

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2009 and 2008

Review report of Independent Auditor

To The Shareholders of TSFC Securities Public Company Limited
(Formerly known as "TSFC Securities Limited")

I have reviewed the accompanying balance sheet of TSFC Securities Public Company Limited as at 30 September 2009, and the related statements of income for the three-month and nine-month periods ended 30 September 2009 and 2008, changes in shareholders' equity, retained earnings and cash flows for the nine-month periods ended 30 September 2009 and 2008. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with auditing standard applicable to review engagements. This standard requires that I plan and perform the review 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. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I previously reported on the financial statements for the year ended 31 December 2008, and issued a disclaimer of opinion under my report dated 22 January 2009, due to the existence of several material uncertainties, which cast significant doubt on the Company's ability to continue as a going concern. The balance sheet as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of those financial statements which I audited and reported on.

I previously reported on the financial statements for the three-month and nine-month periods ended 30 September 2008, and issued a disclaimer of opinion under my review report dated 22 January 2009, due to the existence of several material uncertainties, which cast significant doubt on the Company's ability to continue as a going concern. The related statements of income for the three-month and nine-month periods ended 30 September 2008, changes in shareholders' equity, retained earnings and cash flows for the nine-month period ended 30 September 2008, as presented herein for comparative purposes, formed an integral part of those financial statements which I reviewed and reported on.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 9 November 2009

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Balance sheets

(Unit: Thousand Baht)

	Note	30 September 2009 (Unaudited but reviewed)	31 December 2008 (Audited)
Assets			
Cash and deposits at financial institutions	5	138,386	671,424
Investments in securities	6		
Securities for investment		2,357,398	4,222,308
Less: Allowance for diminution in value of securities		(743)	(4,296)
Investments in securities - net		2,356,655	4,218,012
Trading transactions pending clearance		57,929	14,132
Loans, securities business receivables and accrued interest receivables	7		
Loans and securities business receivables		2,752,871	3,763,815
Accrued interest receivables		17	138
Total loans, securities business receivables and accrued interest receivables		2,752,888	3,763,953
Less: Allowance for doubtful accounts	8	(465,125)	(464,479)
Loans, securities business receivables and accrued interest receivables - net		2,287,763	3,299,474
Equipment - net	9	38,067	48,429
Intangible assets - net	10	65,201	54,648
Accrued interest receivables		6,140	22,930
Cash collateral for derivative contracts		-	340,250
Other assets		37,753	36,142
Total assets		4,987,894	8,705,441

The accompanying notes are an integral part of the financial statements.

(Mrs. Napaporn Landy)

Director

(Mrs. Nongram Wongwanich)

Director

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	30 September 2009 (Unaudited but reviewed)	31 December 2008 (Audited)
Liabilities and shareholders' equity			
Borrowings			
From banks	11	492	1,149,868
From financial institutions		-	7,366,253
Total borrowings		492	8,516,121
Payable from restructuring agreement	12	3,681,371	-
Trading transactions pending clearance		35,930	-
Securities business payables		117,453	14,559
Account payable from purchase of investments		-	268
Accrued interest payable		-	97,521
Other liabilities		7,754	15,086
Total liabilities		3,843,000	8,643,555
Shareholders' equity			
Share capital	13		
Authorised			
130,000,050 ordinary shares (2008: 100,000,000 ordinary shares) of Baht 10 each		1,300,001	1,000,000
Issued and fully paid-up			
101,673,984 ordinary shares (2008: 100,000,000 ordinary shares) of Baht 10 each		1,016,740	1,000,000
Retained earnings			
Appropriated			
Statutory reserve	14	-	90,633
Unappropriated		113,705	(41,730)
Net unrealised gain (loss) on securities for investment	6.2	14,449	(987,017)
Total shareholders' equity		1,144,894	61,886
Total liabilities and shareholders' equity		4,987,894	8,705,441
		-	-

The accompanying notes are an integral part of the financial statements.

(Mrs. Napaporn Landy)
Director

(Mrs. Nongram Wongwanich)
Director

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Income statements

For the three-month periods ended 30 September 2009 and 2008

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2009</u>	<u>2008</u>
Interest and dividend income			
Loans and deposits		49,959	115,647
Securities		7,206	67,707
Total interest and dividend income		<u>57,165</u>	<u>183,354</u>
Expenses on borrowings			
Interest and discounts on borrowings		18	179,906
Total expenses on borrowings		<u>18</u>	<u>179,906</u>
Net interest and dividend income		57,147	3,448
Bad debts and doubtful accounts (reversal)		(307)	(2,269)
Net interest and dividend income after doubtful accounts		<u>57,454</u>	<u>5,717</u>
Non-interest income			
Gain on trading in securities	6.3	1,706	43,272
Reversal of impairment loss on securities	6.3	1,059	1,493
Gain on restructuring	12	148,770	-
Fees and services income		-	1,163
Gain on disposal of equipment		-	808
Total non-interest income		<u>151,535</u>	<u>46,736</u>
Operating expenses			
Personnel expenses		14,030	18,670
Premises and equipment expenses		8,663	8,979
Taxes and duties		1,662	3,844
Directors' remuneration		268	1,983
Other expenses		3,864	5,985
Total operating expenses		<u>28,487</u>	<u>39,461</u>
Income before income tax		180,502	12,992
Income tax		-	(3,810)
Net income for the period		<u>180,502</u>	<u>9,182</u>
			(Unit: Baht)
Basic earnings per share			
	16		
Net income		<u>2.26</u>	<u>1.47</u>
Weight average ordinary shares (Thousand shares)		<u>79,729</u>	<u>6,250</u>

The accompanying notes are an integral part of the financial statements.

