



ANNUAL REPORT '09



DHANAMITR FACTORING PUBLIC COMPANY LIMITED



Contents

General Information	64
Message from Chief of Executive Committee	65
Report of the Audit Committee	66
Company Background	67
Company Business Overview	68
Financial Highlights	70
Management Discussion and Analysis	72
Shareholders and the Management Structure	74
Good Corporate Governance	90
Risk Factors	101
Conneted Transaction	103
Report of the Board of Director's Responsibilities in the Financial Statement	104



GENERAL INFORMATION

Company Profile

Company Name	: Dhanamitr Factoring Public Company Limited
Address	: 444 Olympia Thai Tower, 6 th Floor, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok 10320
Business Type	: Factoring
Registration Number	: 0107547000141 (Formerly: No. 0107574700141)
Issued and paid up capital	: 100 million Baht
Common shares	: 20 million shares
Web Site	: www.dmfactor.co.th
Telephone	: 02-512-1818
Fax	: 02-513-4741

Company Securities

- : The issue and paid-up share capital as of December 31,2009 in the total amount of Bath 100 millions consists of 20 million ordinary shares, Baht 5 per share.

Reference

Share registrar	: Thailand Securities Co., Ltd. 62 The Stock Exchange of Thailand Building Ratchadapisek Road, Klongtoe, Bangkok 10110
Telephone	: 02-229-2800 and 02-654-5599
Fax	: 02-359-1259
Auditor	: Mr. Winit Silamongkol, C.P.A No.3378 or Mrs wilai Buranakittisophon C.P.A.No.3920 or Mr. Thiridthong Thepmongkorn, C.P.A.No.3787 or Miss.Pantip Gulsantithamrong C.P.A.No.4208 KPMG Phoomchai Audit Ltd.
Address	: Empire Tower, 48 th Floor, 195 South Sathorn Road, Yannawa, Bangkok 10120
Telephone	: 02-677-2000
Fax	: 02-677-2222



MESSAGE FROM CHIEF OF EXECUTIVE COMMITTEE

Dear Shareholders,

From the end of Year 2008 throughout Year 2009, economic condition in Thailand confronted the recession situation because of the effect from financial crisis in many foreign countries particularly the United State of America and Europe Union. For this reason including the instability of the domestic politic situation is a tremendous factor to the overall domestic economy in Thailand.

Even though, the economic environment is not supportive and has an effect on the earning of the Company from Year 2008 decreasing 17.62% because the clients in modern trade area is impacted from the business recession, Dhanamitr still make a profit of Year 2009 close to the previous year. This results from the Company can adjust the strategies correspond with changeable economic circumstance. We focus on the target clients in small and medium enterprise that gain high return to the Company. Besides, the Company set up the major strategy of Year 2009 to be “Year of Quality” by emphasizing to reduce risk from transferring right to collect debt. As the result, the number of the doubtful debt for this year was still quite lower than the average of other factoring businesses. In addition, the return of the overall factoring credit also increase significantly in the other word the Company has a net profit after deducting the allowance for doubtful debt of Year 2009 in the total amount of Baht 38.06 Millions and has the factoring volume Baht 8,995 Millions equivalent to the four position in whole factoring companies.

For Year 2010, the Company settles approach strategies in order to increase the factoring volume and aim at broadening out the client bases not only in the modern trade business but also various types of business so as to diverse risk from collecting debt.

Besides, in this coming year, the Company will regard this great opportunity to strengthen our potential to compete in business by boosting to develop the technology to support the business expansion in the foreseeable future together with developing the employee abilities in term of serving well services and expanding many channels for our clients to reach to the Company.

As the result of the high efficient management throughout 12 years, we have prospered from small-sized business to become one of the four ranks of factoring company in Thailand and be able to be listed in the Market for Alternative Investment (MAI) in 2004 with constant growth and well performance profits. Furthermore, in 2009, the Company has been highly honored and trustworthy from other factoring companies to be the President of Thai Factors Association that would regard pride and worthiness exceedingly to our Executive Management.

The Company continues to gives a high importance to the corporate social responsibility (CSR) activities and realizes that factoring is the core factor that helps minor entrepreneurs manages to achieve their business goal in the long term. Besides providing the factoring credit, the Company also informs the financial knowledge to understand and to be well-prepared to carry on their business with the large-sized retailer companies. At present, the Company offers our service to more than 288 clients per year to support them to have enough cash to conduct their businesses and also can provide the high-skillful employee to the social. In conclusion, on behalf of the entire Boards, we would like to thank all our shareholders and clients for their support and also express special appreciation to our management and staff for their dedication and performance throughout the year.

(Mr. Pandit Mongkolkul)
Chief of Executive Committee



REPORT OF THE AUDIT COMMITTEE

The Audit Committee's Dhanamitr Factoring Public Company Limited was appointed by the Board of Directors and comprises three independent members of the Board of Director. Each member was appointed for three-year-term; there are currently three Audit Committee members:

- | | | | |
|----|----------------|-----------------|--------------------------|
| 1. | Mr. Chatchaval | Bhanalarp | Chief of Audit Committee |
| 2. | Mr. Poonsak | Thiapairat | Audit Committee |
| 3. | Mr. Suwat | Lauparadorachai | Audit Committee |

The Committee performed its duties as assigned by the Board of Director, in compliance with the criteria governing the Audit Committee; correspond with the regulations of the Stock Exchange of Thailand. In 2008, the Audit Committee held 5 meetings with the Company's Management and Internal Audit and Compliance Department to revise the sufficiency and suitability of the internal control system and risk management system. Besides, the Committee also conducted the Meeting with the external auditor without the Management in order to consider the results of the audit activities and review of both the quarterly and annual financial statements. The Audit Committee reported the conclusion of every meeting to the Board of Directors; the issues in these meetings can be summarized as follow;

In coordination with the independent certified public accountants and the Company's management, the Audit Committee has reviewed the Company's financial statements as of December 31, 2009 and expressed the opinion that these financial statements were prepared in accordance with generally accepted accounting principles with appropriate disclosure of information. The independent certified public accountants have also given their opinion in their report to the Board of Directors, shareholders and every related person.

The Audit Committee reviewed internal control and acknowledged the Compliance and Internal Audit Department's report such as opened and closed account system, cash advance system, collecting and returning refund to client process, claiming for doubtful debt process and counting and checking assets system in order to ensure that the Company took action in compliance with various law and regulations, and such remaining internal control system is still appropriate and being continuously developed. Besides, the Audit Committee reported the Company's Board on issued related transactions, conflict of interest and non compliance with the law and integrated regulations which is affected the Company's operations, to know and correct by issued policy or procedure.

The Audit Committee reviewed the Charter of the Audit Committee to conform to the Securities and Exchange Commission and the Stock Exchange of Thailand via the audit procedure of the Compliance and Internal Audit Department. The Audit Committee agreed that no significant findings which may omit such law and regulations or any conflict of interest transaction other than declaring on the financial statement were encountered.

The Audit Committee conducted a self assessment of its performance in order to ensure that the Committee performed its duties efficiently and reached its objective assigned by the Board of Director

The Audit Committee considered and nominated the appointment and remuneration of the Company's independent auditor for 2009 to the Board, which would in turn to submit it for shareholders' approval at the 2009 annual general meeting.

The Audit Committee always give high importance to good internal control and continuous risk management including performs its duties carefully and independently and express its opinions straightforwardly for gaining greatest benefit to the organization. In the Audit Committee's opinion, the information disclosed in the Company's financial reports has been prepared in conformity with generally accepted accounting principles. Besides, the internal control is sufficient with its business effective risk management, together with accurate accounting practices and financial statements and compliance with relevant laws and regulations.

(Mr. Chatchaval Bhanalarp)
Chief of Audit Committee



COMPANY BACKGROUND:

Dhanamitr Factoring Plc. (“DM” or “the Company”), was incorporated on January 6, 1997 with a registered capital of Bt. 20 million through a joint venture between Central Retail Corporation Ltd., holding 50%; the Siam Commercial Bank Plc. group, holding 38% and another 12% to minor shareholders. The objective of the Company is to provide factoring services focusing on suppliers of Modern Trade businesses since Central Retail Corporation Ltd. is a leader in retailing business and accordingly has a large supplier base which is the key target group for the factoring business. Meanwhile, the Siam Commercial Bank group would financially support the Company.

After the financial crisis, DM increased its registered capital from Bt. 20 million to Bt. 40 million in July 2001. The Company concurrently made a shareholder restructure as follows: the Central group as the major shareholder (consisting of Central Retail Corporation Ltd. and Central Department Store Co., Ltd.), holding 60%; Siam Commercial Bank Plc. group, holding 10% and Business Venture Promotion Co., Ltd. group, holding 10%. Later on in September 2003, DM increased its registered to Baht 80 million. On the 2nd of March 2004, DM was converted to PLC and listed on the MAI in August 2004 by issuing 4 million new shares via IPO. Until present, the Company has registered capital and paid-up capital in the amount of Baht 100 million (20 million ordinary shares), partition to Chirathivat group 48%, Business Venture Promotion Co., Ltd. group 8% and SCB 4%. The purpose of the IPO was to raise funds for working capital to expand the business operation and service, as well as to improve corporate recognition and the firm’s creditability with customers, employees, and suppliers.



COMPANY BUSINESS OVERVIEW

Dhanamitr Factoring Plc. is a provider of domestic factoring service, which is short-term financing service provided by means of discounting of receivables. The Company's target clients are suppliers of modern trade businesses such as department stores, supermarkets, discount stores, super centers, specialty stores, convenience stores, etc. The service procedure is that the client assigns its right to receive payment from The customer to DM and receives cash upfront, and at the payment due date, DM will collect the proceeds directly from the customer.

The strength of the Company is that DM is the only factoring company in the country that targets clients that are modern retail trade which the Company is supported in the factoring document review process before approving the purchase of right claim and transferring right by the group of trade account receivable and some shareholders that control the supplier base of the Company. As a result DM enjoys a low risk business operation in debt collection. Other than that, for the Company and clients business operation to grow and expand continually, DM has adopted a strategy to provide sufficient information. This information can concern the proficient management skill for client, DM also prepares business and financial advisory for client, for example, stock and raw material control, risk management and fund raising option for client to increase the chance to expand their business in future.

Revenue Structure

DM's source of revenue can be divided into the following;

Type of service	Type of revenue	Source of revenue
Domestic Factoring	Revenue from factoring service	Interest revenue
	Fees and services	Fee for open credit line
		Fee for purchasing right

DM's revenue structure based on its audited financial statement for year ended 2007 to 2009 is as follow:

Revenue	2009		2008		2007	
	Baht	%	Baht	%	Baht	%
Factoring income	95,976	80.62	117,066	81.00	107,751	80.66
Fees and services	21,644	18.18	26,773	18.52	24,586	18.40
Other income	1,433	1.20	688	0.48	1,258	0.94
Total revenues	119,053	100.00	144,527	100.00	105,364	100.00



Business Outlook

DM is the Company providing only a domestic factoring service to permit increased investment and consumption in-house because the business' objective is to strengthen and support the entrepreneurs to have various alternatives to reach source of investment funds easily: apart from the other financial institutions. The client's target is business group which the Company expert in the business process and support them which is the small business is became to the big business, which the Company has, performs all along. The Company believes that the factoring demand may increases instead of the credit received from the major financial institutions tend to move slowly. Moreover, the Company set this year that is quality of control; we plan and revise the risk management to conform all situations which is effect the Company's manage. We have develop operate system more efficiently for the stakeholders' benefit and the growth with quality in the long term.



