



IFS Capital (Thailand)  
Public Company Limited

IFS 2102/2024

21<sup>st</sup> February 2024

**Subject:** Resolutions of the Board of Directors' Meeting

**To:** The President  
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to inform you that the Board of Directors' Meeting No. 1/2024 held on 21<sup>st</sup> February 2024 passed the significant resolutions as follows:

1. **Approved the Audited Financial Statements for the year ended 31<sup>st</sup> December 2023 and this would be proposed to the 2024 Annual General Meeting of Shareholders for approval.**
2. **Approved the appropriation of the net profit and the dividend payment for the year 2023 as follows:**
  - 2.1 **There was no legal reserve to be appropriated from the Company's net profit in 2023 as the Company's legal reserve had reached the amount required by laws pursuant to Section 116 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and Article 51 of the Company's Articles of Association;**
  - 2.2 **To distribute dividend for the year 2023 at the rate of Baht 0.168 per share, for 493,499,975 shares, totaling Baht 82,907,996. The Record Date for the right to receive the Dividend will be on 6<sup>th</sup> March 2024 and the Dividend shall be paid on 15<sup>th</sup> May 2024. This would be proposed to the 2024 Annual General Meeting of Shareholders for approval.**

However, the right to receive dividend is not confirmed until approved by the 2024 Annual General Meeting of Shareholders.

3. **Approved the re-election of 2 directors who retired by rotation for another term as follows:-**
  - 1) **Mrs. Churairat Panyarachun** the director who retired by rotation, shall be re-elected as the director for another term, and shall act as Independent Director, Chairperson of the Audit Committee and Member of the Compensation and Nomination Committee.
  - 2) **Mr. Sutee Losoponkul** the director who retired by rotation, shall be re-elected as the director for another term, and shall act as Independent Director, Member of the Audit Committee and Chairman of the Compensation and Nomination Committee.

In this regard, Mrs. Churairat Panyarachun and Mr. Sutee Losoponkul possess the appropriate qualifications to give comments independently in line with the relevant criteria. In addition, these candidates did not hold any directorship or executive position in any business which may cause a conflict of interest with the Company.

This would be proposed to the 2024 Annual General Meeting of Shareholders for approval.

4. Approved the remuneration of directors for the year 2024 and this would be proposed to the 2024 Annual General Meeting of Shareholders for approval as follows:

- 4.1 Adoption of the existing remuneration structure of directors of the Company for the year 2024 as below:

**Board of Directors' Meeting**

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	140,000	25,000/meeting
Vice Chairman	110,000	20,000/meeting
Director	80,000	20,000/meeting

**Audit Committee's Meeting**

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	110,000	25,000/meeting
Director	75,000	20,000/meeting

**Compensation & Nomination Committee's Meeting**

	<u>Annual Basic Fee (Baht)</u>	<u>Attendance Fee (Baht)</u>
Chairman	75,000	25,000/meeting
Director	50,000	20,000/meeting

- 4.2 Approved the payment of bonus totaling Baht 2,142,000 for the year 2023 to the following directors of the Company:


	<u>Baht</u>
1. Mr. Randy Sim Cheng Leong	714,000
2. Mrs. Churairat Panyarachun	357,000
3. Mr. Sutee Losoponkul	357,000
4. Mr. Taveesak Saengthong	357,000
5. Ms. Chionh Yi Chian	357,000
6. Mr. Tan Ley Yen	-
	<u>2,142,000</u>

Note: There are no other benefits other than those proposed for approval.

5. Approved the appointment of 1) Ms. Lasita Magut, Certified Public Accountant No. 9039 and/or 2) Mr. Wee Sujarit, Certified Public Accountant No. 7103 and/or 3) Mr. Kasiti Ketsuriyong, Certified Public Accountant No. 8833 and/or 4) Ms. Vayuree Jirakittidul, Certified Public Accountant No. 9140 of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be Auditors of the Company for the year ending 31<sup>st</sup> December 2024 and fixed the total remuneration of Baht 2,265,000 (excluding out-of pocket expenses and group reporting). This would be proposed to the 2024 Annual General Meeting of Shareholders for approval.
6. Approved the convocation of the 2024 Annual General Meeting of Shareholders as follows:
  - 6.1 The 2024 Annual General Meeting of Shareholders would be held as a physical meeting on Monday, 22<sup>nd</sup> April 2024 at 2.00 p.m. at the Infinity Room, 7<sup>th</sup> Floor, AETAS Lumpini, 1030/4 Rama 4 Road, Tungmahamek, Sathorn Bangkok 10120, Thailand to consider the following agenda:
    1. To certify the Minutes of the 2023 Annual General Meeting of Shareholders;
    2. To acknowledge the Annual Report of the Board of Directors and the operating results for the year 2023;
    3. To consider and approve the Financial Statements for the fiscal year ended 31<sup>st</sup> December 2023;
    4. To consider and approve the appropriation of the net profit and dividend payment for the year 2023;
    5. To consider and approve the election of directors to replace those who retire by rotation;
    6. To consider and approve the determination of the remuneration of the directors;
    7. To consider and approve the appointment of the auditors and the determination of the remuneration of the auditors for the year 2024;
    8. To consider other matters (if any).
  - 6.2 The date on which the recorded shareholders have the right to attend the 2024 Annual General Meeting of Shareholders (Record Date) was determined on 6<sup>th</sup> March 2024.
  - 6.3 Mr. Tan Ley Yen would be authorized to have the power under the limitation of law to amend and/or determine the date, time, place and agenda for the 2024 Annual General Meeting of Shareholders as deem appropriate.

Please be informed accordingly.

Sincerely yours,



(Mr. Tan Ley Yen)  
Director and CEO

**Headline:** Financial Performance Yearly (F45) (Audited)

**Security Symbol:** IFS

Announcement Details

**Summary of operating result form (F45)**

Company name	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED		
Quarter	Yearly		
(In thousands)			
Financial Statement	Yearly		
Status	Audited		
Ending	31 December		
Year	2023	2022	
Profit (loss) attributable to equity holders of the Company *	158,405	156,909	
EPS (baht)	0.32	0.32	
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)

Director and CEO

Authorized Persons to Disclose Information

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**REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**

**Opinion**

We have audited the financial statements of IFS Capital (Thailand) Public Company Limited (the “Company”), which comprise the statements of financial position as at December 31, 2023, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IFS Capital (Thailand) Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

**Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p><b>Allowance for expected credit losses</b></p> <p>The allowance for expected credit losses for factoring receivables in accordance with impairment of financial assets for the Thai Financial Reporting Standard No. 9 in certain circumstances is considered to be the key audit matter as it requires the use of assumptions, the classification of assets into stages and judgment by management of the allowance for expected credit loss calculation.</p> <p>The Company has applied the Thai Financial Reporting Standard No. 9 - Financial Instruments. This standard requires the Company to recognize impairment loss based on expected credit loss.</p> <p>The ECL is measured based forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p> <p>Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss for factoring receivables were disclosed in Note 3.4 and Note 7 to the financial statements.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> <li>• Understanding and testing design and operating effectiveness of key controls across the processes relevant to allowance for expected credit losses and substantive testing. This included the classification of assets into stages, data accuracy and completeness, credit monitoring, economic scenarios, macroeconomic factors, macroeconomic factors, and individual provisions.</li> <li>• Considering the criteria used to classify factoring receivables to stage 1, 2 and 3 in accordance with TFRS 9 and testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage.</li> <li>• Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions.</li> <li>• Involvement of our internal specialists to assess the model documentation and model validation. This included assessing the appropriateness of model design, assumptions, formulas used.</li> <li>• Assessment of the completeness and appropriateness of disclosures which related to the Thai Financial Reporting Standard No. 9.</li> </ul>

