

 [Print this page](#)

Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	IFS CAPITAL LIMITED
Company Registration No.	198700827C
Announcement submitted on behalf of	IFS CAPITAL LIMITED
Announcement is submitted with respect to *	IFS CAPITAL LIMITED
Announcement is submitted by *	Chionh Yi Chian
Designation *	Company Secretary
Date & Time of Broadcast	08-Nov-2011 19:06:24
Announcement No.	00173

>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	Announcement by Subsidiary, IFS Capital (Thailand) Public Company Limited on its Financial Results for the Third Quarter 2011
Description	Please see attached announcement issued by IFS Capital (Thailand) Public Company Limited on its Third Quarter 2011 Results.
Attachments	 <a href="#">IFST_3Q_2011_Results.pdf</a> Total size = <b>360K</b> (2048K size limit recommended)

[Close Window](#)

**Headline:** Reviewed Quarter 3 F/S (F45-1)

**Source:** IFS

Announcement Details

**The Company Financial Statement (F45-1)**

Company name	IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED			
Quarter	Quarter 3			
(In thousands)				
The Company Financial Statement				
	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2011	2010	2011	2010
Net profit (loss)	19,336	19,436	57,778	62,376
EPS (baht)	0.04	0.05	0.12	0.17
Type of report	Unqualified opinion with an emphasis of matters			

Please see details in financial statements, auditor's report and remarks from SET SMART

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

Signature \_\_\_\_\_  
(Mr. Tan Ley Yen)  
Executive Director and CEO  
Authorized to sign on behalf of the company

**REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
**TO THE BOARD OF DIRECTORS**  
**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of IFS Capital (Thailand) Public Company Limited as at September 30, 2011, and the related statements of comprehensive income, changes in equity and cash flows for the quarters and nine-month periods ended September 30, 2011 and 2010 (restates). These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. The Standard requires that we plan and perform our reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the financial statements for the year ended December 31, 2010, and expressed an unqualified opinion on those statements in our report dated February 14, 2011. The statement financial position as at December 31, 2010, presented herein for comparison, has been derived from such financial statements which we have audited and reported on. We have not performed any other audit procedures subsequent to such report date.

As discussed in Note 4 to the interim financial statements, the Company had first-time adopted Thai Accounting Standards No. 19 "Employee benefits" and No. 12 "Income Taxes" for the financial statements for the year ended December 31, 2010. As the financial statements for the quarter and nine-month period ended September 30, 2010, which we have previously reviewed and reported, have not applied such accounting policies, the comparative statements of comprehensive income for the quarter and nine-month period ended September 30, 2010, statement of changes in equity and cash flows for the nine-month period ended September 30, 2010 thus have been restated to be in accordance with such new accounting policies.

As discussed in Note 5 to the interim financial statements, since January 1, 2011, the Company adopted the new and revised Thai Accounting Standards and Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of this interim financial statements. The financial statements for the quarter and nine-month period ended September 30, 2010 and the statement of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the financial statements for the quarter and nine-month period ended September 30, 2011.

Chavala Tienpasertkij  
Certified Public Accountant (Thailand)  
Registration No. 4301

**BANGKOK**

November 2, 2011

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010**

UNIT : BAHT

	Notes	"Unaudited" As at September 30, 2011	As at December 31, 2010
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		145,853,998	116,978,870
Temporary investments	7	65,167	82,544
Factoring receivable, net	8	1,845,732,266	1,736,252,367
Current portion of hire purchase receivable, net	9	10,379,140	10,008,111
Current portion of lease contract receivable, net	10	98,786,717	56,392,787
Inventory finance receivable, net	11	31,708,233	12,909,319
Amounts due from a related company	24	26,750	75,626
Other current assets		13,903,576	3,344,658
Total Current Assets		2,146,455,847	1,936,044,282
<b>NON-CURRENT ASSETS</b>			
Bank deposit held as collateral	12	141,355	140,001
Hire purchase receivable, net	9	6,946,385	6,025,074
Lease contract receivable, net	10	178,969,222	71,055,418
Property, plant and equipment, net		35,200,594	38,867,103
Intangible assets, net		796,581	962,916
Deferred tax assets	13	46,107,700	44,737,597
Other non-current assets		362,250	932,250
Total Non-current Assets		268,524,087	162,720,359
<b>TOTAL ASSETS</b>		<b>2,414,979,934</b>	<b>2,098,764,641</b>

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010**

UNIT : BAHT

	Notes	"Unaudited"	
		As at September 30, 2011	As at December 31, 2010
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term loans from financial institutions	14	1,100,000,000	1,020,000,000
Current portion of long-term loans	15	200,000,000	100,000,000
Other current liabilities		45,737,211	38,763,540
Total Current Liabilities		1,345,737,211	1,158,763,540
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	15	234,000,000	125,000,000
Post-employment benefits obligation	17	17,995,745	15,569,469
Total Non-Current Liabilities		251,995,745	140,569,469
<b>TOTAL LIABILITIES</b>		<b>1,597,732,956</b>	<b>1,299,333,009</b>