FINANCIAL HIGHLIGHTS

Millon Baht

	2009	2008	2007
Total Assets	1,468	1,333	1,298
Total Liabilities	1,261	1,140	1,124
Total Shareholders' Equity	207	193	174
Factoring Income	95.98	117.06	107.75
Total Revenue	119.05	144.53	133.59
Gross Profit	74.74	74.66	61.00
Profit before allowance for doubtful accounts and income tax	54.38	58.91	49.62
Net Profit (Loss)	38.06	38.87	34.60
Earning Per Shares (Baht)	1.90	1.94	1.73
Financial Ratio Analysis			
Gross Profit Margin (%)	77.87	63.78	56.61
Net Profit (Loss) Margin (%)	39.65	33.21	32.11
Return on Equity (%)	18.37	20.13	19.85
Return on Assets (%)	2.59	2.92	2.67
Current Ration (Times)	1.13	1.17	1.15
Debt to Equity (Times)	6.08	5.90	6.45
Dividend Payout (%)	65.69	61.74	57.80

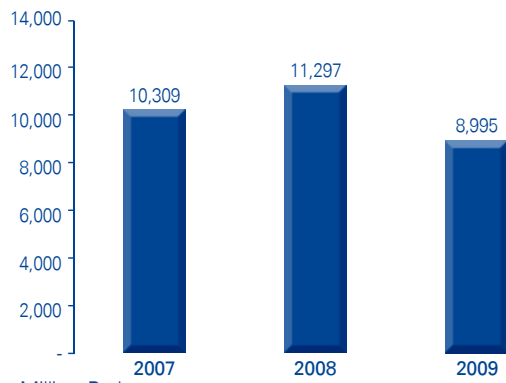
Date of 2009 General Shareholder's Meeting

April 26, 2010 at 10.00 am. at the Ratchada 1 Room , 2nd Floor , The Chaoprayapark Hotel Bangkok, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

Proposed dividend per share : At the rate of Baht 1.25 per share.

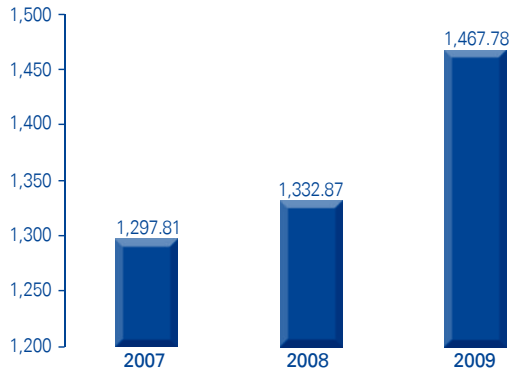
Date of Dividend Paymen t: May 17, 2010.

Million Bath



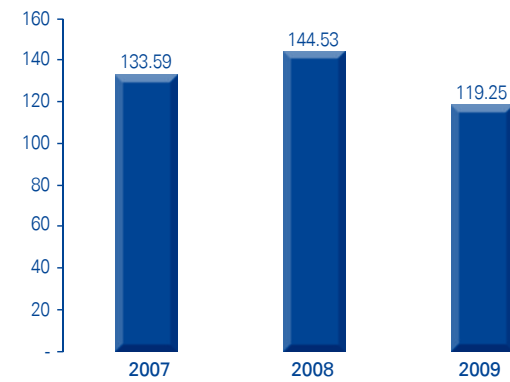
DM' Volume

Million Bath



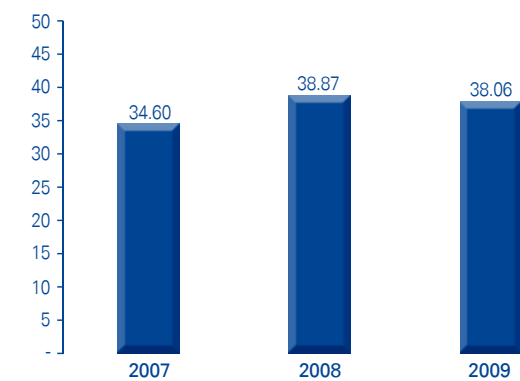
DM's Assets

Million Bath



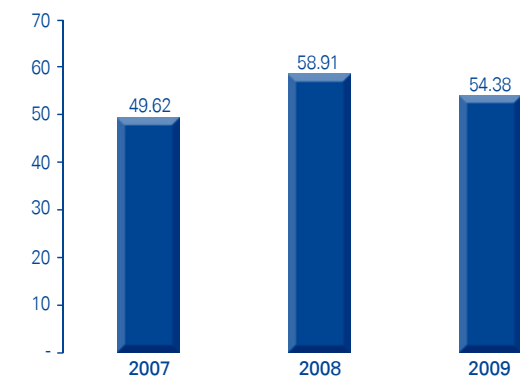
DM's Revenues

Million Bath



DM's Net Profit (Loss)

Million Bath



DM's operating profit before allowance
for doubtful account and tax



MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

In 2009, the operating result indicates that DM had an operating profit (before allowance for doubtful debt and income tax) of Baht 58.38 million, a decrease of Baht 4.53 million or 7.69% less than those of last year, as a result of a decrease in revenue from factoring income and other fees and services income was due to the client tended to reduce using of DM's factoring in term of the interest rate, for the year 2009, DM has interest expenses of Baht 21.24 million, a decrease of Baht 21.17 million or 49.92% less than the year 2008.

For year 2009, DM gained the net profit of Baht 38.06 million, a decrease of Baht 0.82 million or 2.10% lower than the year 2008. Beside the Return on Assets Ratio and the Return on Equity Ratio decreased as well from year 2008 equivalent to 0.33 points or 11.30% and 1.76 points or 8.74% in consecutively.

Revenue and Expenses

Revenue

In 2009, DM's total revenue was Baht 119.05 million, a decrease of Baht 25.47 million or 17.63% from year 2008. A majority of decreasing in the total was due to the decreasing in revenue factoring income and other fees and services income. Revenue generated from factoring income totaled to Baht 95.98 million, a decrease of Baht 21.09 million or 18.02%. Fees and other services income amounted to Baht 21.64 million, a decrease of Baht 5.13 million or 19.16%. The Company factoring's volume for year 2009 was Baht 8,995 million, a decrease of Baht 2,302 million or 20.38% from year 2008.

Operating Expenses

In 2009, DM had the total expense of Baht 70.11 million, a decrease of Baht 23.72 million or 25.28%, the details as can be summarized as follow:

- Interest expense in 2009 amounted of Baht 21.24 million, a decrease of Baht 21.17 million or 49.92% less than 2008. This resulted form interest rate tends to become lower so that the cost if interest of the company also decreased in the interest rate was become low in the year 2008.
- Selling and Administrative expense in 2009 amounted of Baht 43.44 million, an increase of Baht 0.23 million or 0.53%. The major selling and administrative expenses was increased due to the staff expenses was raising correspond to the expansion of business in 2009.
- Doubtful debt in 2009 amounted of Baht 5.43 million, a decrease of Baht 2.79 million or 33.94% less than 2008. This was due to the company had set the allowance for doubtful account of Baht 5.43 million.



In thousand Baht

Revenue and Expenses	2009	2008	Change	
			Amount	%
Revenue	119,053	144,527	(25,474)	(17.63)
Factoring income	95,976	117,066	(21,090)	(18.02)
Fees and services	21,644	26,773	(5,129)	(19.16)
Other income	1,433	688	745	108.28
Expenses	80,995	105,652	(24,657)	(23.34)
Finance costs	21,237	42,403	(21,166)	(49.92)
Administrative expenses	43,440	43,211	229	0.53
Bad and doubtful debt	5,428	8,217	(2,789)	(33.94)
Income tax expense	10,890	11,821	(931)	(7.88)
Profit for the year	38,058	38,875	(817)	(2.10)

Financial Status

- As at 31st December 2009, DM's total assets was Baht 1,467.79 million, an increase of Baht 134.92 million or 10.12% higher than those of 2008. This resulted from:-
 - Factoring receivable - net as at 31st December 2009 was Baht 1,409.77 million, an increase of Baht 99.74 million or 7.61%. The increase was due to the client continued using DM's factoring loans during the period of the end of year 2009. Additionally the loan receivable as at 31st December 2009 was 44.78 million, a increase of Baht 42.30 million or 1,707.10%. The increase was due to the company provided factoring loan more and more during the year.
 - Equipment - net as at 31st December 2009 was Baht 4.50 million, an increase of Baht 0.87 million or 23.97%. The increase was due to the company bought the equipment in order to support business growth.
- As at 31st December 2009, DM's total liabilities was Baht 1,260.57 million, an increase of Baht 120.86 million or 10.60% higher than 2008. The increase was due to the retention from factoring conformed economic in the end of year 2009 which as at 31st December 2009 was 68.06 million, an increase of Baht 10.70 million or 18.66%.
- As at 31st December 2009, DM's total shareholders' equity was Baht 207.22 million, an increase of Baht 14.05 million or 7.28% higher than 2008. This was due to the Company's net profit had increased amount of Baht 11.35 million or 22.69% from those last year.



SHAREHOLDERS AND THE MANAGEMENT

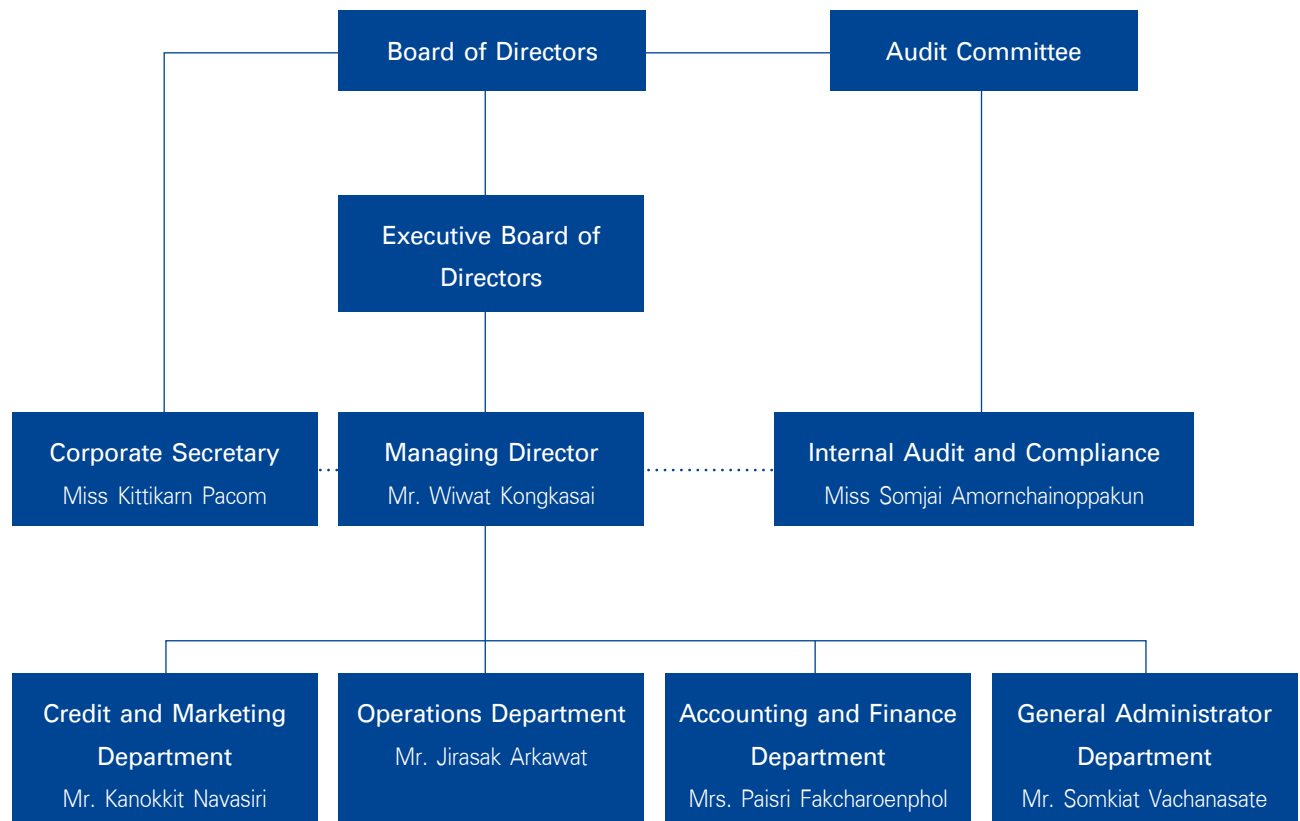
Major shareholders (top 10 shareholders as of December 30, 2009)

	Name	Number of Shares	% of Total
1	Group of Chirathiwat	9,219,900	46.12
2	Group of Business Benture Promotion Limited	1,610,000	8.05
3	Siam Commercial Bank, PLC.	800,000	4.00
4	Mr. Wiwat Kongkasai	800,000	4.00
5	Miss Sukulya Uahwatanasakul	800,000	4.00
6	Group of Hongrattanavigit	800,000	4.00
7	Mr. Nattawin Pongpaetarat	480,000	2.40
8	Mr Nares Chutijiravong	380,200	1.90
9	Mr. Oran Uyakul	300,000	1.50
10	Mr. Veerapol Tumsud	282,400	1.41