## **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BANGKOK**  
February 21, 2024

Lasita Magut  
Certified Public Accountant (Thailand)  
Registration No. 9039  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

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

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	2023	2022
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	353,267,455	451,556,819
Factoring receivables	7	3,049,262,392	2,910,980,124
Hire purchase current receivables	8	1,823,167	1,399,404
Finance lease current receivables	9	69,510,381	60,750,417
Inventory finance receivables	10	142,464,374	149,486,256
Other current receivables		9,589,449	6,994,631
Other current assets		332,801	1,011,005
Total Current Assets		3,626,250,019	3,582,178,656
<b>NON-CURRENT ASSETS</b>			
Bank deposits held as collateral	11	164,204	163,960
Hire purchase non-current receivables	8	1,778,548	626,942
Finance lease non-current receivables	9	85,136,215	74,114,987
Investment properties	12	48,740,620	53,389,975
Plant and equipment	13	11,816,292	15,701,400
Right-of-use assets	14	2,329,795	708,073
Other intangible assets	15	1,705,973	1,569,953
Deferred tax assets	16	35,427,003	35,080,264
Properties foreclosed	17	4,080,000	400,000
Other non-current assets		626,699	736,446
Total Non-current Assets		191,805,349	182,492,000
<b>TOTAL ASSETS</b>		<b>3,818,055,368</b>	<b>3,764,670,656</b>

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

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	2023	2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings from financial institutions	18	1,835,000,000	1,615,000,000
Other current payables	19	54,962,634	117,496,379
Current portion of long-term borrowings	20	73,360,000	180,626,667
Current portion of lease liabilities	21	539,514	546,818
Corporate income tax payable		21,078,773	23,377,847
Other current liabilities		1,061,923	124,997
Total Current Liabilities		1,986,002,844	1,937,172,708
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	20	24,940,000	98,300,000
Lease liabilities	21	1,835,007	191,087
Non-current provisions for employee benefits	22	33,398,871	33,368,427
Other non-current liabilities		136,654	899,404
Total Non-current Liabilities		60,310,532	132,758,918
<b>TOTAL LIABILITIES</b>		<b>2,046,313,376</b>	<b>2,069,931,626</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>SHARE CAPITAL</b>			
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
Share premium on ordinary shares	23	31,746,399	31,746,399
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve	24	49,350,000	49,350,000
Unappropriated		1,197,145,618	1,120,142,656
TOTAL SHAREHOLDERS' EQUITY		1,771,741,992	1,694,739,030
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,818,055,368</b>	<b>3,764,670,656</b>

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

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

UNIT : BAHT

	Notes	2023	2022
<b>REVENUES</b>			
Factoring income		272,121,450	264,946,433
Hire purchase income		227,776	209,164
Finance lease income		12,972,958	9,306,010
Factoring commission and service fees		98,048,489	103,915,193
Other income		47,979,049	42,392,358
Total Revenues		431,349,722	420,769,158
<b>EXPENSES</b>			
Selling expenses		19,174,875	18,833,355
Administrative expenses		118,540,436	106,059,955
Management benefit expenses	4	41,759,874	37,490,175
Total Expenses		179,475,185	162,383,485
<b>Profit from operating activities</b>		<b>251,874,537</b>	<b>258,385,673</b>
Finance costs		49,149,235	38,489,748
Impairment loss determined in accordance with TFRS 9		4,163,489	22,844,280
<b>Profit before income tax expense</b>		<b>198,561,813</b>	<b>197,051,645</b>
Income tax expense	26	40,156,427	40,142,870
<b>PROFIT FOR THE YEARS</b>		<b>158,405,386</b>	<b>156,908,775</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on re-measurements of defined benefit plans		(1,017,347)	5,237,766
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		203,469	(1,047,553)
Other comprehensive income (loss) for the years, net of tax		(813,878)	4,190,213
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>		<b>157,591,508</b>	<b>161,098,988</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	0.32	0.32
<b>WEIGHTED AVERAGE NUMBER OF</b>			
<b>ORDINARY SHARES</b>	<b>SHARES</b>	493,499,975	493,499,975

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

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
<b>Balance as at January 1, 2022</b>		493,499,975	31,746,399	49,350,000	1,037,016,664	1,611,613,038
<b>Change in shareholder's equity for the year</b>						
Dividends	29.2	-	-	-	(77,972,996)	-77,972,996
Comprehensive income for the year		-	-	-	161,098,988	161,098,988
<b>Total change in shareholder's equity for the year</b>		-	-	-	83,125,992	83,125,992
<b>Balance as at December 31, 2022</b>		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>1,120,142,656</u>	<u>1,694,739,030</u>
<b>Balance as at January 1, 2023</b>		493,499,975	31,746,399	49,350,000	1,120,142,656	1,694,739,030
<b>Change in shareholder's equity for the year</b>						
Dividends	29.1	-	-	-	(80,588,546)	-80,588,546
Comprehensive income for the year		-	-	-	157,591,508	157,591,508
<b>Total change in shareholder's equity for the year</b>		-	-	-	77,002,962	77,002,962
<b>Balance as at December 31, 2023</b>		<u>493,499,975</u>	<u>31,746,399</u>	<u>49,350,000</u>	<u>1,197,145,618</u>	<u>1,771,741,992</u>

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

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

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**UNIT : BAHT**

	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the years		158,405,386	156,908,775
Adjustments for			
Income tax expense		40,156,427	40,142,870
Impairment loss determined in accordance with TFRS9		4,163,489	22,844,280
Impairment loss from properties foreclosed		-	400,000
Loss on disposal of properties foreclosed		150,000	-
Gain on disposal of fixed assets		-782,706	-709
Loss on written-off assets		4	19
Interest expenses		48,699,857	38,024,813
Interest income		-286,464,657	-275,363,825
Employee benefits expense		4,365,897	3,298,887
Depreciation and amortization		10,494,712	10,827,111
		<u>-20,811,591</u>	<u>-2,917,779</u>
Changes in operating assets and liabilities			
Operating assets (increase) decrease			
Factoring receivables		(139,691,567)	318,124,169
Hire purchase receivables		(2,545,293)	(499,696)
Finance lease receivables		(24,086,453)	(23,720,629)
Inventory finance receivables		9,630,154	(36,767,468)
Other current receivables		(10,768,292)	(7,844,410)
Other current assets		678,204	415,669
Properties foreclosed		(4,080,000)	-
Other non-current assets		109,747	(318,883)
Operating liabilities increase (decrease)			
Other current payables		(63,902,552)	75,580,962
Other current liabilities		936,926	87,387
Other non-current liabilities		(762,750)	(971,025)
Net cash flows provided by (used in) operation		<u>(255,293,467)</u>	<u>321,168,297</u>

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

UNIT : BAHT

	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>			
Interest paid		(47,286,512)	(37,755,299)
Interest received		286,377,136	275,129,003
Cash received from sell of properties foreclosed		250,000	-
Employee benefits paid		(5,352,800)	(1,014,699)
Income tax paid		(34,425,301)	(35,301,500)
<b>Net cash flows provided by (used in) operating activities</b>		<u>(55,730,944)</u>	<u>522,225,802</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchase of plant and equipment		(280,918)	(1,399,544)
Cash paid for purchase of other intangible assets		(1,125,319)	(605,754)
Cash received from disposal of assets		782,710	1,869
<b>Net cash flows used in investing activities</b>		<u>(623,527)</u>	<u>(2,003,429)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash paid for short-term borrowings			
to financial institutions	5	(12,970,000,000)	(12,335,000,000)
Cash received from short-term borrowings			
from financial institutions	5	13,190,000,000	12,125,000,000
Cash paid for long-term borrowings	5	(180,626,667)	(213,906,666)
Cash received from long-term borrowings	5	-	100,000,000
Cash paid for lease liabilities	5	(719,680)	(553,840)
Dividend paid	29	(80,588,546)	(77,972,996)
<b>Net cash flows used in financing activities</b>		<u>-41,934,893</u>	<u>-402,433,502</u>
Net increase (decrease) in cash and cash equivalents		-98,289,364	117,788,871
Cash and cash equivalents at the beginning of the years		451,556,819	333,767,948
<b>Cash and cash equivalents at the end of the years</b>	6	<u>353,267,455</u>	<u>451,556,819</u>