(Mrs. Napaporn Landy)
Director

(Mrs. Nongram Wongwanich)
Director

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Income statements

For the nine-month periods ended 30 September 2009 and 2008

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2009</u>	<u>2008</u>
Interest and dividend income			
Loans and deposits		175,537	323,810
Securities		35,984	393,670
Total interest and dividend income		<u>211,521</u>	<u>717,480</u>
Expenses on borrowings			
Interest and discounts on borrowings		112,191	516,689
Total expenses on borrowings		<u>112,191</u>	<u>516,689</u>
Net interest and dividend income		99,330	200,791
Bad debts and doubtful accounts	8	646	68,593
Net interest and dividend income after doubtful accounts		<u>98,684</u>	<u>132,198</u>
Non-interest income			
Gain on trading in securities	6.3	53,495	176,999
Reversal of impairment loss on securities (loss)	6.3	(1,068,085)	3,290
Gain on restructuring	12	148,770	-
Fees and services income		83	1,298
Gain on disposal of equipment		64	641
Total non-interest income (expense)		<u>(865,673)</u>	<u>182,228</u>
Operating expenses			
Personnel expenses		47,899	54,878
Premises and equipment expenses		25,128	27,561
Taxes and duties		5,883	10,726
Directors' remuneration		1,438	13,128
Other expenses		25,362	22,136
Total operating expenses		<u>105,710</u>	<u>128,429</u>
Income (loss) before income tax		(872,699)	185,997
Income tax	15	-	(33,722)
Net income (loss) for the period		<u>(872,699)</u>	<u>152,275</u>
			(Unit: Baht)
Basic earnings per share			
Net income (loss)	16	<u>(28.14)</u>	<u>24.36</u>
Weight average ordinary shares (Thousand shares)		<u>31,012</u>	<u>6,250</u>

The accompanying notes are an integral part of the financial statements.

(Mrs. Napaporn Landy)

Director

(Mrs. Nongram Wongwanich)

Director

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2009 and 2008

(Unit: Thousand Baht)

	<u>Note</u>	<u>2009</u>	<u>2008</u>
Share capital - ordinary shares			
At beginning of period		1,000,000	1,000,000
Increase during period	13	954,240	-
Decrease during period	13	(937,500)	-
At end of period		<u>1,016,740</u>	<u>1,000,000</u>
Retained earnings			
Appropriated			
Statutory reserve			
At beginning of period		90,633	72,578
Increase during period		-	18,055
Decrease during period	14	(90,633)	-
At end of period		<u>-</u>	<u>90,633</u>
Unappropriated			
At beginning of period		(41,729)	1,056,890
Increase during the period - net income (loss) for the period		(872,699)	152,275
- transfer from share capital and			
statutory reserve	13, 14	1,028,133	-
Decrease during the period - transfer to statutory reserve	14	-	(18,055)
- dividends paid	17	-	(180,000)
At end of period		<u>113,705</u>	<u>1,011,110</u>
Net unrealised gain (loss) on available-for-sale securities			
At beginning of period		(987,017)	(525)
Change during the period		1,001,466	(863,155)
At end of period		<u>14,449</u>	<u>(863,680)</u>
Total shareholders' equity		<u><u>1,144,894</u></u>	<u><u>1,238,063</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Statements of retained earnings

For the nine-month periods ended 30 September 2009 and 2008

(Unit: Thousand Baht)

	<u>Note</u>	<u>2009</u>	<u>2008</u>
Unappropriated retained earnings			
At beginning of period		(41,729)	1,056,890
Transfer to legal reserves		-	(18,055)
Dividends paid	17	-	(180,000)
Net income (loss) for the period		(872,699)	152,275
Transfer from share capital and statutory reserve	13, 14	1,028,133	-
Total unappropriated retained earnings		<u>113,705</u>	<u>1,011,110</u>
Appropriated retained earnings			
Statutory reserve		-	90,633
Total appropriated retained earnings		<u>-</u>	<u>90,633</u>
Total retained earnings		<u><u>113,705</u></u>	<u><u>1,101,743</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Cash flow statements

