

Headline: Reviewed financial performance Quarter 3 (F45)
Security Symbol: IFS

Announcement Details

Financial Statement (F45)

Company name IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

Quarter Quarter 3

(In thousands)

Financial Statement

	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the Company *	43,044	48,259	180,510	127,492
EPS (baht)	0.09	0.10	0.37	0.26

Type of report Unqualified opinion

*For consolidated financial statements

Please review financial statement (Full Version) before making investment decision

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (SET Portal)."

Signature 

(Mr. Tan Ley Yen)

Chief Executive Officer

Authorized Persons to Disclose Information

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

TO THE BOARD OF DIRECTORS

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at September 30, 2019 and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, the related statements of changes in shareholders' equity and cash flows for nine-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
November 5, 2019

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

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

UNIT : BAHT

		"Unaudited"	
	Notes	As at September 30, 2019	As at December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		428,477,521	362,988,332
Factoring receivables	5	2,964,823,296	3,411,563,939
Current portion of hire purchase receivables	6	3,909,691	7,829,491
Current portion of lease contract receivables	7	94,400,420	96,011,331
Inventory finance receivables	8	164,959,655	151,149,729
Amount due from related companies	12	-	19,550
Other current assets		4,529,746	2,785,202
Total Current Assets		3,661,100,329	4,032,347,574
NON-CURRENT ASSETS			
Bank deposits held as collateral		161,183	159,447
Hire purchase receivables	6	-	562,475
Lease contract receivables	7	101,402,899	93,409,635
Plant and equipment	9	29,229,155	55,881,414
Investment properties	9	68,505,137	49,848,686
Other intangible assets		493,949	1,157,006
Deferred tax assets		34,795,776	50,281,026
Other non-current assets		893,487	805,875
Total Non-current Assets		235,481,586	252,105,564
TOTAL ASSETS		3,896,581,915	4,284,453,138

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

UNIT : BAHT

		"Unaudited"	
	Notes	As at	As at
		September 30,	December 31,
		2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	10	2,140,000,000	2,585,000,000
Current portion of long-term borrowings			
from financial institutions	11	129,360,000	116,000,000
Other current liabilities		64,650,871	90,360,679
Total Current Liabilities		<u>2,334,010,871</u>	<u>2,791,360,679</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	11	69,960,000	92,000,000
Provisions for employee benefits		31,056,609	36,153,940
Other non-current liabilities		762,750	762,750
Total Non-current Liabilities		<u>101,779,359</u>	<u>128,916,690</u>
TOTAL LIABILITIES		<u>2,435,790,230</u>	<u>2,920,277,369</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2019

UNIT : BAHT

	Notes	"Unaudited" As at September 30, 2019	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
493,500,000 ordinary shares of Baht 1 each		493,500,000	493,500,000
Issued and paid-up share capital			
493,499,975 ordinary shares of Baht 1 each		493,499,975	493,499,975
ADDITIONAL PAID-UP CAPITAL			
Premium on ordinary shares		31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve		49,350,000	49,350,000
Unappropriated		886,195,311	789,579,395
TOTAL SHAREHOLDERS' EQUITY		1,460,791,685	1,364,175,769
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,896,581,915	4,284,453,138

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

		UNIT : BAHT	
	Note	2019	2018
REVENUES			
Factoring income		73,615,113	73,673,706
Hire purchase income		91,284	301,311
Finance lease income		4,520,783	4,872,101
Factoring commission and service fees		26,377,481	25,339,890
Other income		11,313,827	10,274,449
Total Revenues		<u>115,918,488</u>	<u>114,461,457</u>
EXPENSES			
Selling expenses		3,624,017	5,328,922
Administrative expenses		22,362,899	24,573,433
Management benefit expenses	12	8,235,227	8,031,269
Doubtful accounts (reversal)		3,368,238	(3,181,477)
Finance cost		17,286,807	19,191,783
Total Expenses		<u>54,877,188</u>	<u>53,943,930</u>
PROFIT BEFORE INCOME TAX EXPENSE		61,041,300	60,517,527
INCOME TAX EXPENSE		<u>17,997,080</u>	<u>12,258,130</u>
PROFIT FOR THE PERIODS		<u>43,044,220</u>	<u>48,259,397</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u>43,044,220</u>	<u>48,259,397</u>
BASIC EARNINGS PER SHARE	BAHT	0.09	0.10
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