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

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. THE COMPANY'S OPERATIONS AND GENERAL INFORMATION**

IFS Capital (Thailand) Public Company Limited (the "Company") is incorporated in Thailand and has its registered office at 20<sup>th</sup> floor Lumpini Tower, 1168/55 Rama IV Road, Tungmahamek, Sathorn, Bangkok. The Company was listed on The Stock Exchange of Thailand on April 18, 2007. The business activities of the Company are factoring, hire purchase, leasing businesses and office rental.

The Company's major shareholder are IFS Capital Limited, which was registered in Singapore with 36.49% of the Company's shares and IFS Capital Holdings (Thailand) Limited with 36.64% of the Company's shares. The Company's ultimate shareholder is Philip Asset Pte. Ltd., which was incorporated 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
3. 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
4. Service businesses of office rental including utility and facility

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

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements" and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.3) B.E. 2562" dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).



- 2.4 The statements of financial position for the year ended December 31, 2022, presented herein for comparison, have been derived from the financial statements of the Company for the year then ended.
- 2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. 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 clarification of accounting requirements. 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

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

The revised TFRSs are mostly the revision of wording and terminology and clarification of accounting requirements. TFRSs which have been amended and are relevant to the Company are as follows:

**Thai Accounting Standard No.1 “Presentation of Financial Statements”**

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

**Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”**

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

### **Thai Accounting Standard No.12 “Income Taxes”**

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. At the beginning of the earliest comparative period, an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions.

In addition, such amendments also add the exemption for the International Tax Reform - Pillar Two Model. An entity should not recognize and not disclose the deferred tax assets and deferred tax liability which are relevant to Pillar Two income tax.

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/this TFRSs on the financial statements of the Company in the period of initial application.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies adopted by the Company are summarized below:

#### **3.1 Transactions in foreign currencies**

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of comprehensive income.

#### **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, all deposits at banks with the original maturities of three months or less excluding cash at banks used as collateral.

#### **3.3 Account receivables**

Factoring receivables is shown net of allowance for expected credit losses.

Hire purchase receivables and finance lease receivables are stated at the outstanding hire purchase contract price and finance lease contract price after deducting unearned financing income and allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.4.

### 3.4 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### **Financial assets**

##### Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on factoring receivables, hire purchase receivables, finance lease receivables and inventory finance receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime allowance for ECL for factoring receivables, hire purchase receivables, finance lease receivables and inventory finance receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

##### (1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the aspects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(2) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(3) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see (2) above)
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

(4) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(5) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

*Derecognition of financial assets*

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

## **Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

*Financial liabilities measured subsequently at amortized cost.*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and costs paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

*Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### 3.5 Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses (if any).

Depreciation is charged as an expense to the statement of comprehensive income on the straight-line method, based on the estimated useful life of assets. For investment properties, the estimate useful live is 40 years.

When the Company uses the cost method to transfer between investment property and owner-occupied property.

### 3.6 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses (if any).

Plant and equipment have different useful lives, they are accounted for separately by major components.

Gains and losses on disposal of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net as profit or loss in the statement of comprehensive income.

Depreciation is charged as an expense to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Condominium	40 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation methods, estimated useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.7 Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses (if any).

Amortization is recognized as an expense in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible asset. For computer software, the estimated useful lives are 3 years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.8 Properties foreclosed

Properties foreclosed is stated at the lower of cost (fair value with reference to appraisal value, providing this does not exceed the legally claimable amount of debt) or net realizable value, which is determined with reference to the latest appraisal value less estimated selling expenses and taking into consideration the type and the nature of the assets.

Gains on disposal of properties foreclosed are recognized as income in part of profit or loss in the statement of comprehensive income on the disposal date.

### 3.9 Provisions for employee benefits

The Company provides provisions for employee benefits regarding the severance pay under the Thai Labor Protection Act and long service awards payable to employees. Provisions for employee benefits is calculated by using the Projected Unit Credit Method. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and others. Gains or losses on remeasurements of provisions for employee benefits will be recognized as expenses in the statements of comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned (see Note 22).

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment has occurred.

### 3.10 Revenue recognition

Factoring income is recognized over the period of contracts.

Hire purchase income is recognized using the effective interest rate method over the period of contracts.

Finance lease income is recognized using the effective interest rate method over the period of contracts.

Interest on hire purchase and finance lease is recognized over the period of contracts, except when interest is in arrears for more than three months which is then recognized on a cash basis.

Factoring commission and service fees are recognized upon the transfer of rights.

Other income is recognized in the statement of comprehensive income on an accrual basis.

### 3.11 Lease

#### *The Company as lessee*

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate at 2.62% to 4.63% per annum.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

#### *The Company as lessor*

The Company enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of TFRS 9, recognizing an allowance for expected credit losses on the lease receivables.

### 3.12 Income tax expenses

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expenses in the statement of comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding.

the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the financial statements.

### 3.13 Earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year are based on the weighted-average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.14 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 3.15 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

#### Significant increase in credit risk

As explained in Note 3.4, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

## 4. 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 parties as approved by the Board or the shareholders.

Relationships with related parties other than subsidiaries, associates and joint ventures as at December 31, 2023 were as follows:

<b>Name of entities</b>	<b>Nature of relationships</b>
IFS Capital Limited	Major shareholders and common directors
IFS Capital Holdings (Thailand) Limited	Major shareholders and common directors

Significant transactions with related person or parties for the years ended December 31, 2023 and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
<b>Management benefit expenses</b>		
Short-term benefits	40,916,047	36,456,332
Post-employment benefits	811,042	757,403
Other long-term benefits	32,785	276,440
	<u>41,759,874</u>	<u>37,490,175</u>
<b>Dividend payment</b>		
IFS Capital Limited	29,406,248	28,451,850
IFS Capital Holdings (Thailand) Limited	29,526,273	28,567,980
	<u>58,932,521</u>	<u>57,019,830</u>

## 5. ADDITIONAL CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

As at December 31, 2023	Balance as at January 1, 2023 Baht	Cash flows from financing activities			Non-cash items <sup>(1)</sup> Baht	Balance as at December 31, 2023 Baht
		Cash received Baht	Cash paid Baht			
Short-term borrowings from financial institutions	1,615,000,000	13,190,000,000	(12,970,000,000)	-	1,835,000,000	
Long-term borrowings	278,926,667	-	(180,626,667)	-	98,300,000	
Lease liabilities	737,905	-	(719,680)	2,356,296	2,374,521	
As at December 31, 2022	Balance as at January 1, 2022 Baht	Cash flows from financing activities			Non-cash items <sup>(1)</sup> Baht	Balance as at December 31, 2022 Baht
		Cash received Baht	Cash paid Baht			
Short-term borrowings from financial institutions	1,825,000,000	12,125,000,000	(12,335,000,000)	-	1,615,000,000	
Long-term borrowings	392,833,333	100,000,000	(213,906,666)	-	278,926,667	
Lease liabilities	1,003,655	-	(553,840)	288,090	737,905	