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010**

UNIT : BAHT

	Notes	"Unaudited" As at September 30, 2011	As at December 31, 2010
<b>LIABILITIES AND EQUITY (CONTINUED)</b>			
<b>EQUITY</b>			
<b>SHARE CAPITAL</b>			
	18		
Authorized share capital			
470,000,000 ordinary shares of Baht 1 each		470,000,000	470,000,000
Issued and paid-up share capital			
470,000,000 ordinary shares of Baht 1 each, fully paid-up		470,000,000	470,000,000
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Premium on ordinary shares	19	31,746,399	31,746,399
<b>RETAINED EARNINGS</b>			
Appropriated			
Legal reserve	21	22,224,590	17,984,452
Unappropriated		293,326,927	279,739,555
<b>OTHER COMPONENTS OF EQUITY - UNREALIZED LOSS</b>			
ON INVESTMENTS		(50,938)	(38,774)
<b>TOTAL EQUITY</b>		<u>817,246,978</u>	<u>799,431,632</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>2,414,979,934</u>	<u>2,098,764,641</u>

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTERS ENDED SEPTEMBER 30, 2011 AND 2010**

**"UNAUDITED"**

**UNIT : BAHT**

	Notes	2011	2010 "Restated"
<b>REVENUES</b>			
Factoring income		45,327,883	40,803,434
Hire purchase income		296,421	573,167
Finance lease income		6,436,173	2,556,958
Factoring commission and service fees		14,878,025	15,371,869
Other income		3,413,559	1,685,049
Total Revenues		70,352,061	60,990,477
<b>EXPENSES</b>			
Selling expenses		3,098,854	3,373,384
Administrative expenses		14,296,816	14,208,417
Management benefit expenses	24	5,164,878	5,484,905
Allowance for doubtful accounts (Reversal)		3,963,340	(1,609,056)
Total Expenses		26,523,888	21,457,650
<b>INCOME BEFORE FINANCE COST AND</b>			
<b>INCOME TAX EXPENSES</b>			
		43,828,173	39,532,827
<b>FINANCE COST</b>			
		16,252,330	9,538,463
<b>INCOME BEFORE INCOME TAX EXPENSES</b>			
		27,575,843	29,994,364
<b>INCOME TAX EXPENSES</b>			
	23	8,239,410	10,558,825
<b>PROFIT FOR THE PERIOD</b>			
		19,336,433	19,435,539
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Unrealized gain (loss) on investments		(9,123)	5,322
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
FOR THE PERIOD, NET OF TAX		(9,123)	5,322
<b>TOTAL COMPREHENSIVE INCOME</b>			
FOR THE PERIOD		19,327,310	19,440,861
<b>BASIC EARNINGS PER SHARE</b>			
	<b>BAHT</b>	0.04	0.05
<b>WEIGHTED AVERAGE NUMBER OF</b>			
ORDINARY SHARES	18	<b>SHARES</b>	
		470,000,000	375,054,945

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

**"UNAUDITED"**

**UNIT : BAHT**

	Notes	2011	2010 "Restated"
<b>REVENUES</b>			
Factoring income		131,858,326	126,909,179
Hire purchase income		1,171,024	2,120,609
Finance lease income		14,977,973	9,095,771
Factoring commission and service fees		44,407,780	43,438,226
Other income		10,821,924	7,133,396
Total Revenues		203,237,027	188,697,181
<b>EXPENSES</b>			
Selling expenses		10,010,207	9,235,454
Administrative expenses		42,557,298	38,373,698
Management benefit expenses	24	17,461,798	17,823,048
Allowance for doubtful accounts (Reversal)		10,189,085	4,514,468
Total Expenses		80,218,388	69,946,668
<b>INCOME BEFORE FINANCE COST AND</b>			
<b>INCOME TAX EXPENSES</b>		123,018,639	118,750,513
<b>FINANCE COST</b>			
		40,190,384	31,280,224
<b>INCOME BEFORE INCOME TAX EXPENSES</b>			
		82,828,255	87,470,289
<b>INCOME TAX EXPENSES</b>			
	23	25,050,745	25,094,437
<b>PROFIT FOR THE PERIOD</b>			
		57,777,510	62,375,852
<b>OTHER COMPREHENSIVE LOSS</b>			
Unrealized loss on investments		(12,164)	(132,401)
<b>OTHER COMPREHENSIVE LOSS</b>			
<b>FOR THE PERIOD, NET OF TAX</b>			
<b>TOTAL COMPREHENSIVE LOSS</b>			
		(12,164)	(132,401)
<b>FOR THE PERIOD</b>			
		57,765,346	62,243,451
<b>BASIC EARNINGS PER SHARE</b>			
	<b>BAHT</b>	0.12	0.17
<b>WEIGHTED AVERAGE NUMBER OF</b>			
<b>ORDINARY SHARES</b>	18	<b>SHARES</b>	
		470,000,000	375,054,945