		UNIT : BAHT	
	Notes	2019	2018
REVENUES			
Factoring income		219,127,263	215,469,344
Hire purchase income		405,662	1,061,517
Finance lease income		13,335,829	14,710,328
Factoring commission and service fees		78,377,475	73,967,310
Other income	5	48,611,579	32,002,014
Total Revenues		<u>359,857,808</u>	<u>337,210,513</u>
EXPENSES			
Selling expenses		15,590,291	15,485,339
Administrative expenses		77,424,781	72,654,808
Management benefit expenses	12	26,987,682	26,513,316
Doubtful accounts (reversal)	5	(46,091,234)	2,351,931
Finance cost		53,054,965	55,902,970
Total Expenses		<u>126,966,485</u>	<u>172,908,364</u>
PROFIT BEFORE INCOME TAX EXPENSE		232,891,323	164,302,149
INCOME TAX EXPENSE		52,380,411	36,809,765
PROFIT FOR THE PERIODS		<u>180,510,912</u>	<u>127,492,384</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS		<u>180,510,912</u>	<u>127,492,384</u>
BASIC EARNINGS PER SHARE	BAHT	0.37	0.26
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	493,499,975	493,499,975

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings Appropriated Legal Reserve	Unappropriated	Total Shareholders' Equity
Beginning balance as at						
January 1, 2018		493,499,975	31,746,399	49,350,000	698,366,341	1,272,962,715
Changes during the period						
Total comprehensive income		-	-	-	127,492,384	127,492,384
Dividends paid	13.2	-	-	-	(75,011,996)	(75,011,996)
Ending balance as at						
September 30, 2018		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>750,846,729</u>	<u>1,325,443,103</u>
Beginning balance as at						
January 1, 2019		493,499,975	31,746,399	49,350,000	789,579,395	1,364,175,769
Changes during the period						
Total comprehensive income		-	-	-	180,510,912	180,510,912
Dividends paid	13.1	-	-	-	(83,894,996)	(83,894,996)
Ending balance as at						
September 30, 2019		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>886,195,311</u>	<u>1,460,791,685</u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

		UNIT : BAHT	
	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		232,891,323	164,302,149
Adjustments for :			
Doubtful accounts (reversal)		(68,207,542)	1,276,501
Loss on bad debts written off		22,116,308	1,075,430
Gain on sales of fixed assets		-	(1,214,953)
Interest expenses		52,631,025	55,550,088
Employment benefits expense		(5,097,331)	2,760,755
Depreciation and amortization		8,717,455	10,115,271
		<u>243,051,238</u>	<u>233,865,241</u>
Operating assets (increase) decrease			
Factoring receivables		484,435,777	(30,551,956)
Hire purchase receivables		4,489,454	8,010,585
Lease contract receivables		(7,504,382)	471,946
Inventory finance receivables		(4,298,976)	(23,701,345)
Amount due from related companies		19,550	20,900
Other current assets		(1,744,544)	553,426
Bank deposits held as collateral		(1,736)	(1,718)
Other non-current assets		(87,612)	(374,300)
Operating liabilities increase (decrease)			
Other current liabilities		(16,349,302)	7,727,982
Other non-current liabilities		-	762,750
Cash received from operating activities		<u>702,009,467</u>	<u>196,783,511</u>
Interest paid		(54,231,904)	(54,514,151)
Income tax paid		(44,654,788)	(41,170,779)
Net cash provided by operating activities		<u>603,122,775</u>	<u>101,098,581</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

			UNIT : BAHT
	Notes	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of plant and equipment	4.1	(58,590)	(3,772,100)
Cash paid for purchases of intangible assets		-	(185,806)
Cash received from sale of fixed assets		-	1,214,953
Net cash used in investing activities		<u>(58,590)</u>	<u>(2,742,953)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for short-term borrowings			
to financial institutions	4.3	(14,305,000,000)	(9,955,000,000)
Cash received from short-term borrowings			
from financial institutions	4.3	13,860,000,000	9,995,000,000
Cash paid for long-term borrowings			
to financial institutions	4.3	(108,680,000)	(88,000,000)
Cash received from long-term borrowings			
from financial institutions	4.3	100,000,000	100,000,000
Cash paid for dividend		(83,894,996)	(75,011,996)
Net cash used in financing activities		<u>(537,574,996)</u>	<u>(23,011,996)</u>
Net increase in cash and cash equivalents		65,489,189	75,343,632
Cash and cash equivalents at the beginning of the periods		<u>362,988,332</u>	<u>305,290,447</u>
Cash and cash equivalents at the end of the periods	4.2	<u><u>428,477,521</u></u>	<u><u>380,634,079</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019
“UNAUDITED”

1. GENERAL INFORMATION AND THE COMPANY’S OPERATION

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

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

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

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

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

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

Subsequently, on June 18, 2015 and June 26, 2016, the Company had applied for a permission to operate a business under annex 3 (21): service businesses of office rental including utility and facility with other company and on September 23, 2015 and July 22, 2016, respectively, the Company had obtained the approval from the Department of Business Development.

