

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	2014	2013	2014	2013
Net profit (loss)	31,960	34,586	68,891	68,044
EPS (baht)	0.07	0.07	0.15	0.14
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

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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, 2014 and the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2014, 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
July 30, 2014

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 JUNE 30, 2014

UNIT : BAHT

		"Unaudited"	
	Notes	As at June 30, 2014	As at December 31, 2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4.2	267,418,313	306,469,635
Factoring receivable, net	5	2,476,695,217	2,744,078,652
Current portion of hire purchase receivable, net	6	7,671,905	11,098,022
Current portion of lease contract receivable, net	7	191,436,393	212,503,335
Inventory finance receivable, net	8	24,148,004	29,784,479
Amount due from a related company	17	-	19,000
Other current assets		11,429,123	18,027,693
Total Current Assets		<u>2,978,798,955</u>	<u>3,321,980,816</u>
NON-CURRENT ASSETS			
Bank deposits held as collateral	9	149,581	148,379
Hire purchase receivable, net	6	3,244,480	2,126,861
Lease contract receivable, net	7	187,799,503	250,072,462
Property, plant and equipment, net		28,646,800	28,036,599
Intangible assets, net		328,176	325,420
Deferred tax assets	10	57,668,876	55,760,712
Other non-current assets		303,150	373,150
Total Non-current Assets		<u>278,140,566</u>	<u>336,843,583</u>
TOTAL ASSETS		<u><u>3,256,939,521</u></u>	<u><u>3,658,824,399</u></u>

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2014

UNIT : BAHT

		"Unaudited"	
	Notes	As at	As at
		June 30,	December 31,
		2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term loans from financial institutions	11	1,805,000,000	2,155,000,000
Current portion of long-term loans	12	239,080,000	245,080,000
Amounts due to a related company	17	-	19,326
Other current liabilities		50,604,310	68,811,973
Total Current Liabilities		<u>2,094,684,310</u>	<u>2,468,911,299</u>
NON-CURRENT LIABILITIES			
Long-term loans	12	170,300,000	205,340,000
Employee benefits obligation	14	21,730,334	19,789,292
Total Non-current Liabilities		<u>192,030,334</u>	<u>225,129,292</u>
TOTAL LIABILITIES		<u>2,286,714,644</u>	<u>2,694,040,591</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2014

UNIT : BAHT

	Notes	"Unaudited" As at June 30, 2014	As at December 31, 2013
LIABILITIES AND SHAREHOLDERS' EQUITY			
(CONTINUED)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
470,000,000 ordinary shares of Baht 1 each		470,000,000	470,000,000
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		31,746,399	31,746,399
RETAINED EARNINGS			
Appropriated			
Legal reserve		37,456,352	37,456,352
Unappropriated		431,022,126	425,581,057
TOTAL SHAREHOLDERS' EQUITY		970,224,877	964,783,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,256,939,521	3,658,824,399

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014
"UNAUDITED"

UNIT : BAHT

	Notes	2014	2013
REVENUES			
Factoring income		59,696,272	61,137,448
Hire purchase income		256,725	416,057
Finance lease income		9,876,196	12,391,762
Factoring commission and service fees		20,637,133	20,430,946
Other income		6,066,823	4,415,563
Total Revenues		<u>96,533,149</u>	<u>98,791,776</u>
EXPENSES			
Selling expenses		3,320,423	4,089,830
Administrative expenses		17,256,705	17,814,534
Management benefit expenses	17	9,429,988	9,067,410
Allowance for doubtful accounts		6,977,706	490,060
Total Expenses		<u>36,984,822</u>	<u>31,461,834</u>
INCOME BEFORE FINANCE COST AND			
INCOME TAX EXPENSE		59,548,327	67,329,942
FINANCE COST		<u>19,556,433</u>	<u>23,968,364</u>
INCOME BEFORE INCOME TAX EXPENSE		39,991,894	43,361,578
INCOME TAX EXPENSE	16	<u>8,031,517</u>	<u>8,775,371</u>
TOTAL COMPREHENSIVE INCOME		<u><u>31,960,377</u></u>	<u><u>34,586,207</u></u>
BASIC EARNINGS PER SHARE	BAHT	0.07	0.07
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	470,000,000	470,000,000

See condensed notes to the financial statements

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014
"UNAUDITED"