“Investor can view the updated shareholders’ structure from the company’s website (www.dmfactor.co.th) prior to the annual shareholders’ meeting”



ORGANIZATION CHART AS OF DECEMBER 31, 2009





The Management Structure of the Company comprises of the Board of Directors, Audit Committee, Executive Committee and Management, details as of 31 December, 2009 are as follows:

1. The Board of Directors

The Company's Board of Directors comprises of nine members as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Chatchaval Bhanalarp | Chairman, Chief of Audit Committee and Independent Director |
| 2. Mr. Pandit Mongkolkul | Director, Chief of Executive Committee and Authorized Director |
| 3. Mrs. Wareemon Niyomthai | Director |
| 4. Mr. Kunakorn Makchaidee | Director and Executive Committee |
| 5. Mr. Piya Nguakaramahawongse | Director and Authorized Director |
| 6. Mrs. Wimolmart Kuekomoldej | Director and Authorized Director |
| 7. Mr. Suwat Lauparadorchai | Director, Audit Committee and Independent Director |
| 8. Mr. Poonsak Thiapairat | Director, Audit Committee and Independent Director |
| 9. Mr. Wiwat Kongkasai | Director, Executive Committee, Managing Director and Authorized Director |

Miss Kittakarn Pacom: Secretary to the Board of Directors

Directors with Authority to Sign on Behalf of the Company

Two of the following four; namely, Mr. Pandit Mongkolkul or Mr. Piya Nguakaramahawongse or Mrs. Wimolmart Kuekomoldej or Mr. Wiwat Kongkasai, shall jointly sign a document together with the Company's seal.

Duties and Responsibilities of the Board of Directors

The Board is accountable to shareholder in regard to company operations and by ensuring that company is managed according to a goal and directions that will maximize the interest of its shareholders with in a Code of Conduct framework and by taking into consideration the interest of all stakeholders.

The Board has a duty to strictly comply with the laws, the company's objective, the Articles of Association and resolutions of shareholders, meeting by performing its duty with integrity, overseeing short - and long - term interest of shareholders and complying with rules and regulations of the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Act (No.4), B.E.2008 (2551)

To perform its duties, the Board of Directors has appointed a Chief Executive Officer (CEO) to be responsible for running the company's business. To supervise company management, the Board of Directors has required that it is Board's duty and responsibility to consider and approve the following:

- The company's policy, Business strategy, business plan and annual budget
- Institute proper systems for corporate accounting, financial reporting, and financial auditing, institute efficient and effective internal control and internal audit systems.
- Supervise and remedy problems arising from conflicts of interest and connected transactions.
- Define comprehensive risk management guidelines; and ensure an efficient risk management system or process.
- Ensure a suitable compensation system or mechanism for senior management, to induce shore-term and long-term motivation.
- Ensure accurate, clear, transparent, credible, and high-quality disclosure of information.



- The Board of Directors shall monitor the management and operations system of the Executive Committee to perform their assigned policies efficiently, except the following issues for example increasing and decreasing capital funds, offering debentures to public, selling or transferring part some or whole business to other parties, buying or acquiring other business, editing the Memorandum and Articles of Association of the Company and determining a bonus or remuneration to the Board of Directors, should seek for approval from the Shareholder's Meeting before taking such issue into action.
- The Board of Directors should arrange the Annual General Meeting of Shareholders within 4 months after the end of the accounting year.
- The Board of Directors should hold a meeting once every three months.
- The Board of Directors has authorities to consider and adapt the name of the Authorized Director.
- Nomination, appointment and termination of directors and the Company Secretary or Secretary of the Board of Directors.
- Directors have a duty to keep corporate information strictly confidential especially internal information not to be disclosed to the public or information that may affect its business or share price.

In case the information is a report based on an accounting period such as an operating result, financial statements and an annual report, directors must refrain from trading company share no fewer than 30 days prior to the information disclosure to the public.

In case the information is a report of company action in a particular situation, such as acquisition/disposal of assets, connected transactions, joint venture/cancellation of joint venture, capital increase/capital reduction, issuance of new securities, repurchase of own shares, payment or non-payment of dividend or incidents that effect company share prices.

The Board of Director requires new directors to attend an orientation session to learn about the Company's expectation from their roles, duties and responsibilities and what its corporate governance policy and practices are. The orientation will also help them understand the company's business better as well as provide a chance to visit the Company's operations as a preparation for their tasks.

The Board of Director has a policy to educate all directors about corporate governance, industrial outlooks, business prospects and innovations where it urges director to attend seminar or coursework organized by the Thai Instituted of Directors Association (IOD) and other reputable institutes to promote effective performances of the directors.

The Board requires that its performance and the independence of its independence directors on an annual basic.

2. Audit Committee

The Audit Committee as of 31 December, 2009 consisted of 3 independent directors, each member being knowledgeable and experienced in reviewing financial statements, as follows:

1. Mr. Chatchawal Bhanalarp Chief of Audit Committee
2. Mr. Suwat Lauparadorachai Audit Committee
3. Mr. Poonsak Thiapairat Audit Committee

Miss Somjai Amornchinoppakun: Secretary to the Audit Committee



Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company's financial statements, its adequacy if internal control and risk management systems and compliance with applicable laws and regulations as well as to report or express its opinions to the Board of Director to seek approval or for further submission to the shareholders. meeting, as the case may be. Details of its authority are as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are appropriate and efficient, to determine an internal audit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit.
3. To ensure that the company has the duly complied with the laws on securities and exchange, the exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transaction, or the transaction that may lead to conflicts of interest, to ensure that they are in compliance with the law and the Exchange's regulation, and are reasonable and for the highest benefit of the company.
6. To prepare and to disclose the company's annual report, and audit committee's report which must be signed by the chairman of the Audit Committee and consist of at least the following information:
 - 6.1 An opinion on the accuracy, completeness and creditability of the company's financial report,
 - 6.2 An opinion on the accuracy of company's internal control system.
 - 6.3 An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the company's business.
 - 6.4 An opinion on the suitability of an auditor.
 - 6.5 An opinion on the transactions that may lead to conflicts of interest,
 - 6.6 The number of the audit committee meetings. At the attendance of such meetings by each committee member.
 - 6.7 An opinion or overview comment received by the auditor committee from its performance of duties in accordance with the charter, and
 - 6.8 other transaction which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibility assigned by the Company's Board of Directors;
7. To audit cases informed by the company's auditor when he/she discovers any suspicious circumstance that the director, manager or any person responsible for the company's operational commits an offence, which is specified under the Securities and Exchange Act (No.4) B.E. 2551 and report the result of preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days;
8. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent.



3. Executive Committee

As of 31 December, 2009 the Executive Committee of the Company comprised of 3 members as follows:

1. Mr. Pandit Mongkolkul Chief of Executive Committee
2. Mr. Kunakorn Makchaidee Executive Committee
3. Mr. Wiwat Kongkasai Executive Committee

Miss Kittikarn Pacom: Secretary to the Executive Committee

Duties and Responsibilities of the Executive Committee

The Executive Committee is authorized to perform duties and is responsible for normal business operations and management. The executive committee is responsible for establishing the Company's business strategy, budgeting, management structuring and assigning authorities as well as setting up business standard operations to conform to the economic situations and presenting to the Board of Directors for approval or concurrence. Other duties include supervising and monitoring business operations to achieve the Company objectives. As the case may be. Details of its authority are as follows:

Duties and responsibilities of the Executive Committee

The Executive Committee has the power, duties and responsibilities for the consideration of normal business engagements of the company and other administrative functions as well as consideration and approval of strategies, business plans, budgeting, organization structure and other company's management authorities. In addition, the Executive Committee has to consider the business operational principles to be in aligning with the current economic situation and submit to the Board of Directors' meeting for approval and/or give consent including to audit and monitor the company's performance to comply with the approval policies. In conclusion, the functions and responsibilities of the Executive Committee are as follows:

1. performing the duties and manage the Company in accordance with the objectives, regulations, policies, rules, orders and resolutions of the Board of Directors' Meeting and /or resolutions of the Shareholders' Meeting.
2. considering the policies, directions and strategies for the Company's business performance as well as the preparation of the financial plans and budgeting to submit for approval from the Board of Directors of the Company and also assessing and monitoring management performance to achieve its assigned targets.
3. directing the preparation of the annual budgeting according to the proposal by the management team before submitting to the Board of Directors' Meeting for assessing and approval.
4. directing the assessment and approval of the use of funds in the Company's normal business engagement
5. approving the key majors investments which are included in the Company annual budgeting as assigned by the Board of Directors or as been pre-approved in principles by the Board of Directors.
6. assessing consideration , approval of any lending or Credit Financing of the company within the Company's Credit policy authority
7. devising, approving in Company's borrowing, Credit Financing, Debt restructuring or Issuance of Debenture as well as granting collateral and any guarantee against loans or credit lines or other credit facilities to propose to the Board of directors' Meeting.
8. acting as the managing consultant to the management team in all financial policies, marketing ,human resource and other operational transactions.



9. performing any other jobs as been assigned by the Board from time to time. Hence the authority and /or the empower of authority to other persons as deem appropriate shall not include power and /or empower in any transactions that may be conflicted to the company or its subsidiaries as according to the regulation of the Stock Exchange of Thailand (SET) which treated those transactions to be proposed to the Board of directors' meeting and/or shareholders' meeting to consider and approve those transaction as stated in the company's regulations or other legal regulations that may be appropriate.

4. Management

As of 31 December, 2009, Management team comprised of 6 members as follows:

- | | |
|----------------------------------|--|
| 1. Mr.Wiwat Kongkasai | Managing Director |
| 2. Mr. Kanokkit Navasiri | Assistant Managing Director - Credit and Marketing Group |
| 3. Mr. Jirasak Arkawat | Assistant Managing Director - Operations Group |
| 4. Mrs. Paisri Fakcharoenphol | Vice President of Accounting and Finance Department |
| 5. Mr. Somkiat Vachanasate | Vice President of General Administrator Department |
| 6. Miss Somjai Amornchainoppakun | Head of Internal Audit and Compliance |

Authority of the Managing Directors

1. Direct the missions, objectives, guidelines, targets, company's policies to submit to the Board of Directors' meeting and ensure that the Company has operated promptly according to the missions, objectives, targets and company's policies including the orders and the total oversee of the operations. In addition, they also have power or authority to employ and appoint any employees as well as to transfer them to other department or to dismiss from the company, to set the term and remuneration, compensation, bonus and other fringe benefits which deal with all the company's employees.
2. have the authority to launch the orders, rules and regulations, memorandum to ensure that all the performance is well organized according to Company's policy and benefits and to maintain the well arranged in the Company's working space,
3. operate the normal business administration of the company
4. grant the power of attorney and/or delegate the authority to other people to operate or assess in some assigned business operation. However the empower or the delegation of the power must follow the spirit of the power of attorney and/or the rules, orders or instruction that the Board of directors and/or the Company has set up.

Nonetheless the power they possessed and the power granted to other person as deem appropriate will not include the power and/or the grant of power of attorney in some transaction which he/she may have some conflict or interest in some way which conflict with the company's interest according to the Stock Exchange of Thailand's regulation which the approval of such transaction will have to propose to the Board's meeting and/or the shareholders' meeting to consider and approve those transactions as per the Memorandum and Articles of Association or other regulation which may involved.

5. Corporate Secretary

To comply with the good corporate governance principles of listed companies, under the category of director's responsibility and the terms of the Securities and Exchange Act, company has appointed the Vice President of the Office of the President and Corporate Secretary, Miss Kittikarn Pacom, as Corporate Secretary to provide the Board with legal advice and



remind them of assorted regulations that they need to know and comply with; hold meeting; and supervise assorted Board activities to enable them to perform efficiently and effectively for the maximum benefit to company; prepare and maintain critical documents, including directors registration, Board meeting notices and minutes, annual reports; shareholders meeting notice and minutes; and filing of reports on connected transaction reported by directors or the management.