(1) Non-cash items were arisen from additions to car and photocopy machine rental agreements.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of the following:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Cash on hand	30,000	30,000
Current accounts	13,683,115	9,464,428
Savings accounts	339,554,340	442,062,391
<b>Total</b>	<u>353,267,455</u>	<u>451,556,819</u>

## 7. FACTORING RECEIVABLES

Factoring receivables as at December 31, consisted of the following:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Factoring receivables	4,070,849,061	3,770,319,209
<u>Less</u> Allowance for expected credit losses	<u>(108,856,998)</u>	<u>(107,447,699)</u>
	3,961,992,063	3,662,871,510
<u>Less</u> Factoring payables	<u>(912,729,671)</u>	<u>(751,891,386)</u>
Factoring receivables, net	<u>3,049,262,392</u>	<u>2,910,980,124</u>

Factoring receivables as at December 31, were classified by staging as follows:

	<b>Unit : Baht</b>		
	<b>As at December 31, 2023</b>		
	<b>Factoring receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	3,628,746,815	154,893	0.01
Significant increase in credit risk receivables	332,792,613	865,415	0.26
Default receivables in credit risk	109,309,633	107,836,690	98.65
Total	<u>4,070,849,061</u>	<u>108,856,998</u>	
	<b>Unit : Baht</b>		
	<b>As at December 31, 2022</b>		
	<b>Factoring receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	3,182,638,430	441,780	0.01
Significant increase in credit risk receivables	467,875,315	775,993	0.17
Default receivables in credit risk	119,805,464	106,229,926	88.67
Total	<u>3,770,319,209</u>	<u>107,447,699</u>	

Allowance for expected credit losses for the year ended December 31, consisted of the following:

	2023			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	
Balance as at January 1, 2023	441,780	775,993	106,229,926	107,447,699
Changes in staging	496,970	(574,229)	77,259	-
Changes in risk parameters	(773,452)	708,872	1,529,505	1,464,925
New financial assets originated or purchased	24,853	-	-	24,853
Financial assets derecognized	(35,258)	(45,221)	-	(80,479)
Balance as at December 31, 2023	<u>154,893</u>	<u>865,415</u>	<u>107,836,690</u>	<u>108,856,998</u>

	2022			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)	
Balance as at January 1, 2022	84,539	228,731	85,763,348	86,076,618
Changes in staging	97,234	(97,336)	102	-
Changes in risk parameters	194,999	653,342	10,144,160	10,992,501
New financial assets originated or purchased	67,692	3,041	10,322,316	10,393,049
Financial assets derecognized	(2,684)	(11,785)	-	(14,469)
Balance as at December 31, 2022	<u>441,780</u>	<u>775,993</u>	<u>106,229,926</u>	<u>107,447,699</u>

## 8. HIRE PURCHASE RECEIVABLES

Hire purchase receivables as at December 31, consisted of the following:

	2023 Baht	2022 Baht
Outstanding contract price	5,000,576	2,186,412
<u>Less</u> Unearned financing income	<u>(390,551)</u>	<u>(159,031)</u>
	4,610,025	2,027,381
<u>Less</u> Allowance for expected credit losses	<u>(1,008,310)</u>	<u>(1,035)</u>
	<u>3,601,715</u>	<u>2,026,346</u>
Due within one year	2,101,148	1,543,349
<u>Less</u> Unearned financing income	<u>(270,940)</u>	<u>(142,910)</u>
Allowance for expected credit losses	(7,041)	(1,035)
Hire purchase current receivables, net	<u>1,823,167</u>	<u>1,399,404</u>
Hire purchase non-current receivables, net	<u>1,778,548</u>	<u>626,942</u>

Hire purchase receivables as at December 31, were classified by staging as follows:

	As at December 31, 2023		Unit : Baht
	Hire purchase receivables	Allowance for expected credit losses	Expected credit loss rate (%)
Low credit risk receivables	3,208,756	7,041	0.22
Default receivables in credit risk	1,401,269	1,001,269	71.45
Total	4,610,025	1,008,310	

	As at December 31, 2022		Unit : Baht
	Hire purchase receivables	Allowance for expected credit losses	Expected credit loss rate (%)
Low credit risk receivables	2,027,381	1,035	0.05
Total	2,027,381	1,035	

Allowance for expected credit losses for the years ended December 31, consisted of the following:

	2023			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	
Balance as at January 1, 2023	1,035	-	-	1,035
Changes in staging	(1,035)	-	1,035	-
Changes in risk parameters	-	-	1,000,234	1,000,234
New financial assets originated or purchased	7,041	-	-	7,041
Balance as at December 31, 2023	7,041	-	1,001,269	1,008,310

	2022			Unit : Baht
	Allowance for expected credit losses			Total
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	
Balance as at January 1, 2022	359	-	-	359
New financial assets originated or purchased	1,035	-	-	1,035
Financial assets derecognized	(359)	-	-	(359)
Balance as at December 31, 2022	1,035	-	-	1,035

## 9. FINANCE LEASE RECEIVABLES

Finance lease receivables as at December 31, consisted of the following:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Outstanding contract price	259,751,972	242,286,267
<u>Less</u> Deposits on finance lease	(77,497,048)	(81,350,188)
<u>Less</u> Unearned financing income	<u>(18,199,450)</u>	<u>(15,878,784)</u>
	164,055,474	145,057,295
<u>Less</u> Allowance for expected credit losses	<u>(9,408,878)</u>	<u>(10,191,891)</u>
	<u>154,646,596</u>	<u>134,865,404</u>
Due within one year	100,473,157	98,937,630
<u>Less</u> Deposits on finance lease	(20,969,342)	(29,450,334)
<u>Less</u> Unearned financing income	<u>(9,993,434)</u>	<u>(8,736,879)</u>
Finance lease current receivables, net	<u>69,510,381</u>	<u>60,750,417</u>
Finance lease non-current receivables, net	<u>85,136,215</u>	<u>74,114,987</u>

Finance lease receivables as at December 31, were classified by staging as follows:

	<b>Unit : Baht</b>		
	<b>As at December 31, 2023</b>		
	<b>Finance lease receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	140,577,136	287,906	0.20
Significant increase in credit risk receivables	9,683,722	111,725	1.15
Default receivables in credit risk	13,794,616	9,009,247	65.31
Total	<u>164,055,474</u>	<u>9,408,878</u>	
	<b>Unit : Baht</b>		
	<b>As at December 31, 2022</b>		
	<b>Finance lease receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	107,080,999	897,054	0.84
Significant increase in credit risk receivables	15,164,652	1,625,644	10.72
Default receivables in credit risk	22,811,644	7,669,193	33.62
Total	<u>145,057,295</u>	<u>10,191,891</u>	



Allowance for expected credit losses for the year ended December 31, consisted of the following:

	<b>2023</b>			<b>Unit : Baht</b>
	<b>Allowance for expected credit losses</b>			<b>Total</b>
	<b>Performing (Stage 1)</b>	<b>Under- Performing (Stage 2)</b>	<b>Non- Performing (Stage 3)</b>	
Balance as at January 1, 2023	897,054	1,625,644	7,669,193	10,191,891
Changes in staging	1,038,476	(1,038,476)	-	-
Changes in risk parameters	(1,584,821)	(475,443)	1,340,054	(720,210)
New financial assets originated or purchased	89,754	-	-	89,754
Financial assets derecognized	(151,660)	-	-	(151,660)
Written off	(897)	-	-	(897)
Balance as at December 31, 2023	<u>287,906</u>	<u>111,725</u>	<u>9,009,247</u>	<u>9,408,878</u>