For the nine-month periods ended 30 September 2009 and 2008

	(Unit: Thousand Baht)	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Net income (loss) before tax	(872,699)	185,997
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortisation	11,771	11,133
Amortisation of discount on investments in debt securities	-	(22,216)
Amortisation of premium on investments in debt securities	6,011	37,170
Bad debts and doubtful accounts	646	68,593
Deferred tax	-	8,022
Gain on trading in securities	(22,006)	(178,392)
Loss on diminution in value of investments (reversal)	1,068,085	(3,290)
Gain on disposal and write-off of equipment	(64)	(641)
Gain on restructuring agreement	(148,770)	-
Revalue of investment from hedging on derivative instruments	-	(267)
Increase in accrued dividend and interest receivables	(211,521)	(717,364)
Decrease in accrued expenses	(4,232)	(29,558)
Interest expenses	112,191	516,689
Loss from operating activities before changes in operating assets and liabilities	(60,588)	(124,124)
(Increase) decrease in operating assets		
Investment in short-term securities	(17,491)	187,125
Trading transactions pending clearance	(43,797)	(125,041)
Loans and securities business receivables	1,010,944	173,096
Restricted fixed deposits	(4)	(27)
Other assets	338,412	(18,690)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Cash flow statements (continued)

For the nine-month periods ended 30 September 2009 and 2008

	(Unit: Thousand Baht)	
	<u>2009</u>	<u>2008</u>
Increase (decrease) in operating liabilities		
Borrowings from banks and financial institutions	-	624,972
Securities sold under repurchase agreements	-	(172,427)
Trading transactions pending clearance	35,930	(637,103)
Securities business payables	102,894	(381,559)
Other liabilities	(3,367)	1,010
Cash from (used in) operating activities	<u>1,362,933</u>	<u>(472,768)</u>
Cash received from interest income	175,657	323,795
Cash paid from interest expenses	(394)	(491,894)
Cash paid for corporate income tax	(435)	(33,722)
Net cash from (used in) operating activities	<u>1,537,761</u>	<u>(674,589)</u>
Cash flows from investing activities		
Payments to acquire available-for-sale securities	(2,200,000)	(15,115,802)
Proceeds on disposal of available-for-sale securities	4,028,226	15,557,173
Cash received from dividends received	9,946	192,285
Cash received from interests on investments	42,827	261,874
Payments to acquire equipment	(27)	(38,493)
Proceeds on disposal of equipment	762	2,900
Payments to acquire intangible assets	(11,971)	(33,182)
Net cash from investing activities	<u>1,869,763</u>	<u>826,755</u>
Cash flows from financing activities		
Dividends paid	-	(180,000)
Payments interests under restructuring agreement	(55,336)	-
Payments principle under restructuring agreement	(4,539,629)	-
Increase paid-up capital	654,240	-
Net cash used in financing activities	<u>(3,940,725)</u>	<u>(180,000)</u>
Net decrease in cash and cash equivalents	<u>(533,201)</u>	<u>(27,834)</u>
Cash and cash equivalents at beginning of period	<u>670,351</u>	<u>5,086</u>
Cash and cash equivalents at end of period (Note 5)	<u><u>137,150</u></u>	<u><u>(22,748)</u></u>
Supplemental cash flows information		
Non-cash item		
Payable from acquire equipment	-	336
Payable from restructuring agreement	3,681,371	-
Convert debts to equity under restructuring agreement	300,000	-

The accompanying notes are an integral part of the financial statements.

TSFC Securities Public Company Limited
(Formerly known as “TSFC Securities Limited”)

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2009 and 2008

1. General information

1.1 Corporate information

TSFC Securities Public Company Limited (hereinafter referred to as “the Company”) is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in securities business and has two business licenses to engage in granting credits to securities business and securities borrowing and lending business. On 31 March 2009, the Company registered as a Public Company Limited with the Ministry of Commerce and changed its name from “TSFC Securities Limited” to “TSFC Securities Public Company Limited”. Its registered address is located at 9th and 10th Floor, Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok.

The Board of Director Meeting No.6/2552 appointed Mrs. Napaporn Landy to the position of President, replacing Mr. Akarat Na Ranong, effective from 1 July 2009.

1.2 Fundamental accounting assumption

The financial crisis in the year 2008 has materially affected the global economy, and the Thailand stock index has fallen drastically. The Company consequently recognised impairment loss totaling Baht 1,068.1 million for investments in securities with fair values lower than their carrying amount, in the income statement for the nine-month period ended 30 September 2009.

On 28 November 2008, the Office of the Securities and Exchange Commission issued letter No. KorLorTor.Dor.2207/2551 to notify the Company of a Capital Markets Supervisory Board order that the Company cease additional lending to investors for purchasing investments or any expansion of its other operations; including the cessation of any additional investment in securities and other funds except for investments in government debt securities that are fully and unconditionally guaranteed by the Ministry of Finance or investments in money market funds or any operations to mitigate risk in respect at any existing investments. On 12 December 2008, a Board of Directors Meeting passed a resolution to cease repayment of loans that came due, effective from 16 December 2008, to prepare the Company for a rehabilitation process under the Bankruptcy Act B.E. 2483. The Company must find