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**  
**"UNAUDITED"**

**UNIT : BAHT**

	Notes	Issued and paid-up share capital	Premium on Ordinary Share	Retained earnings Appropriated Legal reserve	Unappropriated	Other Components of Equity - Unrealized Gain (Loss) on investments	Total Equity
<b>"As restated"</b>							
<b>Beginning balance as at January 1, 2010</b>							
<b>as previously reported</b>		350,000,000	-	14,384,452	205,289,567	138,097	569,812,116
Cumulative effect of the change in							
accounting policy for deferred tax asset	4	-	-	-	33,738,425	(41,429)	33,696,996
Cumulative effect of the change in							
accounting policy for employee benefits	4	-	-	-	(8,991,201)	-	(8,991,201)
<b>Beginning balance as at January 1, 2010</b>							
<b>as restated</b>		350,000,000	-	14,384,452	230,036,791	96,668	594,517,911
Capital	18	120,000,000	-	-	-	-	120,000,000
Premium on share	19	-	31,746,399	-	-	-	31,746,399
Profit for the period		-	-	-	62,375,852	-	62,375,852
Dividends paid	20	-	-	-	(31,500,000)	-	(31,500,000)
Legal reserve	21	-	-	3,600,000	(3,600,000)	-	-
Changes in investment value		-	-	-	-	(132,401)	(132,401)
<b>Ending balance as at September 30, 2010</b>		<u>470,000,000</u>	<u>31,746,399</u>	<u>17,984,452</u>	<u>257,312,643</u>	<u>(35,733)</u>	<u>777,007,761</u>
<b>Beginning balance as at January 1, 2011</b>							
		470,000,000	31,746,399	17,984,452	279,739,555	(38,774)	799,431,632
<b>Changes during the period</b>							
Profit for the period		-	-	-	57,777,510	-	57,777,510
Dividends paid	20	-	-	-	(39,950,000)	-	(39,950,000)
Legal reserve	21	-	-	4,240,138	(4,240,138)	-	-
Changes in investment value		-	-	-	-	(12,164)	(12,164)
<b>Ending balance as at September 30, 2011</b>		<u>470,000,000</u>	<u>31,746,399</u>	<u>22,224,590</u>	<u>293,326,927</u>	<u>(50,938)</u>	<u>817,246,978</u>

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

**"UNAUDITED"**

**UNIT : BAHT**

	Notes	2011	2010 "Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax expense		82,828,255	87,470,289
Adjustments for:			
Allowance for doubtful accounts		10,189,085	4,514,468
Gain from sales of investment		-	(687,196)
(Gain)/loss from sales of fixed assets		(542,056)	29,783
Loss from write-off assets		-	6,498
Interest expense		38,950,348	30,646,337
Employment benefits expense		2,426,276	2,089,447
Depreciation and amortization		4,931,882	4,677,938
		<u>138,783,790</u>	<u>128,747,564</u>
Operating assets (increase) decrease			
Factoring receivable		(115,429,506)	95,316,269
Hire purchase receivable		(2,167,120)	15,706,640
Lease contract receivable		(153,226,591)	40,816,906
Inventory finance receivable		(19,244,755)	(2,100,009)
Amounts due from a related company		48,876	6,322
Other current assets		(10,558,918)	3,666,746
Non-other current assets		-	130,400
Fixed deposits pledged as collateral		(1,354)	(1,625)
Operating liabilities increase (decrease)			
Amount due to a related company		-	(10,026)
Other current liabilities		13,112,698	(1,781,528)
Cash (paid) received from operating activities		<u>(148,682,880)</u>	<u>280,497,659</u>
Interest expenses paid		(39,466,178)	(31,159,462)
Income tax paid		(31,975,593)	(38,063,506)
Net cash (used in) provided by operating activities		<u>(220,124,651)</u>	<u>211,274,691</u>

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**  
**"UNAUDITED"**

		<b>UNIT : BAHT</b>	
	<b>Notes</b>	<b>2011</b>	<b>2010</b> <b>"Restated"</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash paid for purchases of fixed assets	6.1	(456,783)	(10,222,129)
Cash paid for purchases of intangible assets	6.2	(135,494)	(149,800)
Cash paid for purchases of investment		-	(29,325)
Proceeds from sales of investment		-	1,487,444
Cash received from sales of fixed assets		542,056	22,772
Net cash used in investing activities		(50,221)	(8,891,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash paid for short-term loans		-	(525,000,000)
Cash received for short-term loan		80,000,000	-
Cash paid for long-term loan		(91,000,000)	(50,000,000)
Cash received for long-term loan		300,000,000	300,000,000
Cash paid for dividend		(39,950,000)	(31,500,000)
Proceeds from capital increase		-	120,000,000
Proceeds from premium on share		-	31,746,399
Net cash provided by (used in) financing activities		249,050,000	(154,753,601)
Net increase in cash and cash equivalents		28,875,128	47,630,052
Cash and cash equivalents at beginning of the period		116,978,870	73,896,147
<b>Cash and cash equivalents at end of the period</b>		<b>145,853,998</b>	<b>121,526,199</b>

See notes to the interim financial statements

**IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**  
**“UNAUDITED”**

**1. GENERAL INFORMATION AND THE COMPANY’S OPERATION**

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

The major shareholders as at September 30, 2011 and December 31, 2010 were IFS Capital Holdings (Thailand) Limited with 36.64% shareholdings and IFS Capital Limited (registered in Singapore) with 36.49% shareholdings. The major shareholder of IFS Capital Limited is Phillip Asset Pte. Ltd. (registered in Singapore) with 40.4% shareholding.

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

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

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

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

On April 27, 2010, the Company obtained approval from IFS Capital Limited in Singapore, who is the Company’s major shareholder, for its public offering and its listing on the Stock Exchange of Thailand.