	<b>2022</b>			<b>Unit : Baht</b>
	<b>Allowance for expected credit losses</b>			<b>Total</b>
	<b>Performing (Stage 1)</b>	<b>Under- Performing (Stage 2)</b>	<b>Non- Performing (Stage 3)</b>	
Balance as at January 1, 2022	1,575,384	59,867	7,628,310	9,263,561
Changes in staging	(791,963)	519,002	272,961	-
Changes in risk parameters	(402,091)	322,351	(232,078)	(311,818)
New financial assets originated or purchased	533,143	778,118	-	1,311,261
Financial assets derecognized	(17,419)	(40,454)	-	(57,873)
Written off	-	(13,240)	-	(13,240)
Balance as at December 31, 2022	<u>897,054</u>	<u>1,625,644</u>	<u>7,669,193</u>	<u>10,191,891</u>

## 10. INVENTORY FINANCE RECEIVABLES

Inventory finance receivables as at December 31, consisted of the following:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Inventory finance receivables	147,710,940	157,341,094
<u>Less Allowance for expected credit losses</u>	<u>(5,246,566)</u>	<u>(7,854,838)</u>
Inventory finance receivables, net	<u>142,464,374</u>	<u>149,486,256</u>

Inventory finance receivables as at December 31, were classified by staging as follows:

	<b>As at December 31, 2023</b>		<b>Unit : Baht</b>
	<b>Inventory finance receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	127,410,269	464,553	0.36
Significant increase in credit risk receivables	15,754,947	236,289	1.50
Default receivables in credit risk	4,545,724	4,545,724	100.00
<b>Total</b>	<b>147,710,940</b>	<b>5,246,566</b>	

	<b>As at December 31, 2022</b>		<b>Unit : Baht</b>
	<b>Inventory finance receivables</b>	<b>Allowance for expected credit losses</b>	<b>Expected credit loss rate (%)</b>
Low credit risk receivables	129,595,484	1,775,244	1.37
Significant increase in credit risk receivables	23,199,886	1,533,870	6.61
Default receivables in credit risk	4,545,724	4,545,724	100.00
<b>Total</b>	<b>157,341,094</b>	<b>7,854,838</b>	

Allowance for expected credit loss for the year ended December 31, consisted of the following:

	<b>2023</b>			<b>Unit : Baht</b>
	<b>Allowance for expected credit loss</b>			<b>Total</b>
	<b>Performing (Stage 1)</b>	<b>Under-Performing (Stage 2)</b>	<b>Non-Performing (Stage 3)</b>	
Balance as at January 1, 2023	1,775,244	1,533,870	4,545,724	7,854,838
Changes in staging	1,111,321	(1,111,321)	-	-
Changes in risk parameters	(2,470,072)	(186,260)	-	(2,656,332)
New financial assets originated or purchased	48,060	-	-	48,060
<b>Balance as at December 31, 2023</b>	<b>464,553</b>	<b>236,289</b>	<b>4,545,724</b>	<b>5,246,566</b>

	<b>2022</b>			<b>Unit : Baht</b>
	<b>Allowance for expected credit loss</b>			<b>Total</b>
	<b>Performing (Stage 1)</b>	<b>Under-Performing (Stage 2)</b>	<b>Non-Performing (Stage 3)</b>	
Balance as at January 1, 2022	1,769,995	1,111,464	4,545,724	7,427,183
Changes in staging	854,112	(854,112)	-	-
Changes in risk parameters	(1,006,019)	1,174,790	-	168,771
New financial assets originated or purchased	157,156	101,728	-	258,884
<b>Balance as at December 31, 2022</b>	<b>1,775,244</b>	<b>1,533,870</b>	<b>4,545,724</b>	<b>7,854,838</b>

## 11. BANK DEPOSITS HELD AS COLLATERAL

As at December 31, 2023 and 2022, fixed deposits at bank of Baht 164,204 and Baht 163,960, respectively, have been pledged with a bank as collateral for issuing bank guarantees on behalf of the Company.

## 12. INVESTMENT PROPERTIES

Investment properties as at December 31, were as follows:

As at December 31, 2023	Balance as at January 1, 2023 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2023 Baht
<b>Cost</b>				
Condominium	88,390,785	-	-	88,390,785
Total cost	<u>88,390,785</u>	<u>-</u>	<u>-</u>	<u>88,390,785</u>
<b>Accumulated depreciation</b>				
Condominium	(35,000,810)	(4,649,355)	-	(39,650,165)
Total accumulated depreciation	<u>(35,000,810)</u>	<u>(4,649,355)</u>	<u>-</u>	<u>(39,650,165)</u>
Investment properties	<u>53,389,975</u>			<u>48,740,620</u>
<b>As at December 31, 2022</b>				
	Balance as at January 1, 2022 Baht	Additions Baht	(Disposals) Baht	Balance as at December 31, 2022 Baht
<b>Cost</b>				
Condominium	88,390,785	-	-	88,390,785
Total cost	<u>88,390,785</u>	<u>-</u>	<u>-</u>	<u>88,390,785</u>
<b>Accumulated depreciation</b>				
Condominium	(30,364,192)	(4,636,618)	-	(35,000,810)
Total accumulated depreciation	<u>(30,364,192)</u>	<u>(4,636,618)</u>	<u>-</u>	<u>(35,000,810)</u>
Investment properties	<u>58,026,593</u>			<u>53,389,975</u>
<b>Depreciation for the years ended December 31,</b>				
2023			<b>Baht</b>	<u>4,649,355</u>
2022			<b>Baht</b>	<u>4,636,618</u>

As at December 31, 2023 and 2022, fair value of investment properties of the Company which amounted to Baht 126.67 million in each year.

### 13. PLANT AND EQUIPMENT

Plant and equipment as at December 31, were as follows:

<b>As at December 31, 2023</b>	<b>Balance as at January 1, 2023 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2023 Baht</b>
<b>Cost</b>				
Condominium	57,161,315	-	-	57,161,315
Furniture and fixtures	33,688,961	280,922	(94,677)	33,875,206
Vehicles	7,783,885	-	(2,559,446)	5,224,439
Total cost	<u>98,634,161</u>	<u>280,922</u>	<u>(2,654,123)</u>	<u>96,260,960</u>
<b>Accumulated depreciation</b>				
Condominium	(43,329,477)	(3,521,155)	-	(46,850,632)
Furniture and fixtures	(31,872,687)	(591,588)	94,675	(32,369,600)
Vehicles	(7,730,597)	(53,283)	2,559,444	(5,224,436)
Total accumulated depreciation	<u>(82,932,761)</u>	<u>(4,166,026)</u>	<u>2,654,119</u>	<u>(84,444,668)</u>
Plant and equipment	<u>15,701,400</u>			<u>11,816,292</u>
<b>As at December 31, 2022</b>				
	<b>Balance as at January 1, 2022 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2022 Baht</b>
<b>Cost</b>				
Condominium	57,161,315	-	-	57,161,315
Furniture and fixtures	32,707,687	1,399,544	(418,270)	33,688,961
Vehicles	7,783,885	-	-	7,783,885
Total cost	<u>97,652,887</u>	<u>1,399,544</u>	<u>(418,270)</u>	<u>98,634,161</u>
<b>Accumulated depreciation</b>				
Condominium	(39,808,322)	(3,521,155)	-	(43,329,477)
Furniture and fixtures	(31,875,031)	(414,747)	417,091	(31,872,687)
Vehicles	(6,959,956)	(770,641)	-	(7,730,597)
Total accumulated depreciation	<u>(78,643,309)</u>	<u>(4,706,543)</u>	<u>417,091</u>	<u>(82,932,761)</u>
Plant and equipment	<u>19,009,578</u>			<u>15,701,400</u>
<b>Depreciation for the years ended December 31,</b>				
2023			<b>Baht</b>	<u>4,166,026</u>
2022			<b>Baht</b>	<u>4,706,543</u>

As at December 31, 2023 and 2022, certain equipment at cost of Baht 46.19 million and Baht 44.97 million, respectively, were fully depreciated but still in use.