(Unaudited but reviewed)

sources of funds for doing business and to repay debt. On 16 January 2009, the Extraordinary General Meeting No. 1/2552 acknowledged the progress of the rehabilitation plan of the Company, and the resolution of the 9 January 2009 meeting between the Company and the creditors to extend the deadline for submission of the rehabilitation plan by 1 month, to 12 February 2009. The Capital Markets Supervisory Board met on 16 January 2009 and approved the extension of the deadline for submission of the rehabilitation plan under the Bankruptcy Act B.E. 2483, as the Company requested. The Company has hired a financial advisor and a legal consultant to undertake various necessary tasks, such as negotiating with creditors and meeting with shareholders to resolve the Company's financial position, including plans to increase capital and to enter a rehabilitation process. As at 13 February 2009, The Capital Markets Supervisory Board approved the extension of the deadline for the implementation of the debt restructuring and capital plans outside of court proceedings until July 2009, as the Company had requested. The Company will provide the Office of the Securities and Exchange Commission with monthly progress reports. On 20 March 2009, the Company signed a debt restructuring agreement with financial creditors totaling Baht 8,725,476,464. For the purpose of the capital restructuring and to issue capital to support the capital restructuring, the Company decreased its registered and paid up capital and registered newly issued capital, as discuss in Note 13.

On 16 June 2009, the investors entered into agreements to subscribe to 44,931,167 new shares of the Company at a price of Baht 10 each, for a total of Baht 449,311,670, with the condition that the Company was to reduce its registered share capital to Baht 62.5 million and then increase its share capital to Baht 1,300 million. The Company must have evidence showing that all creditors have the right to convert debt to equity. The Annual General Meeting of the Company approved the increase in share capital and passed a resolution to issue 30,000,002 shares to the financial creditors in settlement of debt, with the financial creditors under debt restructuring agreements to release the Company from all remaining debts that are not restructured, amounting to Baht 249,999,999.94. The amount received from for the additional shares from investors that are securities companies together with the value of the debt to equity conversion under debt restructuring agreements for the financial creditors that are securities companies must be not less than Baht 150 million. In addition, following receipt of share payment and conversion of debt to equity the Company's capital ratio must be not less than 10 percent, and the Company must have evidence showing that the Company has available sources of credit from financial institutions totaling not less than Baht 2,500 million.

On 10 July 2009, Meeting No. 8/2552 of the SEC's Capital Market Supervisory Board (CMSB) passed a resolution to allow the Company to resume operations when its recapitalisation is successfully completed. The Capital Market Supervisory Board had ordered the Company to increase its capital by not less than Baht 279 million in order to meet the legally required capital adequacy ratio, and for as long as the Company was unable to increase its capital by the full amount, the Company was ordered to cease any expansion of its operations and additional investment.

The Company has notified the SEC of the success of its debt restructuring, included the process of reducing capital to offset its deficit and increasing its called up share capital from Baht 62,500,030 to Baht 1,016,739,840. Baht 300,000,020 of this increase was by means of conversion of debt to equity in accordance with the debt restructuring agreement, and Baht 654,239,790 from the call of additional share capital. The Company registered the increase with the Ministry of Commerce on 24 July 2009. As a result of such increase in paid-up capital the Company's capital funds increased and its capital adequacy ratio stands at 28.97 percent, as of 24 July 2009, which is sufficient to support the Company's a normal business and meet the legally required level (not less than 8 percent). CMSB has therefore approved the Company's resumption or normal business when it has registered the increase in its paid-up capital with the Ministry of Commerce and when Office of the SEC has examined the Company and opined that the Company's systems and manpower are ready to commerce normal operations. Based on its examination of the Company's readiness to operate lending to purchase securities, the SEC concluded that the Company's systems were ready to support such business and therefore, under its notice KorLorTor. Dor. 1145/2552, dated 23 July 2009, approved the Company's operation of normal lending to purchase securities once it has successfully increased its share capital and completed its financial restructuring.

On 24 July 2009, the Company complied with the conditions specified in the agreements to subscribe to the shares and received payment amounting to Baht 449,311,670 from the investors as specified in the agreement, Baht 204,928,120 from government sector investors and Baht 300,000,020 from conversion of debt to equity. Together with the paid-up share capital before in the share capital increase, amounting to Baht 62,500,030, the Company's paid-up capital thus totalled Baht 1,016,739,840 and the Company registered the increase in its capital with the Ministry of Commerce on 24 July 2009.

The Company has successfully implemented the rehabilitation process, the increase of capital and the sourcing of funds, and the requirements of the debt restructuring agreement, and has been able to recommence operation of its lending to purchase securities business following its successful capital restructuring. The financial statements have therefore been prepared on a going concern basis.

2. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale
and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for leasehold right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TAS 36 (revised 2007) will not have any significant impact on the financial statements for the current period.

b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

3. Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 34 (revised 2007) "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders' equity, retained earnings and cash flows with the same format as that used in the annual financial statements.

In addition, the financial statements are prepared in accordance with the requirements of the Office of the Securities and Exchange Commission's notification dated 28 July 1997 concerning the format of balance sheet and statements of income for securities companies which undertake the granting of credits to securities businesses.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the official statutory financial statements.

4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2008.