On August 3, 2010, the Company had made its public offering and sold 120,000,000 shares at par Baht 1.00 per share totaling of Baht 120,000,000 with offering price at Baht 1.35 per share totaling of Baht 162,000,000 and on August 5, 2010, the Company had registered such additional paid-up capital of 120,000,000 shares equivalent to Baht 120,000,000 with the Ministry of Commerce.

On August 6, 2010, the Company paid the fee and received a license to operate a business under annex 3 (21) : service businesses of leasing and hire purchase of vehicles and machineries used in industry, tools used in transport of goods, vessels and carriages used in agriculture and on the same day the Stock Exchange of Thailand (SET) informed that the SET's board has approved a listing of common shares of IFS Capital (Thailand) Public Company Limited amounting to 470 million shares with a par value of Baht 1 per share, total amounting to Baht 470 million, to be traded on the SET using the trading name of "IFS" commencing from August 10, 2010.

## **2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (Revised 2007) "Interim Financial Statements" (see Note 5) and practices generally accepted accounting principles in Thailand where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2009) "Presentation to Financial Statements", and in accordance with the regulations of The Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports of the financial position and results of operations of listed companies B.E. 2544.

The brief particulars in the Company's financial statements for the quarter and nine-month period ended September 30, 2009 are prepared in compliance with the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements B.E. 2554" dated September 28, 2011, which is effective for financial periods beginning on or after January 1, 2011 onwards. The financial statements for the quarter and nine-month period ended September 30, 2010 thus have been reclassified accordingly.

Certain financial information, which is normally included in the financial statements in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2010.

For the convenience of the readers, an English version of interim financial statements have been translated from the Thai version. Such financial statements have been prepared for domestic reporting purpose.

The statements of financial position as at December 31, 2010, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which have already been audited.

The results of operations presented in the quarter and nine-month period ended September 30, 2011, are not necessarily an indication nor anticipation of the operating results for the full year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from those estimates.

### **3. NEW AND REVISED THAI ACCOUNTING STANDARDS AND THAI ACCOUNTING STANDARD INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The Federation of Accounting Professions has issued the Notifications regarding new and revised Thai Accounting Standards (TASs) and Thai Accounting Standard Interpretations (TSIS), which will become effective for the financial statements for accounting periods beginning on or after January 1, 2013 are as follow:

#### **Thai Accounting Standards (TASs)**

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

#### **Thai Accounting Standard Interpretations (TSIs)**

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company anticipates that the Company will adopt the above Thai Accounting Standards and Thai Accounting Standard Interpretations relevant to the Company in the preparation of financial statements of the Company when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied. However, the Company has elected to early adopt TAS 12 "Income Tax" (see Note 4).

### **4. SIGNIFICANT ACCOUNTING POLICIES**

The Company used the same accounting policies and calculation methods in these interim financial statements consistent with the financial statements for the year ended December 31, 2010 except for the adoption of new and revised Thai Accounting Standards and Thai Financial Reporting Standards in Note 5.

Furthermore, the financial statements for the quarter and nine-month period ended September 30, 2010 has been retrospectively adjusted in accordance to the changes in accounting policies for the financial statements for the year ended December 31, 2010 as follows:

#### **4.1 Change in accounting policy of employee benefits**

The Company has first time adopted Thai Accounting Standard No.19 "Employee Benefits" for the financial statements as at December 31, 2010 and the Company has retrospectively adjusted the beginning balance of retained earnings for year 2010.

#### 4.2 Change in accounting policy of income tax

The Company had first time adopted Thai Accounting Standard No.12 “Income Taxes” for the financial statements for the year ended December 31, 2010 and the Company has retrospectively adjusted the statements of comprehensive income for the quarter and nine-month period ended September 30, 2010, statements of changes in equity and statements of cash flows for the nine-month period ended September 30, 2010 presented for comparison, as the Company carrying the new policy on income tax had always been in use.

The Company believed that the changes in the accounting policies are appropriate as the Company’s result of operations presented is consistent with business aspects and the obligation of income tax payable or refundable in the future can be recognized in the financial statements.

The financial statements for the quarter and nine-month period ended September 30, 2010, presented herein for comparison, have been restated accordingly and the effects are as follow:

	<b>2010 Baht</b>	
<b>Unrealized gain on investments</b>		
Balance at January 1, before change in accounting policy		138,097
Decrease in deferred income tax		<u>(41,429)</u>
Balance at January 1, after change in accounting policy		<u>96,668</u>
<b>Retained earnings - Unappropriated</b>		
Balance at January 1, before change in accounting policies		205,289,567
Increase in deferred tax assets		33,738,425
Increase in provision for employee benefits		<u>(8,991,201)</u>
Balance at January 1, after change in accounting policies		<u>230,036,791</u>
	<b>For the quarter ended Baht</b>	<b>For the nine-month period ended September 30, 2010 Baht</b>
<b>Net profit</b>		
Net profit for the period before change in accounting policies	20,922,068	58,382,444
Increase in provision for employee benefits	(696,483)	(2,089,447)
(Increase) decrease in income tax	<u>(790,046)</u>	<u>6,082,855</u>
Net profit for the year after change in accounting policies	<u>19,435,539</u>	<u>62,375,852</u>
<b>Increase in Earnings Per Share (“EPS”)</b>		
Weighted-average number of ordinary shares (Thousand shares)	<u>375,055</u>	<u>375,055</u>
EPS before change in accounting policies	0.06	0.16
Increase in provision for employee benefits	(0.002)	(0.006)
(Increase) decrease in income tax	<u>(0.002)</u>	<u>0.016</u>
EPS after change in accounting policies	<u>0.05</u>	<u>0.17</u>