UNIT : BAHT

	Notes	2014	2013
REVENUES			
Factoring income		118,326,646	119,894,577
Hire purchase income		589,006	690,503
Finance lease income		20,811,051	24,852,212
Factoring commission and service fees		40,206,390	39,440,491
Other income		9,890,942	8,391,408
Total Revenues		<u>189,824,035</u>	<u>193,269,191</u>
EXPENSES			
Selling expenses		7,519,458	8,283,680
Administrative expenses		36,099,170	33,509,186
Management benefit expenses	17	16,842,476	16,157,320
Allowance for doubtful accounts		3,529,459	3,066,027
Total Expenses		<u>63,990,563</u>	<u>61,016,213</u>
INCOME BEFORE FINANCE COST AND			
INCOME TAX EXPENSE		125,833,472	132,252,978
FINANCE COST		39,702,893	47,306,863
INCOME BEFORE INCOME TAX EXPENSE		86,130,579	84,946,115
INCOME TAX EXPENSE	16	17,239,510	16,901,721
TOTAL COMPREHENSIVE INCOME		<u><u>68,891,069</u></u>	<u><u>68,044,394</u></u>
OTHER COMPREHENSIVE INCOME			
Unrealized gain on investments		-	9,558
OTHER COMPREHENSIVE INCOME FOR THE PERIOD,			
NET OF TAX		-	9,558
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>68,891,069</u></u>	<u><u>68,053,952</u></u>
BASIC EARNINGS PER SHARE	BAHT	0.15	0.14
WEIGHTED AVERAGE NUMBER OF			
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, 2014

UNIT : BAHT

	Notes	Issued and paid-up share capital	Premium on Ordinary Shares	Retained earnings Appropriated Legal reserve	Unappropriated	Other Components of Shareholders' Equity	Total Shareholders' 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
Changes during the period							
Total comprehensive income		-	-	-	68,044,394	9,558	68,053,952
Dividends paid	15	-	-	-	(56,400,000)	-	(56,400,000)
Ending balance as at June 30, 2013		<u>470,000,000</u>	<u>31,746,399</u>	<u>31,202,363</u>	<u>370,771,485</u>	<u>-</u>	<u>903,720,247</u>
Beginning balance as at January 1, 2014		470,000,000	31,746,399	37,456,352	425,581,057	-	964,783,808
Changes during the period							
Total comprehensive income		-	-	-	68,891,069	-	68,891,069
Dividends paid	15	-	-	-	(63,450,000)	-	(63,450,000)
Ending balance as at June 30, 2014		<u>470,000,000</u>	<u>31,746,399</u>	<u>37,456,352</u>	<u>431,022,126</u>	<u>-</u>	<u>970,224,877</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, 2014

"UNAUDITED"

UNIT : BAHT

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense		86,130,579	84,946,115
Adjustments for :			
Allowance for doubtful accounts		3,529,459	3,066,027
(Gain) loss from sales of fixed assets/ write-off fixed assets		(154,206)	2
Gain from sales of investment		-	(31,498)
Interest expenses		39,066,540	46,922,297
Employment benefits expense		1,941,042	1,864,310
Depreciation and amortization		2,199,292	2,647,957
		<u>132,712,706</u>	<u>139,415,210</u>
Operating assets (increase) decrease			
Factoring receivable		262,857,491	(133,011,277)
Hire purchase receivable		2,344,476	(8,766,036)
Lease contract receivable		84,265,781	6,410,023
Inventory finance receivable		5,671,102	3,859,182
Amount due from a related company		19,000	5,490
Other current assets		6,598,570	(30,366)
Fixed deposits pledged as collateral		(1,202)	(1,372)
Non-other current assets		70,000	(70,000)
Operating liabilities increase (decrease)			
Amount due to a related company		(19,326)	-
Other current liabilities		(11,980,180)	(704,891)
Cash paid for operating activities		<u>482,538,418</u>	<u>7,105,963</u>
Interest expense paid		(39,732,793)	(47,547,345)
Income tax paid		<u>(24,678,301)</u>	<u>(25,130,785)</u>
Net cash provided by (used in) operating activities		<u>418,127,324</u>	<u>(65,572,167)</u>

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014
"UNAUDITED"