5. Cash and deposits at financial institutions

(Unit: Thousand Baht)

	30 September 2009	31 December 2008
Cash	90	90
Saving and current deposits	181,172	684,625
Total	181,262	684,715
Less: Customers' deposits at financial institutions under the Company's name	(42,876)	(13,291)
Total cash and deposits at financial institutions - net	138,386	671,424
Restricted fixed deposits at financial institution (Note 20.1)	(744)	(740)
Bank overdrafts (Note 11)	(492)	(333)
Cash and cash equivalents	<u>137,150</u>	<u>670,351</u>

As at 30 September 2009, the Company's deposits at financial institutions totaling Thousand Baht 181,172 (31 December 2008: Thousand Baht 684,625) included customers' deposits at call under the Company's name totaling Thousand Baht 42,876 (31 December 2008: Thousand Baht 13,291) and Thousand Baht 138,386 (31 December 2008: Thousand Baht 671,424) of the Company's cash and deposits at financial institutions.

6. Investment in securities

(Unit: Thousand Baht)

	30 September 2009		31 December 2008	
	Cost/ Amortisation cost	Fair value	Cost/ Amortisation cost	Fair value
<u>Securities for investment</u>				
Available-for-sale securities				
Equity securities				
Listed securities	-	-	30,963	6,384
Add (Less): Allowance for revaluation of securities	-	-	(24,579)	-
Subtotal	<u>-</u>	<u>-</u>	<u>6,384</u>	<u>6,384</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2009		31 December 2008	
	Cost/ Amortisation	Fair value	Cost/ Amortisation	Fair value
	cost		cost	
Debt instruments				
Government and state enterprises bond	898,493	912,579	1,410,879	1,440,022
Private debt securities	4,640	4,674	20,000	20,146
Add (Less): Allowance for revaluation of securities	14,120	-	29,289	-
Government securities for customers accounts	-	-	(17,492)	(17,492)
Subtotal	917,253	917,253	1,442,676	1,442,676
Unit trusts				
Money market fund	1,200,094	1,202,480	-	-
Debt fund	148,959	148,930	248,752	255,357
Equity fund	20	25	3,421,927	2,423,322
Foreign Investment Fund	80,000	78,267	80,000	80,473
Property fund	10,000	9,700	10,000	9,800
Right to bills	743	-	4,296	-
Add (Less): Allowance for revaluation of securities	329	-	(991,727)	-
Allowance for diminution in value of securities	(743)	-	(4,296)	-
Subtotal	1,439,402	1,439,402	2,768,952	2,768,952
Total available-for-sale securities - net	2,356,655	2,356,655	4,218,012	4,218,012
Total securities for investment - net	2,356,655	2,356,655	4,218,012	4,218,012

During the current period, dividend income from investments in the unit trusts amounted to Baht 9.9 million (30 September 2008: Baht 188.6 million) was presented as a part of interest and dividend income on securities in the statements of income.

During the current period, the Company recognised loss on impairment on investments in available-for-sales securities amounting to Baht 1,068.1 million because the fair values of those investments have diminished significantly.

(Unaudited but reviewed)

6.1 Investment in securities in which the Company held 10% or more of the issued units of the funds consist of the followings:

	30 September 2009		
	Type of business	Investment amount (Thousand Baht)	Percentage of holding
<u>Debt Fund</u>			
Smart Cash Fund	Unit Trust	148,930	19.79
<u>31 December 2008</u>			
	Type of business	Investment amount (Thousand Baht)	Percentage of holding
<u>Debt Fund</u>			
Smart Cash Fund	Unit Trust	248,752	32.81
<u>Equity Fund</u>			
AYF Dividend Stock Fund 70/30	Unit Trust	397,422	97.36
AYF Star Capital Fund 70/30	Unit Trust	1,472,885	99.75
Aberdeen Thai Equity Dividend Fund	Unit Trust	1,546,600	87.14

6.2 Unrealised gain (loss) on securities for investment

(Unit: Thousand Baht)

	For the nine-month	
	period ended 30 September 2009	For the year ended 31 December 2008
Balance - beginning of the period/year	(987,017)	(525)
Changes during the period/year		
- from revaluation	(8,445)	(1,618,160)
- from transfer to loss on trading	1,009,911	631,893
- from deferred tax (Note 15)	-	(225)
Balance - end of the period/year	14,449	(987,017)

(Unaudited but reviewed)

6.3 Gain on trading in securities

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2009	2008	2009	2008
Gain on trading in available-for-sale securities	1,706	47,432	22,006	178,392
Gain (loss) on derivative instruments	-	(1,829)	31,489	267
Hedging loss	-	(2,331)	-	(1,660)
Loss on diminution in value of investments (reversal)	1,059	1,493	(1,068,085)	3,290
Total	<u>2,765</u>	<u>44,765</u>	<u>(1,014,590)</u>	<u>180,289</u>

7. Loans, securities business receivables and accrued interest receivables

7.1 Classified by maturity

(Unit: Thousand Baht)

	30 September	31 December
	2009	2008
Less than one year	2,266,967	3,081,865
Over one year	21,123	412,364
Past due	464,781	269,586
Total loans and securities business receivables	2,752,871	3,763,815
Add: Accrued interest receivables	17	138
Less: Allowance for doubtful accounts (Note 8)	(465,125)	(464,479)
Total loans and securities business receivables and accrued interest receivables - net	<u>2,287,763</u>	<u>3,299,474</u>