**5. ADOPTION OF NEW AND REVISED THAI ACCOUNTING STANDARDS AND THAI FINANCIAL REPORTING STANDARDS**

Since January 1, 2011, the Company has adopted the new and revised Thai Accounting Standards (TASs) and Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for financial statements prepared for accounting periods beginning on or after January 1, 2011 onwards, and in preparation of interim financial statements. Such TASs and TFRSs have no significant impact to the Company's financial statements except for TAS 1 (Revised 2009) "Presentation of Financial Statements" which changes the requirements on the presentation of the financial statements. Therefore, it affected the reclassifications in the financial statements for the quarter and nine-month period ended September 30, 2010 and the statements of financial position as at December 31, 2010, presented for comparison (see Note 2).

**6. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION**

6.1 Property, plant and equipment for the nine-month periods ended September 30, 2011 and 2010 are as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Other payable - equipment, beginning balance	21,935	84,831
<u>Add</u> Purchases of equipment	485,218	10,544,312
<u>Less</u> Cash paid for purchases of equipment	<u>(456,783)</u>	<u>(10,222,129)</u>
Other payable - equipment, ending balance (included in other current liabilities)	<u>50,370</u>	<u>407,014</u>

6.2 Intangible assets for the nine-month periods ended September 30, 2011 and 2010 are as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Other payable - intangible assets, beginning balance	91,673	-
<u>Add</u> Purchases of intangible assets	43,821	149,800
<u>Less</u> Cash paid for purchases of intangible assets	<u>(135,494)</u>	<u>(149,800)</u>
Other payable - intangible asset, ending balance (included in other current liabilities)	<u>-</u>	<u>-</u>

**7. TEMPORARY INVESTMENTS**

Temporary investments as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011</b>		
	<b>Cost</b>	<b>Unrealized</b>	<b>Fair Value</b>
	<b>Baht</b>	<b>Loss</b> <b>Baht</b>	<b>Baht</b>
<b>Temporary investment - available-for-sale securities</b>			
Marketable equity securities	137,936	(72,769)	65,167
<b>Total temporary investments</b>	<u>137,936</u>	<u>(72,769)</u>	<u>65,167</u>
	<b>2010</b>		
	<b>Cost</b>	<b>Unrealized</b>	<b>Fair Value</b>
	<b>Baht</b>	<b>Loss</b> <b>Baht</b>	<b>Baht</b>
<b>Temporary investment - available-for-sale securities</b>			
Marketable equity securities	137,936	(55,392)	82,544
<b>Total temporary investments</b>	<u>137,936</u>	<u>(55,392)</u>	<u>82,544</u>

**8. FACTORING RECEIVABLE, NET**

Factoring receivable, net as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011</b> <b>Baht</b>	<b>2010</b> <b>Baht</b>
Factoring receivable	2,467,558,352	2,169,944,831
<u>Less</u> Allowance for doubtful accounts (*)	<u>(81,484,454)</u>	<u>(75,534,847)</u>
	2,386,073,898	2,094,409,984
<u>Less</u> Factoring payable	<u>(540,341,632)</u>	<u>(358,157,617)</u>
Factoring receivable, net	<u>1,845,732,266</u>	<u>1,736,252,367</u>

(\*) As at September 30, 2011 and December 31, 2010, the Company has provided for the allowance for doubtful accounts on a collective basis for factoring receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 1,662,655 and Baht 1,893,877, respectively.

Factoring receivable as at September 30, 2011 and December 31, 2010 were classified by aging as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Current	1,634,301,330	1,389,337,862
Over due :		
Less than 3 months	737,534,956	693,818,634
3 - 6 months	19,693,068	14,595,612
6 - 12 months	270,726	981,752
Restructuring	1,175,350	1,475,350
Debtors subject to legal proceedings	74,582,922	69,735,621
	<u>2,467,558,352</u>	<u>2,169,944,831</u>

#### 9. HIRE PURCHASE RECEIVABLE, NET

Hire purchase receivable, net as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Outstanding contract price	22,458,265	19,858,422
<u>Less</u> Unearned financing income	<u>(2,118,508)</u>	<u>(1,685,785)</u>
	20,339,757	18,172,637
<u>Less</u> Allowance for doubtful accounts (*)	<u>(3,014,232)</u>	<u>(2,139,452)</u>
	<u>17,325,525</u>	<u>16,033,185</u>
Due within one year	11,471,855	11,146,049
<u>Less</u> Unearned financing income	<u>(1,092,715)</u>	<u>(1,137,938)</u>
Current portion of hire purchase receivable, net	<u>10,379,140</u>	<u>10,008,111</u>
Hire purchase receivable, net	<u>6,946,385</u>	<u>6,025,074</u>

(\*) As at September 30, 2011 and December 31, 2010, the Company has provided for the allowance for doubtful accounts, on a collective basis, for hire purchase receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 192,040 and Baht 44,960, respectively.

