounts due to a related company	13	-	50,041
Other current liabilities		52,675,200	43,396,270
Total Current Liabilities		<u>2,284,175,200</u>	<u>2,225,546,311</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	11	109,500,000	103,500,000
Employee benefits obligation		29,687,178	27,319,067
Total Non-current Liabilities		<u>139,187,178</u>	<u>130,819,067</u>
<b>TOTAL LIABILITIES</b>		<u>2,423,362,378</u>	<u>2,356,365,378</u>
<b>SHAREHOLDERS' EQUITY</b>			
<b>SHARE CAPITAL</b>			
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
<b>ADDITIONAL PAID-UP CAPITAL</b>			
Premium on ordinary shares		31,746,399	31,746,399
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve		47,000,000	47,000,000
Unappropriated		543,670,355	540,669,628
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>1,092,416,754</u>	<u>1,089,416,027</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>3,515,779,132</u>	<u>3,445,781,405</u>

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 JUNE 30, 2016**  
**"UNAUDITED"**

UNIT : BAHT

	Notes	2016	2015
<b>REVENUES</b>			
Factoring income		60,670,600	59,496,506
Hire purchase income		54,425	187,213
Finance lease income		5,841,252	6,541,171
Factoring commission and service fees		20,746,573	19,653,609
Other income		5,622,649	5,473,597
Total Revenues		<u>92,935,499</u>	<u>91,352,096</u>
<b>EXPENSES</b>			
Selling expenses		3,455,870	3,992,034
Administrative expenses		22,146,244	18,238,581
Management benefit expenses	13	9,314,550	9,257,063
Allowance for doubtful accounts (reverse)		(164,345)	6,468,253
Total Expenses		<u>34,752,319</u>	<u>37,955,931</u>
<b>INCOME BEFORE FINANCE COST AND</b>			
INCOME TAX EXPENSES		58,183,180	53,396,165
FINANCE COST		<u>15,369,168</u>	<u>17,155,527</u>
INCOME BEFORE INCOME TAX EXPENSES		42,814,012	36,240,638
INCOME TAX EXPENSE		<u>8,419,238</u>	<u>7,844,180</u>
<b>PROFIT FOR THE PERIODS</b>		<u><u>34,394,774</u></u>	<u><u>28,396,458</u></u>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	0.07	0.06
<b>WEIGHTED AVERAGE NUMBER OF</b>			
<b>ORDINARY SHARES</b>	<b>SHARES</b>	470,000,000	470,000,000

See condensed notes to the financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**  
**"UNAUDITED"**

		UNIT : BAHT	
	Notes	2016	2015
<b>REVENUES</b>			
Factoring income		118,665,148	118,710,247
Hire purchase income		148,128	387,101
Finance lease income		11,326,613	13,722,403
Factoring commission and service fees		40,191,954	39,632,399
Other income		11,744,601	8,841,321
Total Revenues		<u>182,076,444</u>	<u>181,293,471</u>
<b>EXPENSES</b>			
Selling expenses		6,930,308	7,722,150
Administrative expenses		42,883,090	36,041,825
Management benefit expenses	13	16,971,601	16,503,353
Allowance for doubtful accounts (reverse)		<u>(771,088)</u>	<u>14,557,964</u>
Total Expenses		<u>66,013,911</u>	<u>74,825,292</u>
<b>INCOME BEFORE FINANCE COST AND</b>			
INCOME TAX EXPENSE		116,062,533	106,468,179
FINANCE COST		<u>29,849,625</u>	<u>35,266,303</u>
INCOME BEFORE INCOME TAX EXPENSE		86,212,908	71,201,876
INCOME TAX EXPENSE		<u>18,211,181</u>	<u>14,925,704</u>
<b>PROFIT FOR THE PERIODS</b>		<u><u>68,001,727</u></u>	<u><u>56,276,172</u></u>
<b>BASIC EARNINGS PER SHARE</b>			
	BAHT	0.14	0.12
<b>WEIGHTED AVERAGE NUMBER OF</b>			
ORDINARY SHARES	SHARES	470,000,000	470,000,000

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016  
"UNAUDITED"