As at 30 September 2009 and 31 December 2008, the Company had discontinued recognising income from loans and receivables with total outstanding balances of principle and accrued interest receivables of approximately Baht 627.24 million and Baht 855.20 million, respectively. These comprise loans to purchase securities and transactions with problem financial institutions which were ordered to discontinue their operations by Ministry of Finance on 8 December 1997 and the Company has set aside provision for doubtful debt, as summarised below:

(Unaudited but reviewed)

(Unit: Million Baht)

30 September 2009				
	Number	Outstanding	Collateral	Allowance for doubtful accounts
Loans for purchase of securities	19	513.55	517.40	351.16
Discontinued financial institutions	4	113.69	-	113.69
Total	23	627.24	517.40	464.85

(Unit: Million Baht)

31 December 2008				
	Number	Outstanding	Collateral	Allowance for doubtful accounts
Loans for purchase of securities	27	740.75	555.36	348.39
Discontinued financial institutions	4	114.45	-	114.45
Total	31	855.20	555.36	462.84

- 7.2 The Company has classified loans, securities business receivables including related accrued interest receivables according to a Notification set out by the Office of the Securities and Exchange Commission. As at 30 September 2009 and 31 December 2008, classified loans, securities business receivables are as follows:

(Unit: Million Baht)

	30 September 2009				31 December 2008			
	Number	Loans, securities business receivables and accrued interest	Allowance for doubtful accounts set up by the Company	Net loans, securities business receivables after allowance for doubtful accounts	Number	Loans, securities business receivables and accrued interest	Allowance for doubtful accounts set up by the Company	Net loans, securities business receivables after allowance for doubtful accounts
Normal debt	529	2,125.3	(0.3)	2,125.0	1,229	2,907.3	(1.6)	2,905.7
Special mention	2	0.4	-	0.4	6	1.4	-	1.4
Doubtful debt	23	627.2	(464.8)	162.4	31	855.2	(462.8)	392.4
Total	554	2,752.9	(465.1)	2,287.8	1,266	3,763.9	(464.4)	3,299.5

For accounts receivables classified as normal debt and special mention, the Company has set up allowance for doubtful accounts at percentages of the account balances before deducting the value of collateral.

(Unaudited but reviewed)

8. Allowance for doubtful accounts

(Unit: Thousand Baht)

	30 September 2009		
	Loans to financial institutions and accrued interest receivables	Loans, securities business receivables and accrued interest receivables	Total
Balance at beginning of period			
- General (Note 7.2)	-	1,637	1,637
- Specific (Note 7.2)	-	462,842	462,842
	-	464,479	464,479
Add (Reversal):			
Allowance for doubtful accounts			
- General	-	(1,171)	(1,171)
- Specific	-	1,817	1,817
	-	646	646
Balance at end of period			
- General (Note 7.2)	-	466	466
- Specific (Note 7.2)	-	464,659	464,659
	-	465,125	465,125

(Unit: Thousand Baht)

	31 December 2008		
	Loans to financial institutions and accrued interest receivables	Loans, securities business receivables and accrued interest receivables	Total
Balance at beginning of year			
- General	-	1,320	1,320
- Specific	-	200,986	200,986
	-	202,306	202,306
Add (Reversal):			
Allowance for doubtful accounts			
- General	-	317	317
- Specific	-	261,856	261,856
	-	262,173	262,173

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2008		
	Loans to financial institutions and accrued interest receivables	Loans, securities business receivables and accrued interest receivables	Total
Balance at end of year			
- General (Note 7.2)	-	1,637	1,637
- Specific (Note 7.2)	-	462,842	462,842
	-	464,479	464,479

9. Equipment

Movements of the equipment account during the nine-month period ended 30 September 2009 are summarised below.

(Unit: Thousand Baht)

	Total
Cost	
31 December 2008	76,148
Purchases	27
Disposals	(1,433)
Write-off	(2,207)
30 September 2009	72,535
Accumulated depreciation	
31 December 2008	27,719
Depreciation for the period	9,691
Depreciation for disposals	(766)
Write-off	(2,176)
30 September 2009	34,468
Net book value	
31 December 2008	48,429
30 September 2009	38,067

As at 30 September 2009, certain fixed assets items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9.6 million (31 December 2008: Baht 9.4 million).

(Unaudited but reviewed)

10. Intangible assets

(Unit: Thousand Baht)

	<u>Total</u>
Net book value as at 1 January 2009	54,648
Acquisitions during period - at cost	11,971
Amortisation for period	<u>(1,418)</u>
Net book value as at 30 September 2009	<u>65,201</u>

Part of the above intangible assets comprises development costs of the Securities Borrowing and Lending (SBL) program, amounting to Baht 57.4 million.