#### 14. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, were as follows:

<b>As at December 31, 2023</b>	<b>Balance as at January 1, 2023 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2023 Baht</b>
<b>Cost</b>				
Furniture and fixtures	265,459	-	-	265,459
Vehicles	1,409,481	2,311,758	-	3,721,239
Total cost	<u>1,674,940</u>	<u>2,311,758</u>	<u>-</u>	<u>3,986,698</u>
<b>Accumulated depreciation</b>				
Furniture and fixtures	(66,365)	(66,092)	-	(132,457)
Vehicles and Fixtures	(900,502)	(623,944)	-	(1,524,446)
Total accumulated depreciation	<u>(966,867)</u>	<u>(690,036)</u>	<u>-</u>	<u>(1,656,903)</u>
Right-of-use assets	<u>708,073</u>			<u>2,329,795</u>
<b>As at December 31, 2022</b>	<b>Balance as at January 1, 2022 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2022 Baht</b>
<b>Cost</b>				
Furniture and fixtures	-	265,459	-	265,459
Vehicles	1,409,481	-	-	1,409,481
Total cost	<u>1,409,481</u>	<u>265,459</u>	<u>-</u>	<u>1,674,940</u>
<b>Accumulated depreciation</b>				
Furniture and fixtures	-	(66,365)	-	(66,365)
Vehicles and Fixtures	(430,675)	(469,827)	-	(900,502)
Total accumulated depreciation	<u>(430,675)</u>	<u>(536,192)</u>	<u>-</u>	<u>(966,867)</u>
Right-of-use assets	<u>978,806</u>			<u>708,073</u>
<b>Depreciation for the years ended December 31,</b>				
2023			<b>Baht</b>	<u>690,036</u>
2022			<b>Baht</b>	<u>536,192</u>

The maturity analysis of lease liabilities is presented in Note 21.

	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Amounts recognized in profit or loss</b>		
Depreciation expense on right-of-use assets	690,036	536,192
Interest expense on lease liabilities	44,539	22,630

## 15. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, were as follows:

<b>As at December 31, 2023</b>	<b>Balance as at January 1, 2023 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2023 Baht</b>
<b>Cost</b>				
Golf membership fee	150,000	-	-	150,000
Computer software	12,680,139	1,125,319	(48,471)	13,756,987
Total cost	<u>12,830,139</u>	<u>1,125,319</u>	<u>(48,471)</u>	<u>13,906,987</u>
<b>Accumulated amortization</b>				
Computer software	(11,260,186)	(989,295)	48,467	(12,201,014)
Total accumulated amortization	<u>(11,260,186)</u>	<u>(989,295)</u>	<u>48,467</u>	<u>(12,201,014)</u>
Intangible assets	<u>1,569,953</u>			<u>1,705,973</u>
<b>As at December 31, 2022</b>				
	<b>Balance as at January 1, 2022 Baht</b>	<b>Additions Baht</b>	<b>(Disposals) Baht</b>	<b>Balance as at December 31, 2022 Baht</b>
<b>Cost</b>				
Golf membership fee	150,000	-	-	150,000
Computer software	12,032,121	648,018	-	12,680,139
Total cost	<u>12,182,121</u>	<u>648,018</u>	<u>-</u>	<u>12,830,139</u>
<b>Accumulated amortization</b>				
Computer software	(10,312,428)	(947,758)	-	(11,260,186)
Total accumulated amortization	<u>(10,312,428)</u>	<u>(947,758)</u>	<u>-</u>	<u>(11,260,186)</u>
Intangible assets	<u>1,869,693</u>			<u>1,569,953</u>
<b>Amortization for the years ended December 31,</b>				
2023			<b>Baht</b>	<u>989,295</u>
2022			<b>Baht</b>	<u>947,758</u>

## 16. DEFERRED TAX ASSETS

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

	<b>2023 Baht</b>	<b>2022 Baht</b>
Deferred tax assets	35,892,962	35,221,879
Deferred tax liability	(465,959)	(141,615)
	<u>35,427,003</u>	<u>35,080,264</u>

Movements of deferred tax assets and liability during the years were as follows:

<b>As at December 31, 2023</b>	<b>As at January 1, 2023</b>	<b>Transactions recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income</b>	<b>As at December 31, 2023</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	25,099,092	(194,942)	-	24,904,150
Assets from lease contract	1,897,349	927,035	-	2,824,384
Lease liabilities	147,581	327,323	-	474,904
Provisions for employee benefits	6,673,685	(197,380)	203,469	6,679,774
Allowance for impairment of properties foreclosed	1,163,434	(1,163,434)	-	-
Others	240,738	769,012	-	1,009,750
Total	<u>35,221,879</u>	<u>467,614</u>	<u>203,469</u>	<u>35,892,962</u>
<b>Deferred tax liability</b>				
Right-of-use assets	(141,615)	(324,344)	-	(465,959)
Total	<u>(141,615)</u>	<u>(324,344)</u>	<u>-</u>	<u>(465,959)</u>
	<u>35,080,264</u>	<u>143,270</u>	<u>203,469</u>	<u>35,427,003</u>
<b>As at December 31, 2022</b>				
	<b>As at January 1, 2022</b>	<b>Transactions recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income</b>	<b>As at December 31, 2022</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	20,553,544	4,545,548	-	25,099,092
Assets from lease contract	4,000,932	(2,103,583)	-	1,897,349
Lease liabilities	200,731	(53,150)	-	147,581
Provisions for employee benefits	7,264,401	456,837	(1,047,553)	6,673,685
Allowance for impairment of properties foreclosed	-	1,163,434	-	1,163,434
Others	242,730	(1,992)	-	240,738
Total	<u>32,262,338</u>	<u>4,007,094</u>	<u>(1,047,553)</u>	<u>35,221,879</u>
<b>Deferred tax liability</b>				
Right-of-use assets	(195,761)	54,146	-	(141,615)
Total	<u>(195,761)</u>	<u>54,146</u>	<u>-</u>	<u>(141,615)</u>
	<u>32,066,577</u>	<u>4,061,240</u>	<u>(1,047,553)</u>	<u>35,080,264</u>

## 17. PROPERTIES FORECLOSED

Properties foreclosed as at December 31, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
Properties foreclosed	4,080,000	6,217,172
<u>Less Allowance for impairment losses</u>	<u>-</u>	<u>(5,817,172)</u>
<b>Total</b>	<u>4,080,000</u>	<u>400,000</u>

**18. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Short-term borrowings from financial institutions as at December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Promissory notes	<u>1,835,000,000</u>	<u>1,615,000,000</u>

As at December 31, 2023 and 2022, the Company has short-term borrowings from financial institutions which bear interest rate at 2.05% to 3.55% per annum and 1.50% to 2.75% per annum, respectively.

**19. OTHER CURRENT PAYABLES**

Other current payables as at December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Other payables - other companies	4,475,993	3,554,615
Accrued expenses	30,312,348	26,153,543
Deposit from factoring	<u>20,174,293</u>	<u>87,788,221</u>
<b>Total</b>	<u>54,962,634</u>	<u>117,496,379</u>

**20. LONG-TERM BORROWINGS**

Long-term borrowings as at December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Long-term borrowings	98,300,000	278,926,667
Current portion of long-term borrowings	<u>(73,360,000)</u>	<u>(180,626,667)</u>
	<u>24,940,000</u>	<u>98,300,000</u>

As at December 31, 2023 and 2022, the Company entered into long-term borrowings with financial institutions at the floating interest rates 3.20% to 4.64% per annum and 2.62% to 3.60% per annum, respectively, and are repayable quarterly installments, the last installment of such borrowings fall due in July 2025. The Company has to comply with the conditions specified in the borrowing agreements with each financial institution that the Company has to maintain its debt to equity ratio at the rate prescribed in the agreements.