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings Appropriated Legal Reserve	Unappropriated	Total Shareholders' Equity
<b>Beginning balance as at</b>						
January 1, 2015		470,000,000	31,746,399	44,362,189	493,341,971	1,039,450,559
<b>Changes during the period</b>						
Total comprehensive income		-	-	-	56,276,172	56,276,172
Dividends paid	12	-	-	-	(68,150,000)	(68,150,000)
<b>Ending balance as at</b>						
June 30, 2015		<u>470,000,000</u>	<u>31,746,399</u>	<u>44,362,189</u>	<u>481,468,143</u>	<u>1,027,576,731</u>
<b>Beginning balance as at</b>						
January 1, 2016		470,000,000	31,746,399	47,000,000	540,669,628	1,089,416,027
<b>Changes during the period</b>						
Total comprehensive income		-	-	-	68,001,727	68,001,727
Dividends paid	12	-	-	-	(65,001,000)	(65,001,000)
<b>Ending balance as at</b>						
June 30, 2016		<u>470,000,000</u>	<u>31,746,399</u>	<u>47,000,000</u>	<u>543,670,355</u>	<u>1,092,416,754</u>

See condensed notes to the financial statements



IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

"UNAUDITED"

UNIT : BAHT

	Notes	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax expenses		86,212,908	71,201,876
Adjustments for :			
Allowance for doubtful accounts (reverse)		(771,088)	14,557,964
Gain from sales of fixed assets		-	(373,832)
Interest expenses		29,625,885	34,819,046
Employment benefits expense		2,368,111	2,132,277
Depreciation and amortization		4,611,515	3,181,659
		<u>122,047,331</u>	<u>125,518,990</u>
Operating assets (increase) decrease			
Factoring receivable		(10,060,605)	49,381,511
Hire purchase receivable		2,707,369	880,374
Lease contract receivable		(6,036,505)	60,076,242
Inventory finance receivable		(1,989,790)	6,480,619
Amount due from a related company		19,893	(5,041)
Other current assets		(1,788,997)	635,675
Properties foreclosed		(4,928,913)	-
Fixed deposits pledged as collateral		(766)	(1,013)
Non-other current assets		(298,147)	(509,797)
Operating liabilities increase (decrease)			
Amount due to a related company		(50,041)	79,629
Other current liabilities		9,729,247	(18,970,167)
Cash paid for operating activities		<u>109,350,076</u>	<u>223,567,022</u>
Interest expense paid		(30,467,592)	(35,786,867)
Income tax paid		<u>(14,010,599)</u>	<u>(17,857,434)</u>
Net cash provided by operating activities		<u>64,871,885</u>	<u>169,922,721</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016  
"UNAUDITED"

UNIT : BAHT

	Notes	2016	2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchases of plant and equipment	4.1	(827,439)	(67,677,783)
Cash paid for purchases of investment property		(41,792,375)	-
Cash paid for purchases of intangible assets	4.2	(2,484,673)	(3,368,655)
Cash received from sale of fixed assets		-	373,832
Net cash used in investing activities		<u>(45,104,487)</u>	<u>(70,672,606)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash paid for short-term loans			
to financial institutions		(5,470,000,000)	(6,650,000,000)
Cash received from short-term loans			
from financial institutions		5,525,000,000	6,815,000,000
Cash paid for long-term loans			
to financial institutions		(99,600,000)	(149,040,000)
Cash received for long-term loans			
to financial institutions		100,000,000	-
Cash paid for dividend		<u>(65,001,000)</u>	<u>(68,150,000)</u>
Net cash used in financing activities		<u>(9,601,000)</u>	<u>(52,190,000)</u>
Net increase in cash and cash equivalents		10,166,398	47,060,115
Cash and cash equivalents at beginning of the periods		<u>227,228,991</u>	<u>172,565,524</u>
<b>Cash and cash equivalents at end of the periods</b>	4.3	<u><u>237,395,389</u></u>	<u><u>219,625,639</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 AND SIX-MONTH PERIODS ENDED JUNE 30, 2016**  
**“UNAUDITED”**

**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 20<sup>th</sup> 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 are IFS Capital Holdings (Thailand) Limited with 36.64% and IFS Capital Limited (registered in Singapore) with 36.49% shareholdings. The major shareholder of IFS Capital Limited is Phillip Asset Pte. Ltd. (registered in Singapore) with 40.89% shareholding.

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, 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, the Company had obtained the approval from the Department of Business Development.

