



**Subject: Explanation of the Operating Results for the year ended 31<sup>st</sup> December 2021**

To: The President  
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Audited Financial Statements for the year ended 31<sup>st</sup> December 2021 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)

	For the year ended 31 <sup>st</sup> December			
	2021	2020	Increase / (decrease)	% Change
<b>Revenues</b>				
Factoring Income	244.51	235.72	8.79	3.73
Hire Purchase Income	0.32	0.36	(0.04)	(11.18)
Finance Lease Income	9.45	13.82	(4.36)	(31.59)
Factoring Commission and Service Fee	94.52	87.04	7.47	8.59
Other Income	36.62	37.80	(1.18)	(3.11)
<b>Total Revenues</b>	<b>385.42</b>	<b>374.73</b>	<b>10.69</b>	<b>2.85</b>
Finance Costs	35.21	38.92	(3.71)	(9.54)
<b>Income Before Operating Expenses</b>	<b>350.21</b>	<b>335.81</b>	<b>14.40</b>	<b>4.29</b>
<b>Expenses</b>				
Selling Expenses	17.04	15.76	1.27	8.09
Administration Expenses	101.63	95.80	5.83	6.09
Management Benefit Expenses	37.02	33.57	3.46	10.30
<b>Total Expenses</b>	<b>155.70</b>	<b>145.13</b>	<b>10.56</b>	<b>7.28</b>
Impairment Loss determined in accordance with TFRS 9 or ECL	1.03	22.72	(21.69)	(95.46)
<b>Profit before Income Tax Expenses</b>	<b>193.48</b>	<b>167.96</b>	<b>25.52</b>	<b>15.20</b>
Income Tax Expenses	40.66	34.34	6.32	18.40
<b>Net Profit</b>	<b>152.82</b>	<b>133.62</b>	<b>19.21</b>	<b>14.38</b>

#### Year to Year Analysis

For the 4<sup>th</sup> quarter of 2021, the Company reported a Net Profit of Baht 43.74 million, an increase of Baht 9.37 million or 27.27% from the same period of last year (Baht 34.37 million). For the year ended 31<sup>st</sup> December 2021, the Company reported a Net Profit of Baht 152.82 million, an increase of Baht 19.21 million or 14.38% from the previous year (Baht 133.62 million).

The main reasons for the increase in the Company's Net Profit were:

- 1) Lower impairment loss determined in accordance with TFRS 9 (or ECL) which decreased by Baht 21.69 million or 95.46% due to robust credit risk management.
- 2) Lower finance cost of Baht 3.71 million or a decrease of 9.54% due to lower cost of fund despite higher bank borrowing as a result of higher business volume.

Partly offset by higher operating expenses of Baht 10.56 million or an increase of 7.28% due mainly to higher staff cost, loss on impairment of asset, business and Government tax and IT audit expenses.

As a result, the Earnings Per Share (EPS) showed an increase to Baht 0.31 per share (FY 2020: Baht 0.27 per share) or 14.82%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)  
Director and CEO