6. Independent Director, who account for 33 per cent of the Company's Board of Directors, Consists of:

1. Mr. Chatchawal Bhanalarp Independent Director
2. Mr. Suwat Lauparadorachai Independent Director
3. Mr. Poonsak Thiapairat Independent Director

Rules regarding the Qualification of "Independent Director" under the Notification of Capital Market Supervisory Board No.TorJor.4/2552 date 20 February B.E.2552 are as follows:

1. Holds shares not exceeding 1 per cent of the total share with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the share held by the related parties if such independent director shall be included.
2. Is not or has never been an executive director, employee, staff, advisor who receive salary, not controlling parties of the appliance, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholder, or controlling parties of the appliance unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholders or controlling party of the applicant.
3. Is not the person who has relationship by means of descent or legal registration under the status of farther, mother, spouse, brothers and sisters, and children. The prohibitive person also include spouses of daughters and sons of management, major shareholder, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.
4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant in respect of holding the power which many case the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person have business relationship with the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant unless the foregoing status ended at lease 2 year prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which cause liability obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3 per cent of the net tangible asset of the applicant or equal or above 20 million, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liability incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.



5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 million per year from the applicant, its parent company, subsidiaries, associates, major shareholder, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholder.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds share for more than 1 per cent of the total share with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise is unable to have the independent opinion regarding the business operation of the applicant. After being appointed as the independent director in accordance with the conditions under the article (1) - (9), such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholder, or controlling parties of applicant.

The provision under the article (2), (4), (5) and (6) related to the consideration of qualification of independent director of the applicant during the period of 2 years prior to the date of submitting the application to the SEC shall be applied to the application submitting as from 1 July 2010 onwards.

Where the person appointed by the applicant to be the independent director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (4) and (6), the applicant shall be relaxed from such prohibition related to the conditions of having the business relationship with or ever rendered professional service with higher specified service fees of only the applicant has provided the opinion of the board of directors of the company showing that the board has considered the issue in accordance with the Section 89/7 and found that there is no interference in the independent opinion, and the following information shall be disclosed in the notice of shareholders meeting under the agenda considering the appointment of independent director.

- (a) the business relationship of the professional service providing which cause such person being unqualified
- (b) reasons and necessity to insist the appointment of such person as the independent director
- (c) the opinion of the board of directors of the applicant to propose such person to be the independent director

For the benefit of the article (5) and (6), wording “partner” shall mean the person who is assigned by the auditing firm, or the professional service provider to be the signatory in the audit report or the report of rendering the professional services (as the case may be) on the behalf of the firm.

Note : * The Company has acknowledged the qualification of “Independent Director” which was amended in accordance with the Notification of Capital Market Supervisory Board No. TorJor. 28/2551 dated 15 December B.E. 2551 and TorJor. 4/2552 dated 20 February B.E. 2552, respectively, and is on the process of proceeding.



Nominating Committee

The Company has no Nominating Committee, the selection of person to serve as the director is based on his/her qualifications to fully conform to the Article 68 of Public Company Act B.E.2535 (included amendments) and the Articles of Association of the Company. The process of the selections is the followings:

The appointment of the Board of Directors

As stated in the Articles of Association of the Company, the process can be summarized as follows:

1. The Company's Board of Directors shall consist of at least 5 members or not in excess of 15 members and comprised of not less than 3 members of the Audit Committee; at least one half of the total directors shall reside in Thailand.
2. The meeting of the shareholders shall elect the directors according to the following rules and procedures:
 - (1) Each shareholder has 1 vote per share;
 - (2) Each shareholder can exercise his/her right according to the number of his/her vote as specified in (1) electing one or many directors but cannot give his/her vote to any person particularly;
 - (3) The person gaining the highest votes shall be respectively elected directors in the proper number for such election. In case the number of the person gaining less but equal votes exceeds the appropriate level for such election, the Chairman of the meeting shall make a final decision.
3. At each ordinary meeting, one third of the directors at that moment shall be released from their duties. In any case that the exact number of one third cannot be reached, the number of directors to be released from their duties shall be in the closet proportion but within one-third. Releasing of directors from their duties in the first and second years after the date of company registration shall be carried out by means of drawing lots. For the following years, any directors who remained in the position for the longest term shall be released from their duties. The former released directors can be elected directors.
4. The meeting of shareholders may issue a resolutions dismissing any directors before the end of the term with the vote of at least 3/4 of the number of attendant shareholders entitled to vote and holding in total one half of shares held by the attendant shareholders entitled to vote.

At present, the board of directors consists of 9 members, 4 of which are the representatives from major shareholders namely Mr. Pandit Mongkolkul, Mrs. Wareemon Niyomthai, Mr. Kunakorn Makchaidee and Mr. Piya Nguiakaramahawongse.

Appointment of Audit Committee

Audit Committee member will be nominated by the Board of Directors. The qualification of each of the Audit Committee is required to comply with the regulations of the Office of the Securities Exchange Commission, the Stock Exchange of Thailand and relevant regulators. The Audit Committee shall not be less than 3 members and one is required to own knowledge in finance and accounting. The Audit Committee shall consist of three independent directors. The term for each member is three years.



BOARD OF DIRECTOR

Name	Mr. Chatchaval Bhanalaph
Position	Chairman, Chief of the Audit Committee and Independent Director
Age	66
Educational Qualifications	<ul style="list-style-type: none"> - M.Sc., Fortthays Kansas State College, U.S.A. - B.A. Chulalongkorn University
Training Program	<ul style="list-style-type: none"> - Director Accreditation Program 11/2004 - Audit Committee Program 9/2005 - The role of the Chairman 12/2005 - Director Certificate Program (DCP) 88/2007
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
2004 - Present	Chairman of Board, Asian Property Development Plc.
2004 - Present	Chairman of Board and Chairman of Audit Committee, Prebuilt Plc.
1997 - Present	Chairman, Chief of the Audit Committee and Independent Director Dhanamitr Factoring Plc.
1994 - Present	Director, Safety Insurance Plc.

Name	Mr. Pandit Mongkolkul
Position	Director, Chief Executive of Committee and Authorized Director
Age	47
Educational Qualifications	<ul style="list-style-type: none"> - MBA (Finance and International Business) Sasin - B.A. (Accounting) Chulalongkorn University
Training Program	<ul style="list-style-type: none"> - Graduate Institute of Business Administration - Diploma of Directors Certification Program (DCP) 2003 , Thai Institute of Directors Association (IOD) - Capital Market Academy Leadership Program (CMA4/2007), Capital Market Academy
Shareholding (As of December 30, 2009)	200,000 shares or 1.00%
Family relationship with other directors and member of management	None
Work experience	
1992 - Present	Executive Vice President - Corporate Finance, Central Department Store Co., Ltd.
1993 - Present	Director, Earth Care Co., Ltd.
1994 - Present	Director, Central Marketing Group Co., Ltd.
1996 - Present	Director, Robinson Department Store Plc.
2000 - Present	Director, Robinson Planner Co., Ltd.



2009 - Present	Director, CR Ubon Ratchathani Director, CR Udon Thani Director, CR Chiang Mai Director, CR Nakhon Si Thammarat Director, CR Chanthaburi Director, CR Ratchaburi Director, CR Had Yai
2004 - Present	Director, Chief Executive of Committee and Authorized Director, Dhanamitr Factoring Plc.
2004 - Present	Director, CG Broker Co., Ltd
2005 - Present	Director, Andamon Capital Co., Ltd.
2006 - Present	Director, Malee Sampran Plc
2007 - Present	Director, CG Broker. Co., Ltd.
2008 - Present	Director, Central Retail Training Center Co., Ltd.
2008 - Present	Director, Central Samui Hotel Management Co., Ltd.

Name	Mr. Kunakorn Makchaidee
Position	Director, Executive Director
Age	54
Educational Qualifications	<ul style="list-style-type: none"> - MBA., Dalta State University, U.S.A. - BSc. Accounting, The Thai Chamber of Commerce University
Training Program	<ul style="list-style-type: none"> - Certificate of the Capital Market Leadership Program Class 8 from CAPITAL MARKET ACADEMY (CMA) - Diploma of Directors Certification Program from Thai Institute of Directors Association (IOD) Australian Institute of Company Directors (AICO) 15th June 2001 - Certificate of Attendance of the Chairman 2000 Class 5/2001 on the 3rd December 2001 - Certificate of Attendance of the Audit Committee Program Class 17/ 2007 on the 27th – 28th June 2007
Shareholding (As of December 30, 2009)	800,000 share or 4.00%
Family relationship with other directors and member of management	None
Work experience	
2004 - Present	Director and Executive Committee, Dhanamitr Factoring Plc
2002 - Present	Manager and Director, BVP Venture Capital Management Securities Ltd.
2002 - Present	Director, Chao Khun Agro Products Co., Ltd.
2001 - Present	Independent Director and Audit Committee, Bangkok Rance Plc.
1992 - Present	Venture Capital Fund Managing Director, Business Venture Promotion Co., Ltd.



Name	Mr. Piya Nguiakaramahawongse
Position	Director and Authorized Director
Age	52
Educational Qualifications	<ul style="list-style-type: none"> - MBA and MS (Electrical Engineering), University of Southern California, Los Angeles, U.S.A. - BS (Electrical Engineering) and BS (Management), Massachusetts Institution of Technology, Cambridge, U.S.A.
Training Program	Director Certification Program (DCP) 2005 from Thai Institute of Directors Association (IOD)
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
2007 - Present	Director and Authorized Director, Dhanamitr Factoring Plc.
2007 - Present	Director, Robinson Planner Co., Ltd.
1997 - Present	Chief Financial Officer, Central Retail Corporation Co., Ltd.

Name	Mrs. Wimolmart Kuekomoldej
Position	Director and Authorized Director
Age	51
Educational Qualifications	<ul style="list-style-type: none"> - MBA Assumption University - BBA (2nd Class Honor, Accounting) Ramkhamhaeng University
Training Program	Director Certification Program (DCP) 63/2005
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
2003 - Present	Finance & Accounting Senior Vice President, Central Retail Corporation Ltd.
2002 - Present	Director and Authorized Director, Dhanamitr Factoring Plc.
2002 - 1996	Finance & Accounting Assistant Vice President, CRC A-Holding Co., Ltd.

Name	Mr. Suwat Lauparadorachai
Position	Director, Audit Committee and Independent Director
Age	47
Educational Qualifications	MBA (Finance) California State University, U.S.A.
Training Program	Directors Accreditation Program (DAP11/2004)
Shareholding (As of December 30, 2009)	Spouse Holds 120,000 shares or 0.60%
Family relationship with other directors and member of management	None
Work experience	
Present	Managing Director, Prime Image Plus Co., Ltd.
2002 - Present	Director, Audit Committee and Independent Director, Dhanamitr Factoring Plc.
1998 - 2001	Assistant Executive Director, KGI Securities (Thailand) Plc.



Name	Mr. Poonsak Thiapairat
Position	Director, Audit Committee and Independent Director
Age	45
Educational Qualifications	<ul style="list-style-type: none"> - MBA (Finance and International Business), Sasin - Master of Science Program in Logistics Management Chulalongkorn University
Training Program	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP11/2004) - Finance for Non-Finance Director (FN23/2005)
Shareholding (As of December 30, 2009)	143,000 shares or 0.72%
Family relationship with other directors and member of management	None
Work experience	
2004 - Present	Director, Audit Committee and Independent Director, Dhanamitr Factoring Plc.
2002 - Present	Director, Eternity Group

Name	Mr. Wiwat Kongkasai
Position	Director, Executive Committee, Managing Director and Authorized Director
Age	54
Educational Qualifications	<ul style="list-style-type: none"> - MBA, NIDA - BBA (Accounting) Chulalongkorn University
Training Program	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP 2004) - Directors Certification Program (DCP118/2009)
Shareholding (As of December 30, 2009)	800,000 shares or 4.00%
Family relationship with other directors and member of management	None
Work experience	
1996 - Present	Director, Executive Committee, Managing Director and Authorized Director, Dhanamitr Factoring Plc.