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

- 2.1 The interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company 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, 2018, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited.

- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term-leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Non-cash items for plant and equipment for nine-month periods ended September 30, 2019 and 2018 were as follows:

	2019 Baht	2018 Baht
Payable - plant and equipment, beginning balance	-	32,100
<u>Add</u> Purchases of plant and equipment	58,590	3,740,000
<u>Less</u> Cash paid for purchases of plant and equipment	<u>(58,590)</u>	<u>(3,772,100)</u>
Payable - plant and equipment, ending balance	<u>-</u>	<u>-</u>

4.2 Cash and cash equivalents as at September 30, 2019 and 2018 consist of the following:

	2019 Baht	2018 Baht
Cash on hands	30,000	30,000
Cash at banks - current accounts	(1,072,413)	17,837,040
Cash at banks - savings accounts	429,519,934	362,767,039
	<u>428,477,521</u>	<u>380,634,079</u>

4.3 Change in liabilities from financing activities as at September 30, 2019, consists of the following:

	Balances as at January 1, 2019 Baht	Cash flows from financing activities		Balances as at September 30, 2019 Baht
		Cash received Baht	Cash paid Baht	
Short-term borrowings from financial institutions	2,585,000,000	13,860,000,000	(14,305,000,000)	2,140,000,000
Long-term borrowings from financial institutions	<u>208,000,000</u>	<u>100,000,000</u>	<u>(108,680,000)</u>	<u>199,320,000</u>
Total	<u>2,793,000,000</u>	<u>13,960,000,000</u>	<u>(14,413,680,000)</u>	<u>2,339,320,000</u>

5. FACTORING RECEIVABLES

Factoring receivables as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Factoring receivables	3,859,658,518	4,441,606,709
<u>Less</u> Allowance for doubtful accounts (*)	<u>(75,768,348)</u>	<u>(126,489,537)</u>
	3,783,890,170	4,315,117,172
<u>Less</u> Factoring payables	<u>(819,066,874)</u>	<u>(903,553,233)</u>
Factoring receivables, net	<u>2,964,823,296</u>	<u>3,411,563,939</u>

(*) As at September 30, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for factoring receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 3,354,040 and Baht 3,763,226, respectively.

In June 2019, the Supreme Court judged the Company to win the lawsuit against customers. The Company received cash from prosecution totaling by Baht 71.25 million. The Company reversed allowance for doubtful accounts for factoring receivables and inventory finance receivables amounted to Baht 45.05 million and Baht 10 million, respectively. The remaining balance is presented in other income amounted to Baht 16.20 million.

Factoring receivables as at September 30, 2019 and December 31, 2018 were classified by aging as follows:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Current	2,777,188,515	3,116,674,268
Overdue :		
Not more than 3 months	1,000,170,545	1,195,877,536
Over 3 months but not more than 6 months	6,567,944	1,310,545
Over 6 months but not more than 12 months	10,501,631	-
Over 12 months	4,780,257	15,825,348
Debtors subject to legal proceedings	60,449,626	111,919,012
	<u>3,859,658,518</u>	<u>4,441,606,709</u>

6. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Outstanding contract price	4,115,621	8,796,463
<u>Less</u> Unearned financing income	<u>(200,899)</u>	<u>(392,287)</u>
	3,914,722	8,404,176
<u>Less</u> Allowance for doubtful accounts (*)	<u>(5,031)</u>	<u>(12,210)</u>
	3,909,691	8,391,966
Due within one year	4,115,621	8,203,825
<u>Less</u> Unearned financing income	<u>(200,899)</u>	<u>(374,334)</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5,031)</u>	<u>-</u>
Current portion of hire purchase receivables, net	3,909,691	7,829,491
Hire purchase receivables, net	<u>-</u>	<u>562,475</u>

(*) As at September 30, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for hire purchase receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 5,031 and Baht 12,210, respectively.