UNIT : BAHT

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of fixed assets	4.1	(2,793,643)	(225,483)
Cash paid for purchases of intangible assets		(49,209)	(202,872)
Cash received from sale of fixed assets		154,206	-
Cash received from sale of investment		-	169,434
Net cash used in investing activities		<u>(2,688,646)</u>	<u>(258,921)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from short-term loans from financial institutions		230,000,000	370,000,000
Cash paid for short-term loans from financial institutions		(580,000,000)	(260,000,000)
Cash received from long-term loans		100,000,000	100,000,000
Cash paid for long-term loans		(141,040,000)	(140,360,000)
Cash paid for dividend		(63,450,000)	(56,400,000)
Net cash provided by (used in) financing activities		<u>(454,490,000)</u>	<u>13,240,000</u>
Net decrease in cash and cash equivalents		(39,051,322)	(52,591,088)
Cash and cash equivalents at beginning of the period		<u>306,469,635</u>	<u>277,798,111</u>
Cash and cash equivalents at end of the period	4.2	<u><u>267,418,313</u></u>	<u><u>225,207,023</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, 2014
“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 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 were 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 40.40% 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.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with the Thai Accounting Standard (TAS) No. 34 (Revised 2009) “Interim Financial Statements”, and practices generally accepted accounting principle in Thailand with the condensed notes to the interim financial statements, and in accordance with the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.

Certain financial information which is normally included in the financial statements prepared in accordance with Thai Financial Reporting Standards, which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2013.

The statements of financial position as at December 31, 2013, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which have already been audited.

The results of operations presented in the three-month and six-month periods ended June 30, 2014, are not necessarily an indication nor anticipation of the operating results for the full year.

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.

Adoption of new and revised Thai Financial Reporting Standards

Since January 1, 2014, the Company has adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the periods beginning on or after January 1, 2014 onwards, in preparation and presentation of interim financial statements 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 (“TSI”)

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

Thai Financial Reporting Standard Interpretations (“TFRI”)

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programs
TFRI 17	Distributions of Non - cash Assets to Owners
TFRI 18	Transfers of Assets Form Customers

Guideline on Accounting

Guideline on Accounting regarding Stock Dividend

Such TFRSs have no significant impact on the Company’s financial statements.

Thai Financial Reporting Standards announced but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which have been announced in the Royal Gazette and effective for the accounting periods beginning on or after January 1, 2016, as follows:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4	Insurance Contracts
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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 has assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company used the same accounting policies and calculation method in these interim financial statements consistent with the financial statements for the year ended December 31, 2013.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Property, plant and equipment for the six-month periods ended June 30, 2014 and 2013 are as follows:

	2014 Baht	2013 Baht
Other payables - equipment, beginning balance (included in other current liabilities)	30,603	-
<u>Add</u> Purchases of equipment	2,763,040	292,997
<u>Less</u> Cash paid for purchases of equipment	<u>(2,793,643)</u>	<u>(225,483)</u>
Other payables - equipment, ending balance (included in other current liabilities)	<u>-</u>	<u>67,514</u>

4.2 Cash and cash equivalents as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Cash on hand	30,000	30,000
Cash at banks - current accounts	5,382,782	34,248,156
Cash at banks - savings accounts	<u>262,005,531</u>	<u>272,191,479</u>
	<u>267,418,313</u>	<u>306,469,635</u>

5. FACTORING RECEIVABLE, NET

Factoring receivable, net as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Factoring receivable	3,285,451,537	3,545,827,716
<u>Less</u> Allowance for doubtful accounts ^(*)	<u>(109,158,830)</u>	<u>(104,632,886)</u>
	3,176,292,707	3,441,194,830
<u>Less</u> Factoring payable	<u>(699,597,490)</u>	<u>(697,116,178)</u>
Factoring receivable, net	<u>2,476,695,217</u>	<u>2,744,078,652</u>

(*) As at June 30, 2014 and December 31, 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 1,759,703 and Baht 2,059,604, respectively.

Factoring receivable as at June 30, 2014 and December 31, 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	2,225,039,991	2,317,230,760
Over due :		
Less than 3 months	938,004,008	1,129,667,028
3 - 6 months	6,010,988	10,087,235
6 - 12 months	5,825,674	-
Restructuring	10,565,339	14,419,793
Debtors subject to legal proceedings	100,005,537	74,422,900
	<u>3,285,451,537</u>	<u>3,545,827,716</u>

6. HIRE PURCHASE RECEIVABLE, NET

Hire purchase receivable, net as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Outstanding contract price	11,712,649	14,216,973
<u>Less</u> Unearned financing income	<u>(709,030)</u>	<u>(868,878)</u>
	11,003,619	13,348,095
<u>Less</u> Allowance for doubtful accounts ^(*)	<u>(87,234)</u>	<u>(123,212)</u>
	<u>10,916,385</u>	<u>13,224,883</u>
Due within one year	8,356,892	11,894,705
<u>Less</u> Unearned financing income	<u>(684,987)</u>	<u>(796,683)</u>
Current portion of hire purchase receivable, net	<u>7,671,905</u>	<u>11,098,022</u>
Hire purchase receivable, net	<u>3,244,480</u>	<u>2,126,861</u>

(*) As at June 30, 2014 and December 31, 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 87,235 and Baht 123,213, respectively.