**2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

- 2.2 The statements of financial position as at December 31, 2015, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2016 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. In addition, the interim financial statements for the three-month and six-month periods ended June 30, 2016 should be read in conjunction with the audited financial statements for the year ended December 31, 2015.
- 2.5 The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to exercise judgment in order to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.
- 2.6 Adoption of new and revised Thai Financial Reporting Standards  
The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) (Revised 2015) which are effective for the financial statements for the periods beginning on or after January 1, 2016. The Company has adopted such TFRSs from January 1, 2016 which have no material impact on these financial statements

### **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, 2015, except that the Company has adopt the new and revised Thai Financial Reporting Standards (TFRSs) that are effective for the financial statement for the period beginning on or after January 1, 2016. However, such TFRSs have no material impact on these financial statements as described in Note 2.6 and accounting policy as follow:

#### **Properties foreclosed**

Properties foreclosed are stated at the lower of the net carrying value of the receivable or net realizable value.

Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in the statements of profit or loss and other comprehensive income when the disposal is made. Impairment loss (if any) is recognized as expense in the statements of profit or loss and other comprehensive income.

#### 4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Plant and equipment for the six-month periods ended June 30, 2016 and 2015 are as follows:

	<b>2016 Baht</b>	<b>2015 Baht</b>
Other payable - plant and equipment, beginning balance (included in other current liabilities)	40,981	-
<u>Add</u> Purchases of plant and equipment	832,371	67,852,193
<u>Less</u> Cash paid for purchases of plant and equipment	<u>(827,439)</u>	<u>(67,677,783)</u>
Other payable - plant and equipment, ending balance (included in other current liabilities)	<u>45,913</u>	<u>174,410</u>

4.2 Intangible assets for the six-month periods ended June 30, 2016 and 2015 are as follows:

	<b>2016 Baht</b>	<b>2015 Baht</b>
Other payable - intangible assets, beginning balance (included in other current liabilities)	43,335	2,439,600
<u>Add</u> Purchases of intangible assets	2,441,338	929,055
<u>Less</u> Cash paid for purchases of intangible assets	<u>(2,484,673)</u>	<u>(3,368,655)</u>
Other payable - intangible asset, ending balance (included in other current liabilities)	<u>-</u>	<u>-</u>

4.3 Cash and cash equivalents as at June 30, 2016 and 2015 consist of the following:

	<b>2016 Baht</b>	<b>2015 Baht</b>
Cash on hands	30,000	30,000
Cash at banks - current accounts	22,245,486	8,677,550
Cash at banks - savings accounts	<u>215,119,903</u>	<u>210,918,089</u>
	<u>237,395,389</u>	<u>219,625,639</u>

## 5. FACTORING RECEIVABLES

Factoring receivables as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Factoring receivables	3,599,038,964	3,545,848,422
<u>Less</u> Allowance for doubtful accounts (*)	<u>(117,326,410)</u>	<u>(118,692,367)</u>
	3,481,712,554	3,427,156,055
<u>Less</u> Factoring payables	<u>(724,822,708)</u>	<u>(681,692,771)</u>
Factoring receivables, net	<u>2,756,889,846</u>	<u>2,745,463,284</u>

(\*) As at June 30, 2016 and December 31, 2015, 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 3,671,546 and Baht 5,639,761, respectively.

Factoring receivables as at June 30, 2016 and December 31, 2015 were classified by aging as follows:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Current	2,607,646,439	2,528,118,337
Overdue :		
Not more than 3 months	874,344,531	879,756,207
Over 3 months but not more than 6 months	3,995,139	8,704,262
Over 6 months but not more than 12 months	288,279	1,337,008
More than 12 months	-	33,169,902
Debtors subject to legal proceedings	112,764,576	94,762,706
	<u>3,599,038,964</u>	<u>3,545,848,422</u>

## 6. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Outstanding contract price	1,303,166	4,158,664
<u>Less</u> Unearned financing income	<u>(48,235)</u>	<u>(196,364)</u>
	1,254,931	3,962,300
<u>Less</u> Allowance for doubtful accounts (*)	<u>(3,025)</u>	<u>(31,566)</u>
	1,251,906	3,930,734
Due within one year	1,303,166	3,861,491
<u>Less</u> Unearned financing income	<u>(48,235)</u>	<u>(190,024)</u>
<u>Less</u> Allowance for doubtful account	<u>(3,025)</u>	<u>-</u>
Current portion of hire purchase receivables, net	1,251,906	3,671,467
Hire purchase receivables, net	<u>-</u>	<u>259,267</u>

(\*) As at June 30, 2016 and December 31, 2015, 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 3,025 and Baht 31,566, respectively.