## 21. LEASE LIABILITIES

Lease liabilities as at December 31, were as follows:

	<b>2023 Baht</b>	<b>Unit : Baht 2022 Baht</b>
Within 1 year	624,480	559,680
Over 1 year to 5 years	1,978,480	194,960
	<u>2,602,960</u>	<u>754,640</u>
<u>Less</u> Unearned interest	<u>(228,439)</u>	<u>(16,735)</u>
<b>Total</b>	<u><u>2,374,521</u></u>	<u><u>737,905</u></u>
Classification:		
Non-current	1,835,007	191,087
Current	539,514	546,818
<b>Total</b>	<u><u>2,374,521</u></u>	<u><u>737,905</u></u>

## 22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Non-current provisions for employee benefits for the years ended December 31, consisted of the following:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Provisions for post-employee benefits for severance pay (see Note 22.1)	28,988,449	28,987,634
Provisions for employee benefits for long service awards (see Note 22.2)	4,410,422	4,380,793
<b>Total</b>	<u><u>33,398,871</u></u>	<u><u>33,368,427</u></u>

### 22.1 Provisions for post-employee benefits for severance pay

Change in the present value of provisions for post-employee benefits for severance pay for the years ended December 31, were as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Present value of provisions for post-employee benefits for severance pay, beginning balance	28,987,634	31,008,088
Cost of service - current period	2,886,848	2,900,007
Interest cost	719,420	777,004
Benefits paid during the years	(4,622,800)	(459,699)
Actuarial (gains) losses	1,017,347	(5,237,766)
Present value of provisions for post-employee benefits for severance pay, ending balance	<u><u>28,988,449</u></u>	<u><u>28,987,634</u></u>

Provisions for post-employee benefits for severance pay expenses recognized in the statements of comprehensive income for the years ended December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Cost of service - current period	2,886,848	2,900,007
Interest cost	719,420	777,004
Actuarial (gains) losses		
- Change in financial assumptions	675,434	(1,820,468)
- Change in demographic assumptions	-	(843,149)
- Experience adjustments	341,913	(2,574,149)
	<u>1,017,347</u>	<u>(5,237,766)</u>

## 22.2 Provisions for employee benefits for long service awards

Change in the present value of provisions for employee benefits for long service awards for the years ended December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Present value of provisions for employee benefits for long service awards, beginning balance	4,380,793	5,313,917
Cost of service - current period	586,344	583,417
Interest cost	123,840	129,232
Benefits paid during the years	(730,000)	(555,000)
Actuarial (gains) losses	49,445	(1,090,773)
Present value of provisions for employee benefits for long service awards, ending balance	<u>4,410,422</u>	<u>4,380,793</u>

Provisions for employee benefits for long service awards expense recognized in the statements of comprehensive income for the years ended December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Cost of service - current period	586,344	583,417
Interest cost	123,840	129,232
Actuarial (gains) losses		
- Change in financial assumptions	66,352	(499,410)
- Change in demographic assumptions	-	(184,054)
- Experience adjustments	(16,907)	(407,309)
	<u>49,445</u>	<u>(1,090,773)</u>

The Company calculated non-current provisions for employee benefits by using actuarial technique. The assumptions as at December 31, consisted of the following:

	<b>2023</b>	<b>2022</b>
Financial assumptions		
Discount rate (%)	2.84	3.06
Salary increase (%)	5.00	5.00
Demographic assumptions		
Turnover rate (%) depending on age group of employees	3, 9, 26	3, 9, 26
Retirement age (years)	60	60

Sensitivity analysis on significant actuarial assumptions represents impact of change in the significant actuarial assumptions on present value of non-current provisions for employee benefits as at December 31, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
Legal severance pay benefit		
Financial assumptions		
Discount rate		
- 1% increase	(2,663,493)	(2,441,904)
- 1% decrease	3,084,152	2,824,702
Expected rate of salary increase		
- 1% increase	3,289,886	2,740,555
- 1% decrease	(2,886,826)	(2,421,356)
Demographic assumptions		
Turnover rate		
- 1% increase	(2,795,706)	(2,568,791)
- 1% decrease	940,738	863,443
Long service year award		
Financial assumptions		
Discount rate		
- 1% increase	(270,075)	(258,791)
- 1% decrease	301,600	288,218
Demographic assumptions		
Turnover rate		
- 1% increase	(287,244)	(275,545)
- 1% decrease	199,872	194,502

Maturity analysis of the benefit payments of non-current provisions for employee benefits as at December 31, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
Within 1 year	2,967,618	4,828,480
Over 1 year to 5 years	11,309,015	11,349,031
Over 5 years	19,122,238	17,190,916
Total	<u>33,398,871</u>	<u>33,368,427</u>

### 23. PREMIUM ON ORDINARY SHARES

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued less expenses relating to the increase in share capital which is a reserve account and cannot be distributed as dividend.

## 24. LEGAL RESERVE

Pursuant to the Public Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, of not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. The legal reserve could not be used for dividend payment.

As at December 31, 2023 and 2022, the Company has legal reserve by ten percent of the authorized capital.

## 25. EXPENSES BY NATURE

The financial statements included an analysis of expenses by function. Expenses by nature for the years ended December 31, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
Directors and management benefit expenses	41,759,874	37,490,175
Employee benefit expenses	77,042,646	71,414,308
Depreciation and amortization	10,494,711	10,827,110
Impairment loss determined in accordance with TFRS 9	4,163,489	22,844,280
Business tax	13,682,307	13,473,363
Professional fee	4,322,139	3,753,479
Finance cost	49,149,235	38,489,748

## 26. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>Baht</b>	<b>Baht</b>
Income tax expense from taxable income per income tax return	40,299,697	43,120,676
Adjustment income tax expense in prior year	-	1,083,434
Deferred tax income relating to the origination and reversal of temporary differences	(143,270)	(4,061,240)
Income tax expense per the statements of comprehensive income	<u>40,156,427</u>	<u>40,142,870</u>

The reconciliation between income tax and accounting income for the years ended December 31, were as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Tax rate (%)</b>	<b>Baht</b>	<b>Tax rate (%)</b>	<b>Baht</b>
Accounting income before tax		<u>198,561,813</u>		<u>197,051,645</u>
Income tax using the corporate tax rate	20.00	39,712,363	20.00	39,410,329
Tax effect of non-deductible expenses		<u>444,064</u>		<u>732,541</u>
Income tax per the statements of comprehensive income		40,156,427		40,142,870
Deferred tax expense (income) relating to the origination and reversal of temporary differences		143,270		4,061,240
Adjustment income tax expense in prior year		<u>-</u>		<u>(1,083,434)</u>
Income tax expense from taxable income per income tax return	20.30	<u>40,299,697</u>	21.88	<u>43,120,676</u>

## 27. 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 finance leasing business: are long-term loans for invested in business industry.

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

For the years ended December 31, 2023 and 2022, there is no revenue from a single external customer contributed 10% or more to the Company's total revenue.