Aging of hire purchase receivable as at June 30, 2014 and December 31, 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	9,652,477	13,348,095
Over due :		
Less than 3 months	1,351,142	-
	<u>11,003,619</u>	<u>13,348,095</u>

7. LEASE CONTRACT RECEIVABLE, NET

Lease contract receivable, net as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Outstanding contract price	653,828,180	767,539,921
<u>Less</u> Deposits on long-term lease contracts	(220,432,673)	(236,477,481)
<u>Less</u> Unearned financing income	(45,097,081)	(58,498,233)
	<u>388,298,426</u>	<u>472,564,207</u>
<u>Less</u> Allowance for doubtful accounts ^(*)	(9,062,530)	(9,988,410)
	<u>379,235,896</u>	<u>462,575,797</u>
Due within one year	271,909,865	282,945,725
<u>Less</u> Deposits on long-term lease contracts	(52,328,092)	(34,664,781)
<u>Less</u> Unearned financing income	(28,145,380)	(35,777,609)
Current portion of lease contract receivable, net	<u>191,436,393</u>	<u>212,503,335</u>
Lease contract receivable, net	<u>187,799,503</u>	<u>250,072,462</u>

(*) As at June 30, 2014 and December 31, 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 3,030,538 and Baht 4,309,689, respectively.

Lease contract receivable as at June 30, 2014 and December 31, 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	374,087,641	428,335,834
Over due :		
Less than 3 months	2,494,059	32,616,084
3 - 6 months	545,601	-
6 - 12 months	-	2,933,568
Debtors subject to legal proceedings	<u>11,171,125</u>	<u>8,678,721</u>
	<u>388,298,426</u>	<u>472,564,207</u>

8. INVENTORY FINANCE RECEIVABLE, NET

Inventory finance receivable, net as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Inventory finance receivable	36,911,291	42,582,393
<u>Less</u> Allowance for doubtful accounts ^(*)	<u>(12,763,287)</u>	<u>(12,797,914)</u>
Inventory finance receivable, net	<u>24,148,004</u>	<u>29,784,479</u>

(*) As at June 30, 2014 and December 31, 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 41,383 and Baht 76,010, respectively.

Inventory finance receivable as at June 30, 2014 and December 31, 2013 were classified by aging as follows:

	2014 Baht	2013 Baht
Current	24,189,387	29,860,489
Over due :		
Less than 3 months	-	10,000,000
Debtors subject to legal proceedings	<u>12,721,904</u>	<u>2,721,904</u>
	<u>36,911,291</u>	<u>42,582,393</u>

9. BANK DEPOSIT HELD AS COLLATERAL

As at June 30, 2014 and December 31, 2013, fixed deposit at bank of Baht 149,581 and Baht 148,379, respectively, have been pledged with a bank as security for issuing bank guarantees by a bank on behalf of the Company.

10. DEFERRED TAX ASSETS

Deferred tax assets as at June 30, 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 June 30, 2014
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	25,508,485	705,891	-	26,214,376
Bad debt in process of litigation	4,432,658	-	-	4,432,658
Assets from lease contract	21,861,710	814,065	-	22,675,775
Employment benefits obligation	3,957,859	388,208	-	4,346,067
	<u>55,760,712</u>	<u>1,908,164</u>	<u>-</u>	<u>57,668,876</u>

	As at December 31, 2012	Transactions recognized in the statement of comprehensive income	Transaction recognized in the Equity	As at June 30, 2013
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts	17,693,791	564,809	-	18,258,600
Bad debt in process of litigation	4,926,648	383,540	-	5,310,188
Assets from lease contract	11,256,933	6,566,749	-	17,823,682
Unrealized gain on the change in value of investments				
- available-for-sale securities	2,389	-	(2,389)	-
Employment benefits obligation	4,340,855	372,861	-	4,713,716
	<u>38,220,616</u>	<u>7,887,959</u>	<u>(2,389)</u>	<u>46,106,186</u>

11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Promissory notes	1,805,000,000	2,155,000,000

As at June 30, 2014 and December 31, 2013, the company have short-term loans from financial institutions bearing interest rates at 3.20% to 3.85% per annum and 3.40% to 3.85% per annum, respectively.