Hire purchase receivables as at June 30, 2016 and December 31, 2015 were classified by aging as follows:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Current	<u>1,254,931</u>	<u>3,962,300</u>

## 7. LEASE CONTRACT RECEIVABLES

Lease contract receivables as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Outstanding contract price	440,837,395	443,016,887
<u>Less</u> Deposits on long-term lease contracts	(153,045,760)	(163,373,667)
<u>Less</u> Unearned financing income	(30,667,558)	(28,429,323)
	<u>257,124,077</u>	<u>251,213,897</u>
<u>Less</u> Allowance for doubtful accounts (*)	(7,564,862)	(6,967,345)
	<u>249,559,215</u>	<u>244,246,552</u>
Due within one year	172,590,079	197,561,354
<u>Less</u> Deposits on long-term lease contracts	(47,292,342)	(64,500,949)
<u>Less</u> Unearned financing income	(17,114,210)	(15,970,572)
Current portion of lease contract receivables, net	<u>108,183,527</u>	<u>117,089,833</u>
Lease contract receivables, net	<u>141,375,688</u>	<u>127,156,719</u>

(\*) As at June 30, 2016 and December 31, 2015, 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 603,090 and Baht 1,961,457 respectively.

Lease contract receivables as at June 30, 2016 and December 31, 2015 were classified by aging as follows:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Current	232,434,822	224,800,532
Overdue :		
Not more than 3 months	11,408,813	4,206,030
Over 3 months but not more than 6 months	279,393	11,604,599
Over 6 months but not more than 12 months	3,712,508	4,685,598
Debtors subject to legal proceedings	9,288,541	5,917,138
	<u>257,124,077</u>	<u>251,213,897</u>



## 8. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Inventory finance receivables	89,188,943	87,199,153
<u>Less</u> Allowance for doubtful accounts (*)	<u>(12,721,904)</u>	<u>(12,822,336)</u>
Inventory finance receivables, net	<u>76,467,039</u>	<u>74,376,817</u>

(\*) As at June 30, 2016 and December 31, 2015, 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 which amounted to Baht 100,432 (as at June 30, 2016: Nil).

Inventory finance receivables as at June 30, 2016 and December 31, 2015 were classified by aging as follows:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Current	76,467,039	74,477,249
Debtors subject to legal proceedings	<u>12,721,904</u>	<u>12,721,904</u>
	<u>89,188,943</u>	<u>87,199,153</u>

## 9. INVESTMENT PROPERTY

On June 27, 2016, the Company entered into purchase agreement of condominium with an other company amounting to Baht 41.55 million. The condominium has been transferred rights of ownership in June 2016 include was transferred an existing lease agreement from other company in the same month. The Company recognized such condominium as a part of investment property.

## 10. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Promissory notes	<u>2,065,000,000</u>	<u>2,010,000,000</u>

As at June 30, 2016 and December 31, 2015, the company have short-term loans from financial institutions bearing interest rates at 2.60% to 3.05% per annum and 2.62% to 3.35% per annum, respectively.

## 11. LONG-TERM LOANS

Long-term loans from financial institutions as at June 30, 2016 and December 31, 2015 consist of the following:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Long-term loans	276,000,000	275,600,000
Current portion of long-term loans	(166,500,000)	(172,100,000)
	<u>109,500,000</u>	<u>103,500,000</u>

As at June 30, 2016 and December 31, 2015, the company entered into long-term loans with financial institutions at the floating interest rates 3.44% to 4.40% p.a. and 3.48% to 4.63% p.a. respectively, and are repayable quarterly installments, the last installment of such loans fall due in June 2019.

## 12. DIVIDENDS PAID

On April 22, 2016, the ordinary Shareholder's meeting passed a resolution to pay dividend of Baht 0.1383 per share on 470,000,000 shares, totaling Baht 65.00 million. Such dividend was paid on May 19, 2016.

On April 20, 2015, the ordinary Shareholder's meeting passed a resolution to pay dividend of Baht 0.145 per share on 470,000,000 shares, totaling Baht 68.15 million. Such dividend was paid on May 18, 2015.