Hire purchase receivables as at September 30, 2019 and December 31, 2018 were classified by aging as follows:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Current	823,357	8,404,176
Overdue :		
Not more than 3 months	3,091,365	-
	<u>3,914,722</u>	<u>8,404,176</u>

7. LEASE CONTRACT RECEIVABLES

Lease contract receivables as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Outstanding contract price	333,777,567	333,277,601
<u>Less</u> Deposits on long-term lease contracts	(113,375,360)	(112,236,477)
<u>Less</u> Unearned financing income	<u>(22,975,672)</u>	<u>(22,028,718)</u>
	197,426,535	199,012,406
<u>Less</u> Allowance for doubtful accounts (*)	<u>(1,623,216)</u>	<u>(9,591,440)</u>
	<u>195,803,319</u>	<u>189,420,966</u>
Due within one year	138,144,103	142,090,534
<u>Less</u> Deposits on long-term lease contracts	(30,681,438)	(32,968,086)
<u>Less</u> Unearned financing income	<u>(13,062,245)</u>	<u>(13,111,117)</u>
Current portion of lease contract receivables, net	<u>94,400,420</u>	<u>96,011,331</u>
Lease contract receivables, net	<u>101,402,899</u>	<u>93,409,635</u>

(*) As at September 30, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for lease contract receivables which were classified as normal and overdue for less than 3 months which amounted to Baht 251,973 and Baht 275,590, respectively.

Lease contract receivables as at September 30, 2019 and December 31, 2018 were classified by aging as follows:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Current	181,689,642	177,151,734
Overdue :		
Not more than 3 months	9,534,751	6,044,127
Over 6 months but not more than 12 months	-	6,152,424
More than 12 months	6,202,142	581,276
Debtors subject to legal proceedings	-	9,082,845
	<u>197,426,535</u>	<u>199,012,406</u>

8. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Inventory finance receivables	168,790,101	164,491,125
<u>Less</u> Allowance for doubtful accounts (*)	<u>(3,830,446)</u>	<u>(13,341,396)</u>
Inventory finance receivables, net	<u>164,959,655</u>	<u>151,149,729</u>

(*) As at September 30, 2019 and December 31, 2018, the Company has provided for the allowance for doubtful accounts on a collective basis for inventory finance receivables which were classified as normal and overdue for less than 3 months. There is no additional allowance for doubtful accounts required for such allowance for doubtful accounts.

Inventory finance receivables as at September 30, 2019 and December 31, 2018 were classified by aging as follows:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Current	161,746,896	150,530,236
Overdue :		
Not more than 3 months	3,212,759	-
Over 3 months but not more than 6 months	1,108,542	-
Over 6 months but not more than 12 months	-	1,238,985
Debtors subject to legal proceedings	2,721,904	12,721,904
	<u>168,790,101</u>	<u>164,491,125</u>

9. INVESTMENT PROPERTIES

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

As at September 30, 2019 and December 31, 2018, fair value of investment properties of the Company which amounted to Baht 131.14 million and Baht 80.07 million, respectively.

10. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Promissory notes	<u>2,140,000,000</u>	<u>2,585,000,000</u>

As at September 30, 2019 and December 31, 2018, the Company has short-term borrowings from financial institutions which bear interest rates at 2.30% to 3.10% per annum and 2.28% to 3.06% per annum, respectively. The Company has to comply with the conditions specified in the loan agreements with each financial institutions in that the Company should maintain its financial covenants.

11. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at September 30, 2019 and December 31, 2018 consist of the following:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Long-term borrowings from financial institutions	199,320,000	208,000,000
Current portion of long-term borrowings from financial institutions	<u>(129,360,000)</u>	<u>(116,000,000)</u>
	<u>69,960,000</u>	<u>92,000,000</u>

As at September 30, 2019 and December 31, 2018, the Company entered into long-term borrowings with financial institutions at the floating interest rates 3.62% to 4.00% per annum and 4.00% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in March 2022. The Company has to comply with the conditions specified in the loan agreements with each financial institutions in that the Company should maintain its financial covenants.