The financial statements by business segment for the years ended December 31, were as follows:

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Factoring business	Hire purchase and finance lease business	Unallocated	Total	Factoring business	Hire purchase and finance lease business	Unallocated	Total
Income from operations	370,170	13,201	-	383,371	368,862	9,515	-	378,377
Other income	45,227	2,751	-	47,978	39,423	2,969	-	42,392
Total income	415,397	15,952	-	431,349	408,285	12,484	-	420,769
Selling and Administrative expenses	172,838	6,637	-	179,475	157,565	4,818	-	162,383
Finance cost	47,331	1,819	-	49,150	37,348	1,142	-	38,490
Impairment loss determined in accordance with TFRS 9 (reversal)	(1,198)	5,361	-	4,163	21,798	1,046	-	22,844
Total operation expenses	218,971	13,817	-	232,788	216,711	7,006	-	223,717
Profit before income tax expense	196,426	2,135	-	198,561	191,574	5,478	-	197,052
Income tax expenses	38,651	1,505	-	40,156	37,879	2,264	-	40,143
Net profit for the years	157,775	630	-	158,405	153,695	3,214	-	156,909
Total assets	3,191,727	158,248	468,080	3,818,055	3,060,466	136,892	567,313	3,764,671

## 28. PROVIDENT FUND

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

For the years ended December 31, 2023 and 2022, the Company's contributions included in selling and administrative expenses in the statement of comprehensive income amounting to Baht 5.33 million and Baht 5.12 million, respectively.

## 29. DIVIDENDS PAID

29.1 On April 18, 2023, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend at the rate of Baht 0.1633 per share on 493,499,975 shares, totaling Baht 80,588,546. Such dividend was paid on May 15, 2023.

29.2 On April 20, 2022, the Ordinary Shareholder's Meeting passed the resolutions to pay dividend at the rate of Baht 0.158 per share on 493,499,975 shares, totaling Baht 77,972,996. Such dividend was paid on May 13, 2022.

### 30. COMMITMENTS

The Company has the committed credit facility agreements with financial institutions for general corporate funding requirements as at December 31, were as follows:

	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Total credit facilities	<u>5,147,000,000</u>	<u>5,349,000,000</u>

As at December 31, 2023 and 2022, the Company had utilized the letters of credit with financial institutions amounting to Baht 1.20 million and Baht 0.50 million, respectively for factoring, hire purchase and finance lease receivables. However, as at December 31, 2023 and 2022, the Company had unused such credit facilities with financial institutions totaling Baht 2,792 million and Baht 2,965 million, respectively.

### 31. CAPITAL MANAGEMENT

The Company's objectives in managing capital are to safeguard the Company ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Moreover, on April 8, 2010, the Company had obtained the approval from the Department of Business Development to operate a business under annex 3 (21). However, the Company is required to have a minimum capital of the Company of not less than Baht 427,954,151 (see Note 1).

The Company has to comply with the conditions specified in the certificate of foreign business operations in that the total amount of loans used in the operation of the business permitted must not exceed seven times of the principal. As at December 31, 2023 and 2022, the Company is in compliance to the conditions as mentioned.

In addition, the Company also has to comply with financial covenants with a financial institution in that the Company should maintain its debt to equity ratio to not exceed 8 times and with another financial institution in that the Company shall maintain its gearing ratio to not exceed 6.5 times and a minimum tangible net worth of not less than Baht 650 million. On December 31, 2023 and 2022, the Company is in compliance to the conditions as mentioned.

### 32. DISCLOSURE OF FINANCIAL INSTRUMENTS

#### **Liquidity Risk**

Liquidity risk arises from the complexity in adequately raising fund and in time to meet commitment as indicated in the financial instruments. The management controls this risk by constantly evaluating on the Company's financial position and result of operations, believes that the Company has adequate capital to meet commitment as indicated in the financial instruments.

#### **Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to prevent such risk by performing credit analysis on customers' information and follow-up on customer status consistently according to the Company's regulations. The maximum exposure to credit risk in the event the counter parties fail to perform their obligations is the carrying amount of the assets as recorded in the statements of financial position, net of a portion of allowance for expected credit losses.

## Interest Rate Risk

Interest rate risk of financial instruments in the statements of financial position arises from the potential of a change in interest rates having an adverse effect on the net interest earnings of the Company in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Company's assets, liabilities and equity or in the mismatch in repricing dates of its assets and liabilities.

Financial assets and liabilities exposed to interest rate risk as at December 31, were as follows:

	2023						
	Outstanding balances of net financial instruments						
	Repricing or maturity dates						
	Depend on market rate Thousand Baht	Within 1 year Thousand Baht	1-5 years Thousand Baht	No interest Thousand Baht	Total Thousand Baht	Interest rate Floating %	Fixed %
<b>Financial assets</b>							
Cash and cash equivalents	339,554	339,554	-	13,713	353,267	0.55	-
Bank deposits held as collateral	164	-	164	-	164	-	0.60
Factoring receivables	3,049,262	3,049,262	-	-	3,049,262	9.68	-
Hire purchase receivables	3,602	1,823	1,779	-	3,602	-	11.04
Finance lease receivables	154,647	69,510	85,137	-	154,647	8.78	-
Inventory finance receivables	142,464	142,464	-	-	142,464	10.57	-
<b>Financial liabilities</b>							
Short-term borrowing from financial institutions	1,835,000	1,835,000	-	-	1,835,000	3.27	-
Long-term borrowings	98,300	73,360	24,940	-	98,300	4.48	-
<b>2022</b>							
Outstanding balances of net financial instruments							
Repricing or maturity dates							
Depend on market rate Thousand Baht	Within 1 year Thousand Baht	1-5 years Thousand Baht	No interest Thousand Baht	Total Thousand Baht	Interest rate Floating %	Fixed %	
<b>Financial assets</b>							
Cash and cash equivalents	442,062	442,062	-	9,495	451,557	0.34	-
Bank deposits held as collateral	164	-	164	-	164	-	0.30
Factoring receivables	2,910,980	2,910,980	-	-	2,910,980	9.08	-
Hire purchase receivables	2,026	1,399	627	-	2,026	-	10.23
Finance lease receivables	134,865	60,750	74,115	-	134,865	8.23	-
Inventory finance receivables	149,486	149,486	-	-	149,486	9.49	-
<b>Financial liabilities</b>							
Short-term borrowing from financial institutions	1,615,000	1,615,000	-	-	1,615,000	2.22	-
Long-term borrowings	278,927	180,627	98,300	-	278,927	3.29	-



## **Fair value measurements**

Considerable judgment is necessarily required in estimation of fair value of financial assets or financial liabilities. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

### 1. Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, other current receivables, other current assets, bank deposits held as collateral, short-term borrowings from financial institutions, other current payables and other current liabilities; the fair values approximate their carrying amounts due to the relatively short period to maturity.

Factoring receivables, finance lease receivables and inventory finance receivables, which carry a floating interest rate receivables except for hire purchase receivables which carry a fixed interest rate receivables. The fair value is approximated by the outstanding balance less allowance for expected credit losses.

Long-term borrowings: the fair values approximate their carrying amount presented in the statement of financial position.

### 2. Non-financial assets measured at cost but their fair values are disclosed

Investment property has fair value as disclosed in Note 12 which fair value is determined based on the quoted price for similar assets in active market, fair value hierarchy level 2.

As at December 31, 2023, non-financial assets measured at cost but their values are as follows:

	<b>Fair value hierarchy</b>	<b>Carrying value Non-financial assets</b>	<b>Fair value</b>
		<b>Thousand Baht</b>	<b>Thousand Baht</b>
Investment properties	Level 2	88,391	126,670

## **33. EVENT AFTER THE REPORTING PERIOD**

On February 21, 2024, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.168 per share for 493,499,975 shares, totaling Baht 82,907,996. However, the payment of dividend must be approved by the resolution of the Annual General Meeting of shareholders of the Company.

## **34. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were authorized for issuance by the Board of Directors of the Company on February 21, 2024.