12. LONG-TERM LOANS

Long-term loans from financial institutions as at June 30, 2014 and December 31, 2013 consist of the following:

	2014 Baht	2013 Baht
Long-term loans	409,380,000	450,420,000
Current portion of long-term loans	<u>(239,080,000)</u>	<u>(245,080,000)</u>
	<u>170,300,000</u>	<u>205,340,000</u>

As at June 30, 2014 and December 31, 2013, the company entered into long-term loans with financial institutions at the floating interest rates 4.03% to 4.88% per annum and 4.10% to 5.30% per annum, respectively, and are repayable quarterly installments, the last installment of such loans fall due in March 2017.

13. PROVIDENT FUND

The Company has a contributory staff provident fund for its employees who apply to join after one year's service which has been registered as the provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

For the six-month periods ended June 30, 2014 and 2013, the Company's contributions included in selling and administrative expenses in the financial statements amounted to Baht 1.60 million and Baht 1.34 million, respectively.

14. 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 as at June 30, 2014 and December 31, 2013 consist of the following:

	As at June 30, 2014 Baht	As at December 31, 2013 Baht
Provision for severance pay (see Note 14.1)	19,860,805	18,128,863
Provision for long service awards (see Note 14.2)	<u>1,869,529</u>	<u>1,660,429</u>
	<u><u>21,730,334</u></u>	<u><u>19,789,292</u></u>

14.1 Provision for severance pay

Change in the present value of provision for severance pay as at June 30, 2014 and December 31, 2013 are as follows:

	As at June 30, 2014 Baht	As at December 31, 2013 Baht
Present value of provision for severance pay, beginning balance	18,128,863	19,061,707
Cost of service - current period	1,353,062	2,366,689
Finance cost	378,880	632,424
Actuarial gains	<u>-</u>	<u>(3,931,957)</u>
Present value of provision for severance pay, ending balance	<u><u>19,860,805</u></u>	<u><u>18,128,863</u></u>

Provision for severance pay for the three-month and six-month periods ended June 30, 2014 and 2013 are as follows:

	For the three-month periods ended June 30, 2014 2013 Baht Baht		For the six-month periods ended June 30, 2014 2013 Baht Baht	
Cost of service - current period	676,529	590,045	1,353,062	1,180,091
Finance cost	<u>189,440</u>	<u>190,617</u>	<u>378,880</u>	<u>381,234</u>
	<u><u>865,969</u></u>	<u><u>780,662</u></u>	<u><u>1,731,942</u></u>	<u><u>1,561,325</u></u>

14.2 Provision for long service awards

Change in the present value of provision for long service awards as at June 30, 2014 and December 31, 2013 are as follows:

	As at June 30, 2014 Baht	As at December 31, 2013 Baht
Present value of provision for long service awards, beginning balance	1,660,429	2,642,565
Cost of service - current period	174,398	326,792
Finance cost	34,702	64,340
Benefits paid during the period	-	(270,000)
Actuarial gains	-	(1,103,268)
Present value of provision for long service awards, ending balance	<u>1,869,529</u>	<u>1,660,429</u>

Provision for long service awards for the three-month and six-month periods ended June 30, 2014 and 2013 are as follows:

	For the three-month periods ended June 30, 2014 2013 Baht Baht		For the six-month periods ended June 30, 2014 2013 Baht Baht	
Cost of service - current period	87,200	125,067	174,398	250,133
Finance cost	17,352	26,426	34,702	52,852
	<u>104,552</u>	<u>151,493</u>	<u>209,100</u>	<u>302,985</u>

15. 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.