12. RELATED PARTY TRANSACTIONS

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

Significant balance with related companies as at September 30, 2019 and December 31, 2018 consist of the following:

	Relationship	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Amount due from related companies			
IFS Capital Limited	Major Shareholder Company	-	19,300
IFS Capital Holdings (Thailand) Limited	Related Company	-	250
		<u>-</u>	<u>19,550</u>

Significant transactions with related parties for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

	For the three-month periods ended September 30, 2019 Baht		For the nine-month periods ended September 30, 2019 Baht	
	2018 Baht		2018 Baht	
Management benefit expenses				
Short-term benefits	8,021,850	7,831,025	26,347,550	25,912,575
Post-employment benefits	197,134	184,311	591,401	552,935
Other long-term benefits	16,243	15,933	48,731	47,806
	<u>8,235,227</u>	<u>8,031,269</u>	<u>26,987,682</u>	<u>26,513,316</u>

13. DIVIDENDS PAID

- 13.1 On April 22, 2019, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend of Baht 0.17 per share on 493,499,975 shares, totaling Baht 83,894,996. Such dividend was paid on May 17, 2019.
- 13.2 On April 18, 2018, the Ordinary Shareholder's Meeting passed a resolution to pay dividend of Baht 0.152 per share on 493,499,975 shares, totaling Baht 75,011,996. Such dividend was paid on May 17, 2018.

14. COMMITMENTS

As at September 30, 2019 and December 31, 2018, the Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at September 30, 2019 Baht	As at December 31, 2018 Baht
Total credit facilities	<u>5,199,000,000</u>	<u>5,558,000,000</u>

As at September 30, 2019 and December 31, 2018, the Company had utilized the letter of credit amounting to Baht 5.64 million and Baht 9.36 million, respectively, for factoring, hire purchase and leasing contract. However, as at September 30, 2019 and December 31, 2018, the Company had unused such credit facilities with financial institutions totaling Baht 2,470 million and Baht 2,364 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 borrowings that provides liquidity to the business immediately and enables the business to increase its turnover in the form of buying accounts receivable. The factoring facility is applicable to both domestic and international sales.

Hire purchase and Leasing business: are long-term borrowings for invested in business industry.

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

For the three-month and nine-month periods ended September 30, 2019 and 2018, there is no revenue from a single external customer contributed 10% or more to the Company's total revenue.

The financial statements by business segment for the three-month and nine-month periods ended September 30, 2019 and 2018 were as follow:

	For the three-month period ended September 30, 2019				For the three-month period ended September 30, 2018			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	99,993	4,612	-	104,605	99,014	5,173	-	104,187
Other income	10,677	636	-	11,313	9,596	678	-	10,274
Total income	110,670	5,248	-	115,918	108,610	5,851	-	114,461
Selling and administrative expenses	32,665	1,557	-	34,222	36,000	1,933	-	37,933
Doubtful accounts (reversal)	3,389	(21)	-	3,368	(3,009)	(172)	-	(3,181)
Finance cost	16,504	783	-	17,287	18,210	982	-	19,192
Total operation expenses	52,558	2,319	-	54,877	51,201	2,743	-	53,944
Profit before income tax	58,112	2,929	-	61,041	57,409	3,108	-	60,517
Income tax expenses	14,042	3,955	-	17,997	11,482	776	-	12,258
Net profit for the periods	44,070	(1,026)	-	43,044	45,927	2,332	-	48,259

	For the nine-month period ended September 30, 2019				For the nine-month period ended September 30, 2018			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	297,505	13,741	-	311,246	289,437	15,772	-	305,209
Other income	46,504	2,108	-	48,612	29,168	2,834	-	32,002
Total income	344,009	15,849	-	359,858	318,605	18,606	-	337,211
Selling and administrative expenses	114,718	5,285	-	120,003	108,328	6,326	-	114,654
Doubtful accounts (reversal)	(47,206)	1,115	-	(46,091)	2,504	(152)	-	2,352
Finance cost	50,718	2,337	-	53,055	52,819	3,084	-	55,903
Total operation expenses	118,230	8,737	-	126,967	163,651	9,258	-	172,909
Profit before income tax	225,779	7,112	-	232,891	154,954	9,348	-	164,302
Income tax expenses	48,718	3,662	-	52,380	31,971	4,839	-	36,810
Net profit for the periods	177,061	3,450	-	180,511	122,983	4,509	-	127,492

	As at September 30, 2019				As at December 31, 2018			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Total assets	3,129,783	199,713	567,086	3,896,582	3,562,714	197,813	523,926	4,284,453

16. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issue by the authorized director of the Company on November 5, 2019.