11. Borrowings

(Unit: Thousand Baht)

	<u>30 September 2009</u>		<u>31 December 2008</u>	
	<u>From banks</u>	<u>From financial institutions</u>	<u>From banks</u>	<u>From financial institutions</u>
Past due	-	-	-	1,919,000
Bank overdraft	492	-	333	-
1-7 days	-	-	-	58,000
More than 7 - 30 days	-	-	600,000	1,241,990
More than 1 - 3 months	-	-	49,535	2,045,955
More than 3 - 6 months	-	-	500,000	1,863,508
More than 6 - 12 months	-	-	-	207,800
Over one year	-	-	-	30,000
Total borrowings	<u>492</u>	<u>-</u>	<u>1,149,868</u>	<u>7,366,253</u>

12. Payable from restructuring agreement

On 20 March 2009, the Company signed a debt restructuring agreement with financial creditors covering principal and interest totaling Baht 8,725,476,463.74. All financial creditors commit to release the remaining debts, amounting to Baht 249,999,999.94, when the Company implements the conditions in debt restructuring agreement for creditor group 1, group 2 and group 3. The restructuring conditions with each group of creditors are as follows:

(Unaudited but reviewed)

Group	Amount	Period	Condition	Interest rate	Remark
1	2,270,000,000.02	21 March 2009 to 3 April 2009	Issue of promissory notes amounting to Baht 2,269,629,221.16	1.5 percent per annum, paying interest on maturity	Deducted withholding tax amounting to Baht 370,778.86 when issuing the promissory notes
2	2,270,000,000.02	21 March 2009 to 20 April 2009	Issued all promissory notes	1.5 percent per annum, paying interest on maturity	
3	300,000,020.00	With in 30 September 2009	Convert debt to equity		Issued not more than 30,000,002 new shares with a par value of Baht 10 each
4	1,999,999,999.92	21 March 2009 to 21 December 2009	Issued all promissory notes	2.375 percent per annum, paying interest monthly	
5	1,635,476,443.84	21 March 2009 to 21 June 2010	Issued all promissory notes	3 percent per annum, paying interest monthly	
Total	8,475,476,463.80				

During the current period, the Company converted debt to equity amounting to Baht 300,000,020, as discussed in Note 1.2, and paid principal amounting to Baht 4,539,629,221 to group 1 and group 2 creditors and paid interest amounting to Baht 55,335,755 to group 1, group 2, group 4 and group 5 creditors and deducted withholding tax amounting to Baht 370,779 in accordance with the debt restructuring agreement. The Company recognise gain on debt restructuring amounting to Baht 148,769,973 due to the Company has implemented the conditions in the debt restructuring agreement for the group 1, group 2 and group 3 creditors. The gain on restructuring is calculated based on the book value of the debts at the restructuring date (20 March 2009) and the fair value of the cash and issued common shares that the Company will transfer to the creditors in settlement of the debts.

As at 30 September 2009, the Company has the remaining balances of debt of Baht 3,681,370,716, classified by the repayment period, are as follow:

(Unit: Thousand Baht)

	30 September 2009
More than 7 - 30 days	8,201
More than 1 - 3 months	2,014,707
More than 3 - 6 months	12,098
More than 6 - 12 months	1,646,365
Total	<u>3,681,371</u>

13. Share capital

The extraordinary general meeting of shareholders No. 1/2552 held on 21 April 2009, the Company's shareholders approved the reduction of its registered and paid-up share capital from Baht 1,000 million (100 million ordinary share of Baht 10 each) to Baht 62.5 million (6.25 million ordinary shares of Baht 10 each) by decreasing its registered and paid up capital by 93.75 million shares of Baht 10 per share in order to write-off retained losses. The Company already registered the decrease in its capital with the Ministry of Commerce on 29 June 2009.

On 5 June 2009, the extraordinary general meeting of shareholders No. 2/2552 approved the increase of the Company's registered and issued capital by Baht 62.5 million, to Baht 1,300 million, through the issuance of 123.75 million additional ordinary shares with a par value of Baht 10 per share. The increase in the registered and issued capital is to support the capital restructuring and conversion of debt to equity under the restructuring agreement. The Company registered the increase in its capital with the Ministry of Commerce on 30 June 2009. In July 2009, the Company received payment the paid-up share capital amounting to Baht 654.2 million and from conversion of debt to equity amounting to Baht 300 million. The Company's paid-up capital thus totalled Baht 1,016.7 million and the Company registered the increase in its capital with the Ministry of Commerce on 24 July 2009.

Reconciliation of number of ordinary shares

	(Unit: Shares)	
	30 September 2009	31 December 2008
	<u> </u>	<u> </u>
<u>Registered share capital</u>		
Number of ordinary shares at the beginning of the period/year	100,000,000	100,000,000
Decrease in registered share capital	(93,749,997)	-
Increase in registered share capital	123,750,047	-
	<u>130,000,050</u>	<u>100,000,000</u>
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of the period/year	100,000,000	100,000,000
Reduction in paid-up share capital	(93,749,997)	-
Increase in paid-up share capital	95,423,981	-
	<u>101,673,984</u>	<u>100,000,000</u>

(Unaudited but reviewed)

14. Statutory reserve

(Unit: Thousand Baht)

	30 September 2009	31 December 2008
Beginning balance	90,633	72,578
Appropriation during period/year	-	18,055
Decrease during period/year	(90,633)	-
Ending balance	<u>90,633</u>	<u>90,633</u>

The statutory reserve was set up in accordance with the provisions of the Civil and Commercial Code which requires the appropriation as statutory reserve of at least 5% of profits derived from the business of the Company at each dividend distribution until the reserve reaches 10% of the registered share capital. The statutory reserve could not use for dividend payment.