Name	Mrs. Wareemon Niyomthai
Position	Director
Age	43
Educational Qualifications	<ul style="list-style-type: none"> - MBA, Saint Louis University, Missouri, USA. - M.sc, Iowa State University, USA. - Bachelor of Education Srinakharinwirot University
Training Program	None
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
August 2009 - Present	Director, Dhanamitr Factoring Plc.
December 2008 - Present	EVP - Business Banking Division, Siam Commercial Bank Plc.
2004 - November 2008	EVP - SME Banking, Standard Charter Bank.(Thai)



Name	Mr. Kanokkit Navasiri
Position	Assistant Managing Director - Credit and Marketing Department
Age	51
Educational Qualifications	MBA, City University, Seattle, Washington, U.S.A.
Training Program	- TLCA Executive Development Program 4/2009
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
2005 - Present	Assistant Managing Director - Credit and Marketing Dept., Dhanamitr Factoring Plc.
2002 - 2004	Vice President of Credit and Marketing Dept., Dhanamitr Factoring Plc.
1999 - 2001	Manager, Thai Max Finance and Securities Plc.
<hr/>	
Name	Mr. Jirasak Arkawat
Position	Assistant Managing Director - Operations Department
Age	52
Educational Qualifications	BBA (Accounting) Kasetsart University
Training Program	-
Shareholding (As of December 30, 2009)	60,000 shares or 0.30%
Family relationship with other directors and member of management	None
Work experience	
2005 - Present	Assistant Managing Director - Operations Dept., Dhanamitr Factoring Plc.
1999 - 2004	Vice President of Operations, Dhanamitr Factoring Plc.
<hr/>	
Name	Mrs. Paisri Fakcharoenphol
Position	Vice President of Accounting and Finance Dept.
Age	47
Educational Qualifications	BBA (Accounting and Finance), The Thai Chamber of Commerce University
Training Program	-
Shareholding (As of December 30, 2009)	11,200 shares or 0.06%
Family relationship with other directors and member of management	None
Work experience	
2001 - Present	Vice President of Accounting and Finance Dept., Dhanamitr Factoring Plc.
1995 - 2001	Manager of Accounting Section, The Airport Property Co., Ltd.



Name	Mr. Somkiat Vachanasate
Position	Vice President of General Administration Dept.
Age	42
Educational Qualifications	<ul style="list-style-type: none"> - BBA (Management) Ramkhamhaeng University - Diploma of Science Bansomdej chaopraya Rajabhat University
Training Program	-
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
Present	Vice President of General Administration Dept., Dhanamitr Factoring Plc.
2006 - 2007	Head of Information Technology System
2003 - 2006	IT Manager, Roumrudee Estate Co., Ltd.
1996 - 2002	AVP Information Dept., Asset Insurance Co., Ltd.

Name	Miss. Somjai Amornchainoppakun
Position	Head of Internal Audit and Compliance
Age	38
Educational Qualifications	BBA (Accounting) Siam University
Training Program	-
Shareholding (As of December 30, 2009)	0 share or 0.00%
Family relationship with other directors and member of management	None
Work experience	
2006 - Present	Head of Internal Audit and Compliance, Dhanamitr Factoring Plc.
2004 - 2006	Internal Audit and Compliance Manager, Advance Finance Plc.
2001 - 2004	Internal Audit and Compliance, Minor holding (Thailand) Co., Ltd.



GOOD CORPORATE GOVERNANCE

The Company's Board of Directors has been well aware of the intention to operate under the Good Corporate Governance by using the Policy on Good Governance Policy and disciplinary of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to be the factors in order to develop the organization to be more efficiency and to be the fundamental of continuous business growth. In the year 2009 the Company has been assessed the Corporate Governance from Thai Institute of Directors (IOD) as Rating 3 stars which is considering to be good. Since the Company has changed to be Dhanamitr Factoring Public Company Limited and joined the Stock Exchange on the Market for Alternative Investment (MAI) by the end of year 2004. The Company's directors have set up the policy of Corporate Governance of the company which the contents cover the governance structure including the roles and responsibilities of the Board of Directors and also the Sub-Committee, rights of the shareholders, shareholders' meeting, code of ethics for the directors, the prevention of conflict of interest, internal control and the disclosure of information.

In the year 2009, Board of Directors has reviewed and improved the content of Code of Ethics to be complied with the good corporate governance so as to be more complete and followed the principles of corporate good governance for the listed companies by SET year 2006. The 5 principles are Rights of Shareholders, Equitable treatment to shareholders, Role of those who have interest in company, the disclosure of the information and its transparency and the responsibilities of the Directors which has been effective since November 11th, 2009.

In summary, the major components of the corporate governance are as follow:

1. Rights of the shareholders

- The Company always aware that each shareholder is the owner of the company. This factors which will ensure the shareholders to have trust and confidence in investing in the business of the Company is to have the policy or the operation which reserves the fundamental rights that the shareholders should receive as by legal regulation. Moreover, it should also include the prompt engagement with effective and maximize efficiency. Finally the Company should earn the trust by investors and every relative partner as the Company which has good corporate governance.

(1) Shareholders' Meeting

The Company has declared to have the Annual General Meeting of shareholders within 4 months after the end of the accounting year which in year 2009 the Company has called the Annual General Meeting on April 8th, 2009 at the Ratchada 2 Room, Floor 2nd, the Chaophaya Park Hotel Bangkok located on Ratchadapisek Road, Samsennok, Huaykwang, Bangkok. There is no extraordinary meeting during that year. In the Annual General Meeting, every director has joined the meeting in total of 9 including the senior management and the Company's external Auditor. The Chief of Executive Chairman has run the meetings completely as per the regulation and the results in every issues of the meeting have been approved in every minute proposed.

(2) The sending out of the minute of the meeting of AGM in advance

The Company has designated the Thailand Securities Depository which is the Company's registrar to spread out the Invitation letter to the Annual general meeting which include the details of the agendum in the meeting, significant information for decision making and/or comments from the Company's Directors and the memorandum of the prior meeting which had all significant information, last year Annual report including the documents enclosed to the report/memo of proxy (form B) and documents used in the assignment of proxy and explanation documents of how to use the granting of proxy. These documents have been sent to the shareholders at least 14 days prior to the assigned date of AGM and also published in the newspaper 3 consecutive days to inform the shareholders to be promptly prepare for the AGM.



- In the AGM, the Company has brought the information that disclose in the web site of the Company at www.dmfactor.co.th 30 days before the AGM both in Thai and English to allow the shareholders to have enough time to study the information which will be useful to make the decision making. In addition, the Company has prepared the three proxy forms, which are type A, B and C so that the Shareholders can select to use the forms and also to designate the independent directors at least one person to be the nominee in case that the shareholder cannot attend the meeting, the information are on the company's website.

(3) The facilitate of the shareholders

On the day of the AGM, the Company has facilitated the shareholders equally by having the officers to take care, welcome and provide enough facility. On that day, the Company has opened for the registration since 8 a.m. which is 2 hours earlier before the meeting time and which have the Company's directors, management team, External Accounting Auditor and legal counselor to handle the rightness of the proxy, the countable methods of shareholders attending the meeting, the abstained of the shareholders who have special conflict of interest and to monitor the voting in each minute during the meeting.

(4) The Shareholders' Meeting

Before each AGM started, the Chairman will announce the criteria included in the meeting and the method to count the shareholders' voting in case that the shareholders have to vote in each Company's resolution and including the voting of each agenda. When the information for each agenda has been provided, the Chairman will give the chance for each shareholder to propose their idea, to ask any questions in each agenda and will be given enough time to discuss. Finally, the Chairman and the Directors will answer the questions clearly, straightforwardly and give significant attention to every question.

The chairman will run the meeting in accordance to the sequence of the agendas and will not add any other agenda without prior notice to the shareholders. For the agenda to select the new directors, the process will be done by shareholder's voting one by one. Furthermore in each meeting there will be written report of the details as completely and concluded with the results of the resolution and numbers of approved, disapproved and abstained votes. Normally the meeting is held in approximately 1-2 hours. For the Annual General Meeting of year 2009, the meeting is set at 10.00 a.m., starting with the registration at 8.00 a.m. and the meeting will end at 11.00 a.m.

(5) The execution after the shareholders' meeting

After the end of the AGM meeting, on the same day, the Company will summarize the results of the AGM and the resolution via the system ELCID of the Stock Exchange of Thailand and provide such information to both investors and shareholders in both languages, Thai and English. Lastly, the minute of the meeting ,including the questions raised during the meeting will be submitted to the SEC and SET within 14 days from the date of the meeting and including the disclosure of the meeting through the company's website at www.dmfactor.co.th

2. Equitable Treatment of the shareholders

Though each shareholder may hold share in different amount and hence hold the rights in different portion (due to numbers of shares) but this does not mean that the fundamental rights of each shareholder will be different because the Company will treat the shareholders equally without regarding to gender, age, race, religious, belief and even though the shareholder cannot join the meeting with any inconvenient reason, that shareholder still has the right to grant the power to other person to join the meeting in his/her place.

(1) The grant of power of shareholder to raise the issues, lists of directors and forward the questions to the AGM in advance.



In order to allow the minority shareholders to participate in the operation and real audit of the company. Furthermore as the company is willing to operate under the good governance which prioritizes to the shareholders to have the rights to propose the important issues to add in the agenda of the AGM and to propose the name of the appropriate persons to be nominate to be the directors of the company. This also include that the shareholders will be able to send the questions prior to the AGM day through several channels which are by letters, email to www.dmfactor.co.th and company website. Though the Company do not have the remuneration committee but the Company still have other Committee and directors to screen and select the shareholders' offer with fair and justice and will return the results to the shareholders for his/her information. If the proposal is agreed by the directors, the Company will include that issue being as the additional agenda in the AGM.

For the Shareholder Meeting in year 2009, the Company has proposed the time for the shareholders to propose the agenda, list of directors and questions in advance between October 1st, 2009 to January 8th, 2010 to let the directors have times to consider.

As a result, there is one outsider propose his/her own to be the director of the Company. However, the directors have considered the qualification of this proposed director and found that the quality is less than other proposed directors and have informed that shareholder and the shareholders' meeting to acknowledge this information.

(2) Language used in the Meeting

Since the majority of shareholders who attend the Annual General Shareholder Meetings are Thai people, therefore the meeting is conducted in Thai. In order to facilitate foreign shareholders, the Company has sent the meeting's document in English for them and also set up the website of the Company in both language, Thai and English.

(3) Proxy for other person to attend the meeting

In order to preserve the rights for the shareholders who are not available to attend the meeting by themselves, they can give proxy to other person or other independent directors from the independent directors who attend the meeting whose the Company has stated their names in the proxy and also their other information i.e. biography, residential, educational data, position in other competitor companies or related companies, relational data of independent directors and any conflict of interest in the agenda. Furthermore in the Proxy that the Company sent to the shareholders also has specific details so the shareholders can vote specifically in the proxy.

(4) Using of the Voting cards in the Shareholders' meeting

The Company has used the Voting cards for the Shareholders' meeting for every agenda and will collect the cards for the shareholders that do not agree or abstained votes. For the agenda that select the directors individually, the Company gives each shareholder to vote by using the Voting cards (whether approve, disapprove and abstain) and the Company will collect all the Voting cards from every attendants to count for the voting results.

(5) Internal control to avoid the use of inside information of directors and employees.

The Company has set the procedures to avoid the transactions which may cause the conflict of interest and the use of internal data by setting the policy, guidelines and control principles which has set in the code of ethics to be used as the guidelines for all directors, executives, employees and related parties to use as the principle in considerations of the behaviors that may be risky to create such conflict of interests. The major principles are as follow:

5.1) indicate the Non-trading period for the shares of directors, executives and employees that related to the preparation of the financial statement s by setting such non-trading period for at least one month before the announcement of the quarterly and annually financial statements.



5.2) The declaration of the amount of company's shares held by the directors and top management . The directors and the top management have to prepare and reported the buy-sell report of the company's shares within 3 working days after the changes to the company and the Securities and Exchange Commission (SEC) The Company's secretary will responsible for collecting the report of the changes in shareholding of directors and the top management.

5.3) The consideration of transactions which may cause conflict of interest. The Company has strictly followed the regulations from the Stock Exchange of Thailand (SET) by directing that those directors or management who has participated in transactions which may cause the conflict of interest shall not be able to participate in the decision making of those transactions. In addition the Company's secretary will also document the minute of the meeting and also the related transactions of such directors or top management to include in the minute of the meeting

3. Role of Stakeholders

Stakeholders of a company should be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Director should promote and support a clear policy on fair treatment for each and every stakeholder as follows:-

(1) Client and Customer Group: The Company has expected service as quality and fairness which has set practices as follow:

1.1) Prepared Faire agreement and Communication to customer has correctable understand about the Company's service.