Aging of hire purchase receivable as at September 30, 2011 and December 31, 2010 were classified by aging as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Current	19,567,373	17,552,958
Over due :		
Less than 3 months	340,649	-
3 - 6 months	244,779	-
Debtors subject to legal proceedings	2,305,464	2,305,464
	<u>22,458,265</u>	<u>19,858,422</u>

**10. LEASE CONTRACT RECEIVABLE, NET**

Lease contract receivable, net as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Outstanding contract price	424,352,393	197,086,563
<u>Less</u> Deposits on long-term lease contracts	(98,499,967)	(53,212,814)
<u>Less</u> Unearned financing income	<u>(44,820,244)</u>	<u>(16,068,158)</u>
	281,032,182	127,805,591
<u>Less</u> Allowance for doubtful accounts (*)	<u>(3,276,243)</u>	<u>(357,386)</u>
	<u>277,755,939</u>	<u>127,448,205</u>
Due within one year	133,052,200	86,956,756
<u>Less</u> Deposits on long-term lease contracts	(10,465,920)	(21,510,848)
<u>Less</u> Unearned financing income	<u>(23,799,563)</u>	<u>(9,053,121)</u>
Current portion of lease contract receivable, net	<u>98,786,717</u>	<u>56,392,787</u>
Lease contract receivable, net	<u>178,969,222</u>	<u>71,055,418</u>

(\*) As at September 30, 2011 and December 31, 2010, the Company has provided for the allowance for doubtful accounts on a collective basis, for lease contract receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 3,078,709 and Baht 357,386, respectively.

Lease contract receivable as at September 30, 2011 and December 31, 2010 were classified by aging as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Current	423,592,706	197,086,537
Over due :		
Less than 3 months	51,553	26
Debtors subject to legal proceedings	708,134	-
	<u>424,352,393</u>	<u>197,086,563</u>

## 11. INVENTORY FINANCE RECEIVABLE, NET

Inventory finance receivable, net as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Inventory finance receivable	34,940,064	15,695,309
Less Allowance for doubtful accounts (*)	<u>(3,231,831)</u>	<u>(2,785,990)</u>
Inventory finance receivable, net	<u>31,708,233</u>	<u>12,909,319</u>

(\*) As at September 30, 2011 and December 31, 2010, the Company has provided for the allowance for doubtful accounts on a collective basis, for inventory finance receivable which were classified as normal and overdue for less than 3 months which amounted to Baht 459,927 and Baht 14,087, respectively.

Inventory finance receivable as at September 30, 2011 and December 31, 2010 were classified by aging as follows:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Current	32,168,160	12,923,405
Over due :		
Less than 3 months	-	2,771,904
Debtors subject to legal proceedings	<u>2,771,904</u>	<u>-</u>
	<u>34,940,064</u>	<u>15,695,309</u>

## 12. BANK DEPOSIT HELD AS COLLATERAL

As at September 30, 2011 and December 31, 2010, fixed deposit at bank of Baht 141,355 and Baht 140,001, respectively, have been pledged with a bank as security for issuing bank guarantees on behalf of the Company.

### 13. DEFERRED TAX ASSETS

Deferred tax assets as at September 30, 2011 and December 31, 2010 consist of tax effects from the following items:

	<b>As at December 31, 2010</b>	<b>Transaction recognized in the statement of comprehensive income</b>	<b>Transaction recognized in Equity</b>	<b>As at September 30, 2011</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Allowance for doubtful accounts	24,245,303	3,056,725	-	27,302,028
Bad debt in process of litigation	7,275,949	(60,000)	-	7,215,949
Assets from lease contract	8,448,590	(2,279,422)	-	6,169,168
Unrealized gain from change in value of investments - available -for-sale securities	16,617	-	5,214	21,831
Post-employment benefits obligation	4,670,841	727,883	-	5,398,724
Other	80,297	(80,297)	-	-
	<u>44,737,597</u>	<u>1,364,889</u>	<u>5,214</u>	<u>46,107,700</u>
	<b>As at December 31, 2009</b>	<b>Transaction recognized in the statement of comprehensive income</b>	<b>Transaction recognized in Equity</b>	<b>As at December 31, 2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Allowance for doubtful accounts	27,063,106	(2,817,803)	-	24,245,303
Bad debt in process of litigation	1,785,299	5,490,650	-	7,275,949
Assets from lease contract	4,890,020	3,558,570	-	8,448,590
Unrealized gain from change in value of investments - available -for-sale securities	(41,429)	-	58,046	16,617
Post-employment benefits obligation	-	817,469	3,853,372	4,670,841
Other	-	80,297	-	80,297
	<u>33,696,996</u>	<u>7,129,183</u>	<u>3,911,418</u>	<u>44,737,597</u>

#### 14. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Promissory notes	1,100,000,000	1,020,000,000

As at September 30, 2011 and December 31, 2010, the Company has short-term loans from financial institutions bearing interest rate at 2.15% - 4.35% per annum and 2.15% - 2.95% per annum, respectively.