On 21 April 2009, the extraordinary general meeting of shareholders No. 1/2552 approved the transfer of Baht 90,633,214 from the statutory reserve in order to offset retained losses.

15. Income tax

The components of income tax expenses recognised in income statements were as follow:

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September	
	2009	2008
Accounting income (loss)	(872,699)	185,997
Income not subject to tax	(4,973)	(76,299)
Expenses deductible deductible for tax purposes	(4,950)	(24,030)
Tax losses brought forward	(972,548)	-
Taxable income (loss)	<u>(1,855,170)</u>	<u>85,668</u>
Current income tax expenses at the rate of 30 percent	-	25,700

(Unaudited but reviewed)

Reconciliation between income tax expenses and the product of accounting income (loss) multiplied by the applicable tax rate for the periods ended 2009 and 2008 were as follows:

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September	
	2009	2008
Accounting income (loss)	(872,699)	185,997
Applicable tax rate of 30%	-	25,700
Net tax effect of non-deductible expenses	-	8,022
Income tax expenses as included in income statements	-	33,722

The aggregate current and deferred tax relating to items that are charged or credited to shareholders' equity were as follows:

(Unit: Thousand Baht)

	For the nine-month period ended 30 September 2009	For the year ended 31 December 2008
Deferred tax related to unrealised loss on securities for investment	-	(225)

Because management estimate that future income will not be sufficient to utilize the benefits of the deferred tax assets, the management wrote-off deferred tax assets from the accounts.

16. Earnings per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary share as a result of the reduction of number of ordinary shares discussed in Note 13, and the earnings per share of the prior period adjusted accordingly.

(Unaudited but reviewed)

17. Dividend paid

(Unit: Thousand Baht)

	Approved by	Total dividends	Dividend per share
Final dividends on 2007 income	Annual General Meeting of the shareholders on 21 April 2008	180,000	1.80
		<u>180,000</u>	<u>1.80</u>

18. Capital fund

The Company maintained a capital fund by law under the Notification of the Securities and Exchange Commission as follows:

(Unit: Thousand Baht)

	30 September 2009	31 December 2008
<u>Tier 1 capital</u>		
Paid-up capital	1,016,740	1,000,000
Statutory reserve	-	90,633
Net income after appropriation	-	858,834
Net loss in accounting period	(66,798)	(896,415)
Total Tier 1 capital	949,942	1,053,052
Unrealised losses from securities for investment	-	(987,017)
Total capital fund maintained by law	<u>949,942</u>	<u>66,035</u>
Total capital ratio (%)	<u>24.02</u>	<u>1.19</u>

Under the Notification of the Securities and Exchange Commission, the Company is required to maintain the capital ratio not less than 8 percent and that Tier 1 capital ratio should be not less than 4 percent.

On 21 January 2009, the Office of Securities and Exchange Commission issued Notification No. KorLorTor. Dor. 116/2552, concerning the maintenance of capital funds by the Company, informing the Company that gains or losses from revaluation of debts and equity securities are to be included in calculating Tier 2 capital, as from 31 December 2008.

19. Commitments

19.1 Capital commitments

As at 30 September 2009, the Company had capital commitments of approximately Baht 21.7 million relating to system development and maintenance.

19.2 Operating lease commitments

As at 30 September 2009, the Company had outstanding car rental and service commitments under long-term lease agreements in the following amounts:

	<u>Million Baht</u>
Payable within:	
1 year	7.7
2 - 3 years	4.8

20. Litigation

20.1 During the year 2005, the Company was sued for compensation of approximately Baht 0.6 million in relation to the cost of office supplies. On 31 May 2006, the Court ordered the Company to pay Baht 0.6 million together with interest at the rate 7.5 percent per annum. On 23 June 2006, the Company appealed this judgement with the Appeal Court. On 27 December 2006, the Appeal Court ordered the Company to place a bond with the Court in the amount the Court of First Instance had ordered to be paid, in order to postpone execution. On 23 February 2007, the Company has placed deposits amounting to Baht 0.7 million as a bond. The Company has already recorded the above amount under "Other liabilities" in the financial statements.

20.2 In December 2008, a civil suit was brought against the Company for breach of contract, seeking payment of approximately Baht 7.98 million for hire of work. On 14 October 2009, the plaintiff acknowledged to the court that it preliminarily agreed that the Company could pay 25 percent of the amount claimed, subject to agreement by the Company. The Court agreed that the plaintiff and the defendant could negotiate and, since it would therefore be appropriate to give negotiations a chance, approved a postponement of reaching a settlement or examination of witnesses to 8 February 2010. The outcome of the case is thus not known at this time and so the Company has not recorded provision for loss in the accounts.

21. Financial information by segment

The majority of the operations of the Company involve the single business segment, granting credits to securities business. These businesses are mainly carried on in a single geographic area in Thailand. As a result, all revenues, operating income and assets as reflected in these financial statements are certain to the aforementioned industry and geographic area.

22. Presentation

The presentation of the financial statements has been made in compliance with requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of granting credits to securities business No. Sor. Thor. 29/2540 dated 28 July 1997.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Director on 9 November 2009.