1.2) Preservation for confidential and careful information of client and customer and not disclose it to other person except the client or customer should allow or proceeding against only.

1.3) Reasonable and careful advice for client and customer has received higher benefit and pleasure.

(2) Creditor and Competitor Group: Friendship of business has went progression jointly in the future, the Company has set practices by fair practice with creditor and competitor with condition of agreement and non doing as a conflict of interest and code of conduct

(3) Director, Management and employee Group: Human resource is important resource as taken the Company achieve, so the Company has realized and set practice as follow:

3.1) To built the process of manage as good relation between management and staff

3.2) The Company has set clear guidelines for the appointment and selection of personnel by starting the job description in order to support information used in the selection of personnel also we required monitoring and evaluation of every new staff's performance be undertaken over a probation period.

3.3) Encouragement to employee use knowledge, potential and proficiency to do job and encouragement training with employee thoroughly. The Company has set the budget for training and the plan for staff training and development with the aim of improving his skill knowledge and changed experience. In order to support weakness found in the work evaluation, as well as set plans to develop the staff over the long term in order to support his rise through the ranks in the future, and the development of his future career path. This allows the staff to progress in his work depending on his capability, to maximize the use of his potential.

3.4) Kept employee who is knowledge, the Company has realized and set practice as follow:

- The Company has set appropriate remuneration to staff commensurate with their qualification, Knowledge, skills and work experience including the annual adjustments of salary be made to staff once a year based on their work performance. The Company used Key Performance Indicator (KPI) system as tools in performance of staff and work units.



- The Company provides welfare for staff such as accident insurance, life and health insurance which staff will be reimbursed for their medical expense moreover reimbursement from the Social Security Office. The Company provides a medical check up once a year so that staffs are in healthy conditions and other welfare such as gift voucher for wedding, subvention of cremation and seminar for staff.

- The Company provides provident fund for staff.

3.5) Succession Planning, The Company has the policy to prepare management who is key positions in order to be enough the organization for the future so we have prepared the plan to develop knowledge, skill and potential for the new management.

(4) Society and community

In the society and community, the Company also has the policy to operate the business with responsible for the society and community. With intention to raise up the quality of the society, preserve the rules, treaty, culture and respect and behave themselves to each parties with rightness and fairness. In order to support the abovementioned policy, the Company has set up the activity for Corporate Social Responsibility or CSR by supporting any charities which have social supportive transactions and by allocate some budget from the Company's revenue to use in this part. In addition the Company still also runs the activities to enhance the employees' conscious to response to the social both intentionally and continuously so as to keep it as the Company's good culture forever.

In year 2009, the Company has set up the CSR Day to create value to the organization by treating lunch, donate the scholarship and build the public utility at The Dhammik witaya school for the Blind in the project name "DM charities for the children at Dhammik witaya school tambol Sapang, Ampur Kao Yoy Petchaburi." by bringing employees to treat them lunches, donate the scholarship and donate the funds for necessary learning equipment and to help their moral.

(5) Mechanism of participation of stakeholders

Any stakeholders can use the mechanism to contact, acknowledge, notify the information of the company through these channels as follow :

- Telephone : Through Investor relation 02-512-1818
- Company's website : www.dmfactor.co.th
- Sending via post or direct sending to Company's secretary Dhanamitr Factoring Public Company Limited
444 Olympia Thai Tower, 6th floor
Ratchadapisek Samsennok Huay Kwang
Bangkok 10320

Any queries or comments or complaints will be forwarded to the related department for correction and improvement. In year 2009 the Company does not have any disputes with regard to the stakeholders.

4. Disclosure and Transparency

The Board of Director has been important informed news, to disclose information of the Company, corrective updated and audit. The main intent is to ensure that investment in the company's securities is based on fair and informed decisions. The company's information disclosed to the general public comprises financial and non-financial information in both Thai and English. We have channeled our information disclosures, including our 56-1 form, annual report and website which are both Thai and English. We have following guidelines as follow:



- Financial Statement, Management Discussion and Analysis, as well as the Board of Director Responsibilities for Financial Statement together with the Report of the Independent Auditor.
- Report of the Audit Committee and Report of the Compensation Committee.
- Related transaction and internal controls.
- A Corporate Governance Policy and Report.
- Operation structure
- Operating results of individual Business units and annual business plan.
- Risk factors and risk management.
- To disclose about the Board of Director, the Audit Committee and management as follow:

1) Duties and responsibilities of The Board of Director, the Audit Committee and the Executive Committee and time the attend meeting

2) Remuneration of director and management are compose of policy of payment remuneration, other benefit and amount of remuneration

3) The director and related person information with the relationship between other director and non relationship. The companies disclose information on shareholding of directors and executives via the disclosure channel of the Securities and Exchange Commission (SEC) when there are any changes involved.

Responsibility

The Board of Director plays an important role in corporate governance and the Board is accountable to shareholders for the best interest of the Company. We have following guidelines as follow:

- Board Structure

1) The Board of Director comprises of the 9 director who are knowledge proficiency and own experiences in various areas; 4 of them represent the major shareholders; 1 from management team; and 3 are non-executive and independent directors. To perform duties and be the balance of powers among the Board of Directors to create fairness and maximum the greatest benefits to all shareholders.

Name	Position		
	Board of Directors	Audit Committee/ Independent Director	Executive Committee
1. Mr. Chatahaval Bhanalarp	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
2. Mr. Pandit Mongkolkul	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
3. Mr. Kunakorn Makchaidee	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
4. Mr. Piya Nguiakaramahawongse	<input checked="" type="checkbox"/>		
5. Mrs. Wimolmart Kuekomoldej	<input checked="" type="checkbox"/>		
6. Mr. Suwat Lauparadorachai	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Mr. Poonsak Thiapairat	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
8. Mr. Wiwat Kongkasai	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
9. Mr. Vivat Kittiphongkosol *	<input checked="" type="checkbox"/>		
10. Mrs.Wareemon Niyomthai **	<input checked="" type="checkbox"/>		

* Resigned on 14 August 2009

** To take a position of the director resigned



2) The Board of Director has appointed independent director and be Chairman and aggregation of duties between the Chairman and the Chief of Executive Committee to perform their duties effectiveness and clear.

3) The Company has segregation of duties between the Board of Directors and the Executive committee, as well as between the Boards of Directors and the shareholders are clearly defined by the Company

4) Times of held the post for each direct as the Articles of Association of Dhanamit Factoring PLC.

- Company Secretary

The Board of Director appointed Miss. Kittikarn Pacom Assistant Manager General Administration, Board Secretariat and Shareholder Service Office, as Company Secretary to take responsibility as set forth by law.

- The Company has set up sub of committees as follow:

1) The Audit Committee has duties to follow and compliance the Company's operating.

2) The Executive Committee has duties to operate and manage for normal business and establish the Company's business strategy, budgeting, management structuring and assigning authorities as well as setting up business standard operations to conform to the economic situations and presenting to the Board of Directors for approval.

- Roles and Responsibilities of the Board

1) To perform and protect all benefit and disclosed information to comparable shareholders

2) To comply the growth business has been in according with policy within the rule of legal and code of conduct

3) To comply the Company has been good risk management and internal control

4) To comply operating is transparent and disclosed the Information System has corrected and updated base on right of stakeholders.

- Board Meeting, The Board of directors meetings is regularly held in accordance to the Article of Association, which mandates that meetings are held at least every 3 months, or may call special meetings as necessary. Meeting agendas are sent no less than 7 days prior to the meeting date unless for emergency meetings, in order to maintain the company's rights and interest. Ever meeting will have clear and concise agendas and sufficient supporting documents sent beforehand to the Directors for their perusal prior to attending the meeting. The Board of directors has freedom of speech and open debate, with the appointed chairman summarizing all suggestions and dissuasions. Minutes of meeting must be documented and filed in an orderly manner for easy retrieval by stakeholders and all concerned. Time the attend meeting for director, the detail as follow:

Name		Attend / Total Meeting (Times)					
		Board of Directors		Audit Committee		Executive Committee	
		2009	2008	2009	2008	2009	2008
1. Mr. Chatahaval	Bhanalarp	5/5	6/6	5/5	6/6	-	-
2. Mr. Pandit	Mongkolkul	5/5	6/6	-	-	10/10	8/8
3. Mr. Kunakorn	Makchaidee	5/5	6/6	-	-	10/10	8/8
4. Mr. Piya	Nguiakaramahawongse	4/5	6/6	-	-	-	-
5. Mrs. Wimolmart	Kuekomoldej	5/5	6/6	-	-	-	-
6. Mr. Suwat	Lauparadorachai	5/5	6/6	5/5	5/6	-	-
7. Mr. Poonsak	Thiapairat	4/5	5/6	5/5	5/6	-	-
8. Mr. Wiwat	Kongkasai	5/5	6/6	-	-	10/10	8/8
9. Mr. Vivat	Kittiphongkosol*	0/5	1/6	-	-	-	-
10. Mrs.Wareemon	Niyomthai	3/5	-	-	-	-	-

* Mr. Vivat Kittiphongkosol was appointed to be the new director to replace Mrs.Paspun Suwanchinda whom resigned from the position on November 14, 2008. During 2008, he was attending the Board of Director Meeting one time and missing the Meeting two times because of the urgently matter, however, the Company secretary had already sent out the agenda and all attachment to consider on such matter prior to the Meeting. Beside, the resolution of Meetings was delivered as well.

** Mrs. Wareemon Niyomthai was appointed to be the new director to replace Mr. Vivat Kittiphongkosol whom resigned from the position on August 14, 2009. She continued attending the Board of Director Meeting three times as mentioned in the resolution of the Meeting.

- Conflict of Interest, The Board of Directors and the management carefully caution any conflict of interest that may occur. Consequently, they impose the policy on approval procedure and how the Board of directors supervises the use of inside information, conflict of interests and connected transactions are completely disclosed in order to perform in compliance to the Securities Exchange in Thailand's Notifications.

Business Ethics, The Company has issued the written Code of Ethics as the guidelines for the Board of Directors, the Executive Committee and management including employees. The code of ethics covers objectives of business conduct, responsibility, business ethics, statutory compliance, competition, and information disclosure. The code of ethics is clearly defined to employee at all level to be aware of and perform accordingly

- Remuneration

1) Director Remuneration, The Directors remuneration are disclosed clearly and transparency and be comparable to the general practice in the industry. It is the duty of the Board of Directors with approval from the shareholders to determine the remunerations of the directors.

2) Management Remuneration, The remuneration for executive management are determined in accordance with the principles and policy set by the Board of Directors and correspond to the performance of the Company as well as that of each executive.