## 13. RELATED PARTY TRANSACTIONS

The accompanying financial statements include certain transactions with related companies. The relationship may be that of shareholding or the companies may have the same group of shareholders or directors. The financial statements reflect the effects of these transactions in the normal business practice, and the price rates, interest rates, terms and conditions are considered to be at arms length, for related party as at the date received by the Board or the shareholders approved.

Balance with related companies as at June 30, 2016 and December 31, 2015 consist of the following:

	Relationship	2016 Baht	2015 Baht
Amount due from related companies			
IFS Capital Limited	Major Shareholder company	24,098	43,791
IFS Capital Holdings (Thailand) Limited	Related company	-	200
		<u>24,098</u>	<u>43,991</u>
Amount due to a related company			
IFS Capital Limited	Major Shareholder company	-	50,041

Significant transactions with related parties for the three-month and six-month periods ended June 30, 2016 and 2015 are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Management benefit expenses				
Short-term benefits	8,878,700	8,864,230	16,099,900	15,715,960
Post-employment benefits	423,343	385,051	846,686	770,103
Other long-term benefits	12,507	7,782	25,015	17,290
	<u>9,314,550</u>	<u>9,257,063</u>	<u>16,971,601</u>	<u>16,503,353</u>

#### 14. COMMITMENTS

As at June 30, 2016 and December 31, 2015, the Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Total credit facilities	<u>4,717,000,000</u>	<u>4,721,000,000</u>

As at June 30, 2016 and December 31, 2015, the Company has utilized the letter of credit amounting to Baht 7.91 million and Baht 17.60 million, respectively, for factoring, hire purchase and leasing contract. However, as at June 30, 2016 and December 31, 2015, the Company has unused such credit facilities with banks totaling Baht 1,844 million and Baht 1,877 million, respectively.

#### 15. 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 three-month and six-month periods ended June 30, 2016 and 2015, there is no revenue from a single external customer contributed 10% or more to the Company's total revenue.

The financial statements by business segment for the three-month and six month periods ended June 30, 2016 and 2015 were as follow:

Unit : Baht '000

	For the three-month periods ended June 30,							
	2016				2015			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	81,417	5,896	-	87,313	79,151	6,728	-	85,879
Other income	5,417	205	-	5,622	5,203	270	-	5,473
Total income	86,834	6,101	-	92,935	84,354	6,998	-	91,352
Allowance for doubtful accounts (reverse)	(1,241)	1,077	-	(164)	6,773	(305)	-	6,468
Selling and administrative expenses	32,619	2,297	-	34,916	29,068	2,420	-	31,488
Total operation expenses	31,378	3,374	-	34,752	35,841	2,115	-	37,956
Net income before finance cost and income tax	55,456	2,727	-	58,183	48,513	4,883	-	53,396
Finance cost	14,359	1,010	-	15,369	15,846	1,310	-	17,156
Income tax expenses	7,980	439	-	8,419	6,322	1,522	-	7,844
Net income for the periods	33,117	1,278	-	34,395	26,345	2,051	-	28,396

Unit : Baht '000

	For the six-month periods ended June 30,							
	2016				2015			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	158,857	11,475	-	170,332	158,343	14,109	-	172,452
Other income	10,698	1,046	-	11,744	8,497	344	-	8,841
Total income	169,555	12,521	-	182,076	166,840	14,453	-	181,293
Allowance for doubtful accounts (reverse)	(1,466)	695	-	(771)	15,313	(755)	-	14,558
Selling and administrative expenses	62,192	4,593	-	66,785	55,463	4,804	-	60,267
Total operation expenses	60,726	5,288	-	66,014	70,776	4,049	-	74,825
Net income before finance cost and income tax	108,829	7,233	-	116,062	96,064	10,404	-	106,468
Finance cost	27,797	2,053	-	29,850	32,455	2,811	-	35,266
Income tax expenses	15,725	2,486	-	18,211	12,199	2,727	-	14,926
Net income for the periods	65,307	2,694	-	68,001	51,410	4,866	-	56,276

Unit : Baht '000							
	As at June 30, 2016			Total	As at December 31, 2015		
	Factoring business	Hire purchase and Leasing business	Others		Factoring business	Hire purchase and Leasing business	Others
Total assets	<u>2,833,357</u>	<u>250,811</u>	<u>431,611</u>	<u>3,515,779</u>	<u>2,819,840</u>	<u>248,177</u>	<u>377,764</u>
							<u>3,445,781</u>

#### 16. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on August 3, 2016.