16. INCOME TAX EXPENSE

Income tax for the three-month and six-month periods ended June 30, 2014 and 2013 consist of the following:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Income tax expense from taxable income per income tax return	10,265,151	12,462,348	19,147,674	24,789,680
Deferred tax expense relating to the origination and reversal of temporary differences	(2,233,634)	(3,686,977)	(1,908,164)	(7,887,959)
Income tax per the statements of income	<u>8,031,517</u>	<u>8,775,371</u>	<u>17,239,510</u>	<u>16,901,721</u>

The reconciliation between income tax - income (expense) and accounting income for the three-month and six-month periods ended June 30, 2014 and 2013 are follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Accounting income before tax	<u>39,991,894</u>	<u>43,361,578</u>	<u>86,130,579</u>	<u>84,946,115</u>
Income tax at 20%	<u>7,998,379</u>	<u>8,672,316</u>	<u>17,226,116</u>	<u>16,989,223</u>
Tax effect of non-deductible expenses (benefits)	<u>33,138</u>	<u>103,055</u>	<u>13,394</u>	<u>(87,502)</u>
Income tax per the statements of income	<u>8,031,517</u>	<u>8,775,371</u>	<u>17,239,510</u>	<u>16,901,721</u>

According to Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction and exception effective on December 27, 2012, the corporate income tax was reduced from 30% to 23% of net profit for accounting period beginning on or after January 1, 2012 but not later than December 31, 2012 and reduced to 20% of net profit for the accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014.

The Company used tax rates of 20% for the corporate income tax calculation for the three-month and six-month periods ended June 30, 2014 and 2013 and the deferred tax calculation as at June 30, 2014 and 2013.

17. 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, 2014 and December 31, 2013 consist of the following:

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

Significant transactions with related parties for the three-month and six-month periods ended June 30, 2014 and 2013 are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Management benefit expenses				
Short-term benefits	9,057,200	8,742,200	16,096,900	15,506,900
Post-employment benefits	362,943	309,134	725,885	618,268
Other long-term benefits	9,845	16,076	19,691	32,152
	<u>9,429,988</u>	<u>9,067,410</u>	<u>16,842,476</u>	<u>16,157,320</u>

18. COMMITMENTS

As at June 30, 2014 and December 31, 2013, the Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	As at June 30, 2014 Baht	As at December 31, 2013 Baht
Total credit facilities	4,853,000,000	4,855,000,000

As at June 30, 2014 and December 31, 2013, the Company has utilized the letter of credit amounting to Baht 24.17 million and Baht 13.63 million, respectively, for factoring, hire purchase and leasing contract. However, as at June 30, 2014 and December 31, 2013, the Company has unused such credit facilities with banks totaling Baht 2,082 million and Baht 1,795 million, respectively.

19. 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 six-month periods ended June 30, 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 three-month and six month periods ended June 30, 2014 and 2013 were as follow:

	Unit : Baht '000							
	For the three-month periods ended June 30,							
	2014		2013					
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	80,333	10,133	-	90,466	81,568	12,808	-	94,376
Other income	5,980	87	-	6,067	4,173	243	-	4,416
Total income	86,313	10,220	-	96,533	85,741	13,051	-	98,792
Allowance for doubtful accounts (reversal)	7,146	(168)	-	6,978	692	(202)	-	490
operation expenses	26,843	3,164	-	30,007	26,873	4,099	-	30,972
Total operation expenses	33,989	2,996	-	36,985	27,565	3,897	-	31,462
Net income before finance cost and income tax	52,324	7,224	-	59,548	58,176	9,154	-	67,330
Finance cost	17,498	2,059	-	19,556	20,803	3,165	-	23,968
Income tax expenses	6,757	1,274	-	8,032	6,158	2,618	-	8,776
Net income for the years	28,069	3,891	-	31,960	31,215	3,371	-	34,586

Unit : Baht '000

	For the six-month periods ended June 30,							
	2014				2013			
	Factoring business	Hire purchase and Leasing business	Others	Total	Factoring business	Hire purchase and Leasing business	Others	Total
Income from operations	158,533	21,400	-	179,933	159,335	25,543	-	184,878
Other income	9,577	314	-	9,891	7,898	493	-	8,391
Total income	168,110	21,714	-	189,824	167,233	26,036	-	193,269
Allowance for doubtful accounts (reversal)	4,526	(997)	-	3,529	1,136	1,930	-	3,066
operation expenses	53,545	6,917	-	60,462	50,143	7,807	-	57,950
Total operation expenses	58,071	5,920	-	63,991	51,279	9,737	-	61,016
Net income before finance cost and income tax	110,039	15,794	-	125,833	115,954	16,299	-	132,253
Finance cost	35,162	4,541	-	39,703	40,934	6,373	-	47,307
Income tax expenses	14,547	2,692	-	17,239	14,717	2,185	-	16,902
Net income for the years	60,330	8,561	-	68,891	60,303	7,741	-	68,044
Total assets	2,500,843	390,152	365,944	3,256,939	2,810,054	518,482	325,909	3,654,445

20. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on July 30, 2014.