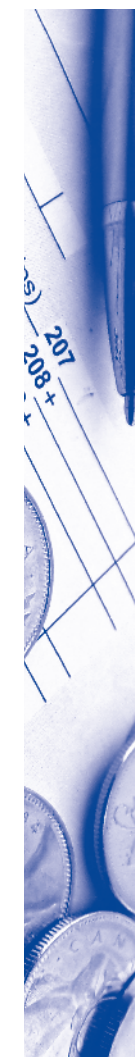
Director Remuneration As at December 31, 2008 and 2009

(Unit: Baht)

No.	Name			Position		Meeting Expenses				Gratuities		Total Remuneration	
						Board of Directors		Audit Committee		Executive Committee		2009	2008
						2009	2008	2009	2008	2009	2008		
1.	Mr. Chatahaval	Bhanalarp	Chairman/Chief of Audit Committee/			125,000	150,000	100,000	120,000	-	-	230,000	167,000
2.	Mr. Pandit	Mongkolkul	Director/Chief of Executive Committee			75,000	90,000	-	-	150,000	120,000	200,000	143,000
3.	Mr. Kunakorn	Makchaidee	Director/Executive Committee			75,000	90,000	-	-	100,000	80,000	150,000	122,000
4.	Mrs. Wimolmart	Kuekomoldej	Director			75,000	90,000	-	-	-	-	150,000	122,000
5.	Mr. Suwat	Lauparadorachai	Director/Audit Committee Independent Director			75,000	90,000	50,000	60,000	-	-	150,000	122,000
6.	Mr. Poonsak	Thiapairat	Director/Audit Committee Independent Director			75,000	90,000	50,000	60,000	-	-	150,000	122,000
7.	Mr. Piya	Nguiakaramahawongse	Director			75,000	90,000	-	-	-	-	150,000	122,000
8.	Mr. Wiwat	Kongkasai	Director			-	-	-	-	-	-	150,000	122,000
9.	Mr. Wiwat	Kittiphongkosol*	Director			30,000	15,000	-	-	-	-	-	22,000
10.	Mrs. Wareemon	Niyomthai	Director			45,000	-	-	-	-	-	70,000	-
Total												2,500,000	2,209,000

* Resigned on 14 August 2009

** To take a position of the director resigned





Executive Remuneration As at December 31, 2008 and 2009

Type of Remuneration	(Baht)	
	2009	2008
Salary And Bonus	10,727,200	10,693,122
Provident Fund	648,012	581,886
Welfare-other	51,200	62,207
Total	11,426,412	11,337,215
Number of Executive	6	6

Control of inside information

The company has strict rules governing the protection of inside information that may not be disclosed or used towards any personal gain, whether directly or indirectly. The Board and the Executive members must not use the inside information before public disclosure, by notifying these Board and Executive members to avoid the trading of company shares one-month prior to the public disclosure of the financial statement. Apart from this, notification is also given regarding the reporting, acquiring and exchanging of shares to SEC and SET to conform to Article 59 and Article 275 of the Security Exchange of Thailand B.E. 2535

Human Resource

As at December 31, 2009, the Company had total staffs not include management of 35 persons

Department	Number of Full-time officer		
	2009	2008	2007
1. Credit and Marketing Department	10	9	9
2. Operation Department	13	13	11
3. General Administration Department	6	5	5
4. Accounting and Finance Department	5	4	4
5. Audit and Compliance	1	1	1
Total	35	32	30

The company has featured no significant changes and significant labor disputes have arisen over the past three years.

Remuneration and Welfare-other

The company's remuneration and welfare-other in the last three year:

Remuneration (Bath)	2009	2008	2007
Number of officer	35	32	30
- Salary and Bonus	11,859,009	10,442,678	10,289,053
- Welfare-other	1,782,525	1,591,912	735,086
Total	13,641,534	12,034,590	11,024,139



Human Resources Development Policy

The Human Resources Development Policy and Human Resources Administration Procedures have been linked up with the Company's strategy and business direction of the Company. The Company believes that the growth and expansion of the Company will depend on the quality and capable employee. Hence the Company decide to have the policy to concentrate on the development and improvement of the administrative and employee development systems to be up-to-date, in harmony with the advance technology and also the international standard in order to build up and develop the employees to be both good person and capable resource including sharing their capability to develop and helping the society. The Company also emphasizes the employees to be the major keys in order to develop the Company to become the successful organization and to increase the competency to compete with other competitors in the market. In 2009 the Company has several continuous development programs for every level of employees to develop their capability.

Dividend Payment Policy

The company policy for dividend payment will be not less than 50% of net profit after deduction of all reserves as specified in the Article of Association and by law. Unless otherwise necessary, the payment of dividends will not significantly affect normal company operations.



RISK FACTORS

1. Credit risk

There are three parties involved in the factoring business: the Company as the factor to purchase the accounts receivable, the client as the seller of the accounts receivable, and the customer as the buyer of goods on credit. Therefore, in identifying credit risk, consideration must be made on both the customer and the client. Here are some potential risk factors threatening the factoring business:

a. Debt servicing ability of clients/customers.

If the Company, the Company as the factor to receive from customer (seller), can not receive from customer, the Company can require from client to pay (case by case). The Company has the efficiency database of loan and can review status both client and customer are easy because the Company must be consider status both client and customer importance.

b. Risk from normal business operation arising between Invoice price and actual payment.

In case client and customer may offset debt as expense or return goods which is damage or fault but it has not significant value. The Company has set ratio of receive document or amount as advance payment for suitable customer.

2. Risk from funding for credit expansion

As factoring is to provide credits on a short term of 30 to 120 days, the appropriate sources of fund are overdraft loans and short-term borrowings. Currently, the Company has supported financially by others finance institution so the company has enough capital funds for business concurrent managed liquidity. To safeguard against such risk, DM manages its liquidity by matching the loan period with the receivables discounting period. As of December 31, 2009, DM's debt to equity ratio stood at 6.09 times. However the Company can be concentrated fund by increased capital.

3. Risk from dependence on a major shareholder

DM's major shareholder provided support to DM through facilitation of debt inspection or factored document inspection (receivables type 1), thus helping to minimize risk in debt collection. However, the Company has expanded its client and customer base to other groups in a bid to cope with such risk.

4. Risk from concentration of customers

DM focuses its factoring service on the suppliers of modern trade businesses, most of which are large department stores with a massive volume of orders, thus resulting in DM's outstanding receivables being largely concentrated in this type of business. As at 31st December 2009, the Company has outstanding receivables balance for such group in a ratio of 74.14% of the total factoring receivables. To safeguard against such risk, DM has regularly reviewed the financial position and operational performance of this particular group of customers as well as closely followed up any development in the contact between the clients and the customers to ensure an immediate adjustment to the terms and conditions of its credits.

5. Risk from interest rate fluctuation

As the loan interest is the Company's main cost and has an effect on the determination of interest charge from clients as well as the Company's competitiveness, the change in interest rate may impact its operational performance. The Company has set out measures to reduce such risk by matching the sources of borrowings with the lending via factoring to ensure interest spreads are maintained. Beside, the Company analyses the term of interest rate movement of factoring receivables, call borrowing and less than 3 months term borrowing and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations, and, accordingly, the Company's operations are not significantly exposed to interest rate risk.



6. Risk from competition

At present, there are about 17 operators of factoring and similar businesses, competition negatively results in lowered interest spreads, but augurs well for credit growth because the low interest rate helps to induce more entrepreneurs to use this service. DM However, the Company itself provides solely domestic factoring service, aiming at small and medium-sized industrial clients who are suppliers to the modern trade businesses in which DM has high expertise. These businesses, which are DM's customers, are cooperative in confirming the factored documents and debt inspection, hence minimizing DM's risk exposure and boosting its strengths in services. This, coupled with the Company's close and good relationship with its clients, efficient credit management information system, and low operating cost, helps to ensure DM's strong competitive edge.



CONNECTED TRANSACTION

In 2009 and 2008, the Company has disclosed the related parties' transaction between the people who might have a conflict of interest in note 4 in financial statement.

The following connected transactions are related via the same sharing of major shareholders and board of director. The Company has the policy for connected transactions in the future by setting the conditions in accordance with general commercial terms, such as suitable price and market condition. For those with no market price.

In Necessity and the rationale of the transactions.

Order to arrange the related transactions between the Company and other related companies in year 2009, the Company has the steps and procedures that clearly set to propose. The concept of credit facility granted, interest rate and condition in the approval of the credit line are the same as other normal customers of the Company. In addition the Company has the procedure in credit approval according to the Stock Exchange of Thailand's regulation, those who have conflict of interest in the transaction shall not involve in the approval of such credit approval.

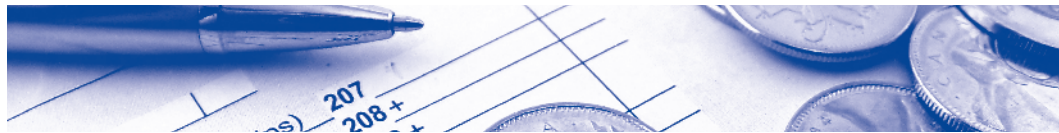
Moreover, the Audit Committee has considered the related transactions during the year 2009 and has commented that the transactions are reasonable and the Audit Committee does not have any comments on these transactions.

Process in approving for connected transaction

In the case of connected transactions between the Company and the person with the conflict of interest now and in the future, the Company will authorize an Audit Committee and/or an Independent Committee to comment on price, remuneration and appropriateness of such transaction. The Company will disclose such information in the note of financial statement under connected transaction after approve by the Company's Audit Committee and/or Independent Committee.

Policy and trend for connected transaction

In the future, if there is connected transaction within the group of companies that may result in potential conflict of interest, the Company will strictly follow the act and notification of both the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.



REPORT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES IN THE FINANCIAL STATEMENT

The Board of Director's priority is to supervise the Company's operations that they are in line with the good corporate governance policies and that financial statements and financial data appeared in the Company's annual report contain accurate, complete and adequate information. Its duty is also to make sure that the financial statement are in line with the generally - accepted accounting principles practiced in Thailand where an appropriate accounting policy is being close and carefully pursued on a regular basic. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to guarantee the credibility of its financial statement, that a protection system is in place to prevent unusual transaction, that a connected transaction that might lead to possible conflicts of interest is in fact an actual transaction reasonable carried out during a normal course of business for the Company's maximum benefit and that relevant laws and regulations are complied. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

In this regard, the Board of Directors is of the opinion that the Company's internal control system is proven satisfactory and contributes to the Company's credibility as of 31 December 2009. The Company's auditor has already audited it according to the generally-accepted accounting standard and has an opinion that the financial statements show an accurate financial status and operation result in its essence as per the generally accepted accounting principles.

Mr. Chatchaval Bhanalarp
Chairman of the Board

Mr. Pandit Mongkolkul
Chief of Executive Committee



AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Dhanamitr Factoring Public Company Limited

I have audited the accompanying balance sheets of Dhanamitr Factoring Public Company Limited as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant financial estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Dhanamitr Factoring Public Company Limited as at 31 December 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2010



Balance Sheets

Dhanamitr Factoring Public Company Limited
As at 31 December 2009 and 2008

		(in Baht)	
Assets	Note	2009	2008
Current assets			
Cash and cash equivalents	4,5	7,402,196	15,504,756
Factoring receivables	4,6	1,409,772,427	1,310,025,625
Current portion loans receivable	7	8,040,000	2,478,184
Other current assets		369,759	255,599
Total current assets		1,425,584,382	1,328,264,164
Non-current assets			
Loans receivable	7	36,740,000	-
Equipment	8	4,500,339	3,633,174
Deposits and guarantees		964,055	973,448
Total non-current assets		42,204,394	4,606,622
Total assets		1,467,788,776	1,332,870,786

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



Balance Sheets

Dhanamitr Factoring Public Company Limited
As at 31 December 2009 and 2008

		(in Baht)	
Liabilities and equity	Note	2009	2008
Current liabilities			
Short-term loans from financial institutions	4,9	1,172,000,000	1,061,000,000
Factoring payables		12,300,148	10,721,847
Retention from factoring		68,062,702	57,360,749
Income tax payable		4,922,034	5,222,930
Other current liabilities	4,10	3,281,044	5,400,544
Total current liabilities		1,260,565,928	1,139,706,070
Total liabilities		1,260,565,928	1,139,706,070
Equity			
Share capital	11		
Authorised share capital		100,000,000	100,000,000
Issued and paid-up share capital		100,000,000	100,000,000
Premium on ordinary shares	12	35,844,889	35,844,889
Retained earnings			
Appropriated			
Legal reserve	12	10,000,000	7,295,000
Unappropriated		61,377,959	50,024,827
Total equity		207,222,848	193,164,716
Total liabilities and equity		1,467,788,776	1,332,870,786

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



Balance Sheets

Dhanamitr Factoring Public Company Limited
For the years ended 31 December 2009 and 2008

		(in Baht)	
	Note	2009	2008
Revenues			
Factoring income	4	95,975,865	117,065,901
Fees and services	4	21,644,325	26,773,475
Other income	14	1,433,174	687,995
Total revenues		119,053,364	144,527,371
Expenses			
Finance costs	4,18	21,237,416	42,403,523
Administrative expenses	4,15,16,17	34,941,067	37,636,949
Directors' and management benefit expenses	4,17	13,926,412	13,791,216
Total expenses		70,104,895	93,831,688
Profit before income tax expense		48,948,469	50,695,683
Income tax expense	19	10,890,337	11,820,939
Profit for the year		38,058,132	38,874,744
Basic earnings per share	20	1.90	1.94

