



IFS 711/2017

7th November 2017

Subject: Explanation of the Operating Results for Quarter 3/2017

To: The President
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Reviewed Financial Statements for the Quarter 3/2017 ended 30th September 2017 as certified by our auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and to clarify the significant variance of the operating results as follows:-

(Unit : Million Baht)

	Quarter 3 ended 30 th September				For Nine-Month Period ended 30 th September			
	2017	2016	Increase / (decrease)	% Change	2017	2016	Increase / (decrease)	% Change
Revenues								
Factoring Income	67.01	59.52	7.49	12.59	195.38	178.18	17.20	9.65
Hire Purchase Income	0.33	0.03	0.30	1,042.06	0.71	0.18	0.53	301.51
Finance Lease Income	5.18	5.35	(0.16)	(3.07)	14.90	16.67	(1.77)	(10.63)
Factoring Commission and Service Fee	22.17	20.24	1.93	9.53	64.56	60.44	4.12	6.82
Other Income	10.09	6.87	3.22	46.87	30.17	18.61	11.55	62.06
Total Revenues	104.78	92.01	12.78	13.89	305.71	274.08	31.63	11.54
Expenses								
Selling Expenses	4.42	4.53	(0.11)	(2.48)	12.89	11.46	1.42	12.41
Administrative Expenses	24.71	22.34	2.37	10.59	69.82	65.23	4.60	7.05
Management Benefit Expenses	8.18	7.58	0.60	7.90	26.94	24.55	2.39	9.72
Allowance Made (Reversal) for Doubtful Accounts	(2.54)	1.03	(3.57)	(348.07)	(1.18)	0.25	(1.43)	(564.60)
Total Expenses	34.77	35.48	(0.72)	(2.02)	108.47	101.50	6.97	6.87
Profit before Finance Cost and Income Tax Expenses	70.02	56.52	13.49	23.87	197.24	172.59	24.66	14.29
Finance cost	17.93	15.30	2.63	17.17	51.48	45.15	6.33	14.02
Profit before Income Tax Expenses	52.09	41.22	10.86	26.36	145.76	127.43	18.33	14.38
Income Tax	10.32	7.96	2.36	29.68	29.39	26.17	3.22	12.32
Net Profit	41.77	33.27	8.50	25.56	116.37	101.27	15.10	14.92

Quarterly to Quarterly Analysis

For the 3th quarter of 2017, the Company reported Net Profit of Baht 41.77 million, an increase of Baht 8.50 million or 25.56% from the same period last year. The main reasons for the increase in the Company's Net Profit were:

- 1) Higher total revenues of Baht 12.78 million due mainly to i) higher income from factoring as a result of the increase in factoring volume of about 10% and ii) higher other income of Baht 3.22 million as a result of higher commitment fee and rental income of office space.
- 2) Lower total expenses of Baht 0.72 million due mainly to lower provision for doubtful debts of Baht 3.57 million. This was because there was a write-back of specific provision for NPL of about Baht 3.5 million in 3Q/2017.

For the year-to-date ended 30th September 2017, the Company reported Net Profit of Baht 116.37 million, an increase of Baht 15.10 million or 14.92% from the same period last year, and Earnings Per Share (EPS) also showed an increase to Baht 0.24 per share (YTD Q3/2016: Baht 0.21 per share) or an increase of 14.92%.

Please be informed accordingly.

Sincerely yours,



(Mr. Tan Ley Yen)
Director and CEO