#### 15. LONG-TERM LOANS

Long-term loans as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>2011 Baht</b>	<b>2010 Baht</b>
Long-term loan	434,000,000	225,000,000
<u>Less</u> Current portion of long-term loan	<u>200,000,000</u>	<u>100,000,000</u>
Long-term loan net from current portion	<u><u>234,000,000</u></u>	<u><u>125,000,000</u></u>

On December 14, 2009, the Company entered into long-term loans with a financial institution at the interest rate THBFIX (3 months) + 2.75% p.a. and is repayable quarterly from March 2010 to March 2013.

On February 25, 2011, the Company entered into long-term loans with a financial institution at the interest rate 3.70% - 5.35% p.a. and is repayable quarterly from February 2011 to February 2014.

Subsequently, on July 4, 2011, the Company entered into long-term loans with a financial institution at the interest rate MLR - 2.375% p.a. and is repayable quarterly from August 2011 to August 2014.

**16. PROVIDENT FUND**

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

For the quarters ended September 30, 2011 and 2010, the Company's contributions included in selling and administrative expenses, in the financial statements amounted to Baht 0.58 million and Baht 0.52 million, respectively.

For the nine-month periods ended September 30, 2011 and 2010, the Company's contributions included in selling and administrative expenses, in the financial statements amounted to Baht 1.73 million and Baht 1.59 million, respectively.

**17. PROVISION FOR EMPLOYEE BENEFITS**

The Company calculated provision for employee benefits by using actuarial technique. The assumptions included are discount rate at 4%, resignation rate at 2%, 6% and 11% depending on age group of employees, salary increase rate at 9% and retirement age at 60 years.

Provision for employee benefits as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>September 30, 2011 Baht</b>	<b>December 31, 2010 Baht</b>
Provision for severance pay (see Note 17.1)	15,514,573	13,536,314
Provision for long service awards (see Note 17.2)	2,481,172	2,033,155
Provision for employee benefits	<u>17,995,745</u>	<u>15,569,469</u>

17.1 Provision for severance pay

Change in the present value of provision for severance pay as at September 30, 2011 and December 31, 2010 are as follows:

	<b>September 30, 2011 Baht</b>	<b>December 31, 2010 Baht</b>
Present value of obligation, beginning balance	13,536,314	11,240,453
Cost of service - current period	1,572,170	1,846,243
Finance cost	406,089	449,618
Present value of obligation, ending balance	<u>15,514,573</u>	<u>13,536,314</u>

Provision for severance pay expenses for the quarters and nine-month periods ended September 30, 2011 and 2010 are as follows:

	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Cost of service - current period	524,056	461,560	1,572,170	1,384,682
Finance cost	<u>135,363</u>	<u>112,406</u>	<u>406,089</u>	<u>337,214</u>
Total provision for severance pay expenses recognized in statements Of comprehensive income	<u>659,419</u>	<u>573,966</u>	<u>1,978,259</u>	<u>1,721,896</u>

17.2 Provision for long service awards

Change in the present value of provision for long service awards as at September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011 Baht	December 31, 2010 Baht
Present value of obligation, beginning balance	2,033,155	1,604,120
Cost of service - current period	387,022	425,904
Finance cost	60,995	64,164
Benefits paid during the period	-	(61,033)
Present value of obligation, ending balance	<u>2,481,172</u>	<u>2,033,155</u>

Provision for long service awards expenses for the quarters and nine-month periods ended September 30, 2011 and 2010 are as follows:

	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Cost of service - current period	127,662	106,476	387,022	319,428
Finance cost	<u>20,332</u>	<u>16,041</u>	<u>60,995</u>	<u>48,123</u>
Total provision for long service awards expenses recognized in statement of comprehensive income	<u>147,994</u>	<u>122,517</u>	<u>448,017</u>	<u>367,551</u>

## 18. SHARE CAPITAL

On March 5, 2010, the Company obtained the approval for the public offering from the Office of the Securities and Exchange Commission.

On May 10, 2010, the Board of Directors' Meeting no. 3/2010 passed a resolution stating that the Chairman or Chief Executive Officer were authorized to determine the offer price, the offer period, the terms and conditions relating to the Initial Public Offering (IPO).

On July 28, 2010, the Company signed the Underwriting Agreements with the Co-Lead Underwriters and the Co-Underwriters to underwrite 120,000,000 shares at par Baht 1.00 per share totaling of Baht 120,000,000 with offering price at Baht 1.35 per share. The Company sold the shares on August 3, 2010 for Baht 162,000,000 and on August 5, 2010, the Company had registered an additional paid-up new ordinary shares of 120,000,000 shares equivalent to Baht 120,000,000 with the Ministry of Commerce.

The weighted average number of ordinary shares for the nine-month period ended September 30, 2010, was calculated as follows:-

	<b>Shares</b>
Number of ordinary shares outstanding as at December 31, 2009	350,000,000
Weighted average number of new shares issued during the period (120,000,000 x 57/273)	<u>25,054,945</u>
Weighted average number of ordinary shares outstanding As at September 30, 2010	<u><u>375,054,945</u></u>

## 19. 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 can not be distributed as dividend.

## 20. DIVIDENDS PAID

On April 25, 2011, the ordinary Shareholder's meeting passed a resolution to pay dividend of Baht 0.085 per share on 470,000,000 shares, totaling Baht 39.95 million. Such dividend was paid on May 10, 2011.

On April 23, 2010, the ordinary Shareholder's meeting pass a resolution to pay dividend of Baht 0.09 per share on 350,000,000 shares, totaling Baht 31.50 million. Such dividend was paid on April 29, 2010.

## 21. 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.

## 22. CAPITAL MANAGEMENT

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

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 the principal. 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 not less than Baht 427,954,151 (see Note 1).

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 eight times and with another financial institution in that the Company shall maintain its gearing ratio to not exceed six point five times and a minimum tangible net worth of not less than Baht 520 million. On September 30, 2011 and December, 31, 2010, the Company's financial statements showed compliance to the conditions as mentioned.

## 23. INCOME TAX

Income tax for the quarters and nine-month periods ended September 30, 2011 and 2010 consist of the following:

	<b>For the quarters ended September 30,</b>		<b>For the nine-month periods ended September 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Income tax expense from taxable income per income tax return	7,281,269	9,768,779	26,415,635	31,177,292
Deferred tax expense relating to the origination and reversal of temporary differences	958,141	790,046	(1,364,890)	(6,082,855)
Income tax per the statements of income	<u>8,239,410</u>	<u>10,558,825</u>	<u>25,050,745</u>	<u>25,094,437</u>

The reconciliation between income tax - income (expense) and accounting income for the quarters and nine-month periods ended September 30, 2011 and 2010 are as follow:

	<b>For the quarters ended September 30,</b>		<b>For the nine-month periods ended September 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Accounting income before tax	<u>27,575,843</u>	<u>29,994,364</u>	<u>82,828,255</u>	<u>87,470,289</u>
Income tax at 30%	8,272,753	8,998,309	24,848,477	26,241,087
Tax effect of non-deductible expenses (benefits)	<u>(33,343)</u>	<u>1,560,516</u>	<u>202,268</u>	<u>(1,146,650)</u>
Income tax per the statements of income	8,239,410	10,558,825	25,050,745	25,094,437
Deferred tax income (expense) relating to the origination and reversal of temporary differences	<u>(958,141)</u>	<u>(790,046)</u>	<u>1,364,890</u>	<u>6,082,855</u>
Income tax expenses from taxable income	<u>7,281,269</u>	<u>9,768,779</u>	<u>26,415,635</u>	<u>31,177,292</u>

#### 24. RELATED PARTY TRANSACTIONS

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

Significant balance with related companies as at September 30, 2011 and December 31, 2010 consist of the following:

	<b>Relationship</b>	<b>2011 Baht</b>	<b>2010 Baht</b>
Amounts due from a related company			
IFS Capital Limited	Major Shareholder company	26,750	75,626

Significant transaction with related parties for the quarters and nine-month periods ended September 30, 2011 and 2010 are as follow:

	<b>For the quarters ended September 30,</b>		<b>For the nine-month periods ended September 30,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Management benefit expenses				
Short-term benefits	4,887,365	5,229,460	16,629,261	17,056,713
Post-employment benefit	257,297	237,405	771,891	712,217
Other long-term benefits	<u>20,216</u>	<u>18,040</u>	<u>60,646</u>	<u>54,118</u>
	<u>5,164,878</u>	<u>5,484,905</u>	<u>17,461,798</u>	<u>17,823,048</u>

## 25. COMMITMENTS

As at September 30, 2011 and December 31, 2010, the Company has committed credit facility agreements with financial institutions for general corporate funding requirements as follows:

	<b>As at September 30, 2011 Baht</b>	<b>As at December 31, 2010 Baht</b>
Total credit facilities	3,612,000,000	2,806,000,000

As at September 30, 2011 and December 31, 2010, the Company has utilized the letter of credit amounting to Baht 11.67 million and Baht 9.17 million, respectively, for factoring, hire purchase and leasing contracts. However, as at September 30, 2011 and December 31, 2010, the Company has unused such credit facilities with banks totaling Baht 1,830 million and Baht 1,407 million, respectively.

## 26. FINANCIAL INFORMATION BY SEGMENT

The operation of the Company consists of factoring, hire purchase and leasing business. The results of operation of these activities are measured as a single segment. In addition, these activities are carried on in Thailand.

As a result, revenues, operating profits and identifiable assets as reflected in these financial statements pertain to the aforementioned industry segment and geographical area.

## 27. EVENTS AFTER THE REPORTING PERIOD

27.1 On October 11, 2011, the cabinet-council's meeting has approved a cut in corporate income tax from 30% to be 23% and 20% in the year 2012 and 2013, respectively. The Company does not adjust income tax and outstanding balance of deferred tax asset in the financial statement. The result of change in corporate income tax rate resulted in decreased of deferred tax assets as at September 30, 2011 of Baht 10.76 million and increased in income tax expenses for the quarter and nine-month period ended September 30, 2011 of Baht 10.76 million.

27.2 From the flooding around Thailand in October 2011, it may cause doubt in capability of repayment in the future from some accounts receivable. However, the Company's management will be evaluating the situation and the impact of this matter to the financial statements.

## 28. APPROVAL FOR ISSUANCE OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on November 2, 2011.