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

Statements of changes in equity

Dhanamitr Factoring Public Company Limited
For the years ended 31 December 2009 and 2008

(in Baht)

	Note	Retained earnings				Total equity
		Issued and paid-up share capital	Share premium	Appropriated to legal reserve	Unappropriated	
Balance at 1 January 2008		100,000,000	35,844,889	5,295,000	33,150,083	174,289,972
Profit for the year		-	-	-	38,874,744	38,874,744
Total recognized income and expense		100,000,000	35,844,889	5,295,000	72,024,827	213,164,716
Transfer to legal reserve	12	-	-	2,000,000	(2,000,000)	-
Dividends	21	-	-	-	(20,000,000)	(20,000,000)
Balance at 31 December 2008		100,000,000	35,844,889	7,295,000	50,024,827	193,164,716
Profit for the year		-	-	-	38,058,132	38,058,132
Total recognized income and expense		100,000,000	35,844,889	7,295,000	88,082,959	231,222,848
Transfer to legal reserve	12	-	-	2,705,000	(2,705,000)	-
Dividends	21	-	-	-	(24,000,000)	(24,000,000)
Balance at 31 December 2009		100,000,000	35,844,889	10,000,000	61,377,959	207,222,848

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





Statements of cash flows

Dhanamitr Factoring Public Company Limited
For the years ended 31 December 2009 and 2008

		(in Baht)	
	Note	2009	2008
Cash flows from operating activities			
Profit for the year		38,058,132	38,874,744
Adjustments for			
Depreciation		1,951,160	1,628,184
Finance costs		21,237,416	42,403,523
Bad and doubtful debt		5,427,866	8,216,947
Gain on disposal of equipment		(6,734)	(1,998)
Income tax expense		10,890,337	11,820,939
Changes in operating assets and liabilities		77,558,117	102,942,339
Factoring receivables		(105,174,668)	(67,766,898)
Loans receivable		(42,301,816)	10,116,756
Other current assets		(114,160)	83,777
Deposits and guarantees		9,393	(132,778)
Factoring payables		1,578,301	(23,900,820)
Retention from factoring		10,701,953	24,108,956
Other current liabilities		(760,449)	224,316
Income taxes		(11,191,232)	(10,954,684)
Net cash (used in) provided by operating activities		(69,694,501)	34,720,964
Cash flows from investing activities			
Purchase of equipment		(2,818,391)	(2,836,053)
Sale of equipment		6,800	6,000
Net cash used in investing activities		(2,811,591)	(2,830,053)

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



Statements of cash flows

Dhanamitr Factoring Public Company Limited
For the years ended 31 December 2009 and 2008

		(in Baht)	
	Note	2009	2008
Cash flows from financing activities			
Interest paid		(22,596,468)	(42,516,230)
Dividends paid		(24,000,000)	(20,000,000)
Increase in short-term loans from financial institutions		111,000,000	15,000,000
Net cash provided by (used in) financing activities		64,403,532	(47,516,230)
 Net decrease in cash and cash equivalents		 (8,102,560)	 (15,625,319)
Cash and cash equivalents at beginning of year		15,504,756	31,130,075
Cash and cash equivalents at end of year	5	7,402,196	15,504,756

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



Notes to the financial statements

Dhanamitr Factoring Public Company Limited
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 17 February 2010.

1. General information

Dhanamitr Factoring Public Company Limited, the “Company”, was incorporated in Thailand and has its registered office at 444 Olympia Thai Tower, 6th Floor, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

The Company was listed on the Market for Alternative Investment (MAI) on 25 August 2004.

The Company’s major shareholder during the financial year was the Chirativat family group with 48% of the Company’s paid up share capital.

The principal business of the Company is receivable factoring.

2. Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards (“IAS”) on which the TAS/TFRS are based.

The Company has adopted the following revised TAS/TFRS which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007)	<i>Impairment of Assets</i>
TFRS 5 (revised 2007)	<i>Non-current Assets Held for Sale and Discontinued Operations</i> (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

The adoption of these revised TAS/TFRS does not have any material impact on the Company’s financial statements.

The FAP has issued during 2009 a number of new and revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 25.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand except as otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.



The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3 (d)	Allowance for doubtful accounts
Note 6	Factoring receivables
Note 7	Loans receivable
Note 22	Financial instruments

3. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(b) Factoring receivables

Factoring receivables are shown net of allowance for doubtful accounts and discount on factoring in advance.

(c) Loans receivable

Loans receivable are shown at principal amount net of allowance for doubtful accounts.

(d) Allowance for doubtful accounts

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of receivable payments. The allowance for receivables is set at the higher of:

1. A percentage of net factoring receivables (i.e. factoring receivables less factoring payables) as follows:

Net receivables:	%
- Within credit terms or overdue less than 3 months	Nil
- Overdue from 3 months to 6 months	20
- Overdue over 6 months	100

and

2. 0.25% of total net account receivables.

Bad debts are written off as incurred.



(e) Equipment

Owned assets

Equipment is stated at cost less accumulated depreciation and impairment losses (if any).

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of equipment. The estimated useful lives are as follows:

Computer	3-5 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	5 years

(f) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of a non-financial assets is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss recognised in prior periods in respect of other non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



(i) Revenue

Factoring income

Discount earned by factoring is recognized in the statement of income by the straight-line method based on the period of debts being factored.

Fees and services

Fees and services are recognized in the statement of income on the transfer of rights.

Other income

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

(j) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease.

Finance costs

Interest expense and similar costs are charged to the statement of income for the period in which they are incurred.

Other expenses

Other expenses are charged to the statement of income for the period in which they are incurred.

(k) Income tax

Income tax on the profit or loss for the year comprises current tax, which is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment to tax payable in respect of previous years.

4. Related party transactions and balances

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The followings are relationships with related parties.

Name of entities	Country of incorporation/ nationality	Nature of relationships
Central Department Store Co., Ltd.	Thailand	Common shareholders
Robinson Department Store Public Co., Ltd.	Thailand	Common shareholders
Power Buy Co.,Ltd.	Thailand	Common shareholders
Siam Commercial Bank Public Co., Ltd.	Thailand	Shareholder of the Company
Malee Enterprise Co., Ltd.	Thailand	Subsidiary of common shareholders
Abico Dairy Farm Co., Ltd.	Thailand	Subsidiary of common shareholders



The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Factoring income	Market price
Fees and services	Market price
Finance costs	Money market rate
Examination fees on factoring documents	In line with the market rate
Directors' benefit expenses	Approved by the directors and shareholders of the Company
Management benefit expenses	Approved by the directors

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	in thousand Baht	
	2009	2008
Other related parties		
Factoring income	2,767	2,964
Fees and services	703	868
Finance costs	10,750	11,765
Examination fees on factoring documents	675	711
Directors' and management benefit expenses	13,926	13,791

Directors' benefit expense comprises directors' bonus and meeting allowance.

Executives' benefit expense comprises salary, bonus and other benefits.

Balances as at 31 December 2009 and 2008 with related parties were as follows:

Cash and cash equivalents - related parties

	in thousand Baht	
	2009	2008
Cash at bank		
Other related parties		
Siam Commercial Bank Public Co., Ltd.	4,255	6,299

Factoring receivables - related parties

	in thousand Baht	
	2009	2008
Other related parties		
Malee Enterprise Co., Ltd.	34,167	44,992
Abico Dairy Farm Co., Ltd.	4,938	4,689
Total	39,105	49,681



Short-term loans from financial institutions - related parties

	in thousand Baht	
	2009	2008
Short-term loans		
Other related parties		
Siam Commercial Bank Public Co., Ltd.	480,000	458,000
Total	480,000	458,000

Movements during the years ended 31 December 2009 and 2008 of short-term loans from related parties were as follows:

	in thousand Baht	
	2009	2008
Short-term loans		
Other related parties		
At 1 January	458,000	452,000
Increase	2,560,000	2,397,000
Decrease	(2,538,000)	(2,391,000)
At 31 December	480,000	458,000

Other current liabilities - related parties

	in thousand Baht	
	2009	2008
Accrued examination fees on factoring documents		
Other related parties		
Central Department Store Co.,Ltd.	35	47
Robinson Department Store Public Co.,Ltd.	20	16
Power Buy Co.,Ltd.	15	12
	70	75
Accrued finance costs		
Other related parties		
Siam Commercial Bank Public Co., Ltd.	663	623
Total	733	698



5. Cash and cash equivalents

		(in thousand Baht)	
	Note	2009	2008
Cash on hand		10	10
Cash at banks - current accounts		7,385	15,258
Cash at banks - savings accounts		7	237
Total	4	7,402	15,505

Cash and cash equivalents of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

6. Factoring receivables

		(in thousand Baht)	
	Note	2009	2008
Related parties			
Factoring value		47,522	61,740
Less amount repayable to transferor upon settlement		(8,166)	(11,748)
Factoring receivables		39,356	49,992
Less discount on factoring in advance		(251)	(311)
	4	39,105	49,681
Other parties			
Factoring value		1,723,716	1,597,603
Accrued interest income		3,077	2,984
Total		1,726,793	1,600,587
Less amount repayable to transferor upon settlement		(299,661)	(289,485)
Factoring receivables		1,427,132	1,311,102
Less discount on factoring in advance		(9,528)	(9,187)
allowance for doubtful accounts		(46,937)	(41,571)
		1,370,667	1,260,344
Net		1,409,772	1,310,025
Bad and doubtful debts expenses for the year		5,428	8,770

Aging analyses for factoring receivable were as follows:



		in thousand Baht	
		2009	2008
Related parties			
Factoring value			
Current		44,095	50,310
Overdue:			
Less than 3 months		3,427	11,430
		47,522	61,740
Other parties			
Factoring value			
Current		1,464,715	1,339,166
Overdue:			
Less than 3 months		189,529	186,366
3-6 months		1,935	23,635
Over 6 months		67,537	48,436
		1,723,716	1,597,603
Total		1,771,238	1,659,343

As at 31 December 2009, factoring receivables which were overdue for over 6 months amounted to Baht 68 million (2008: Baht 48 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 24 million (2008: 16 million). The Company has provided allowance for doubtful accounts for such net receivables in full.

Factoring receivables of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

7. Loans receivable

	Amounts due:							
	within one year		over one year but within five years		over five years but within seven years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	(in thousand Baht)							
Other parties								
Not yet due	8,040	2,478	29,740	-	7,000	-	44,780	2,478
Overdue:								
Over 12 months	27,351	27,351	-	-	-	-	27,351	27,351
Total	35,391	29,829	29,740	-	7,000	-	72,131	29,829
Less allowance for doubtful accounts	(27,351)	(27,351)	-	-	-	-	(27,351)	(27,351)
Net	8,040	2,478	29,740	-	7,000	-	44,780	2,478

		in thousand Baht	
		2009	2008
Reversal of doubtful debt expenses for the year		-	(553)



As at 31 December 2009, the Company had loans receivable from a non-related company totalling Baht 44.78 million under two loan agreements, due by June 2014 and December 2016. Principal is to be settled by a monthly aggregate instalment amounting to Baht 0.67 million, plus interest at over than MOR per annum. The Company holds leasehold rights as collateral.

Loans receivable of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

8. Equipment

	Computer	Furniture and fixtures	Office equipment	Vehicles	Total
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2008	2,655	862	595	4,046	8,158
Additions	882	145	155	1,654	2,836
Disposals	(61)	-	-	-	(61)
At 31 December 2008 and 1 January 2009	3,476	1,007	750	5,700	10,933
Additions	83	234	21	2,480	2,818
Disposals	(729)	(22)	(26)	-	(777)
At 31 December 2009	2,830	1,219	745	8,180	12,974
Accumulated depreciation					
At 1 January 2008	1,987	417	390	2,935	5,729
Depreciation charge for the year	561	141	102	824	1,628
Disposals	(57)	-	-	-	(57)
At 31 December 2008 and 1 January 2009	2,491	558	492	3,759	7,300
Depreciation charge for the year	513	178	88	1,172	1,951
Disposals	(729)	(22)	(26)	-	(777)
At 31 December 2009	2,275	714	554	4,931	8,474
Net book value					
Owned assets					
At 31 December 2008	985	449	258	1,941	3,633
At 31 December 2009	555	505	191	3,249	4,500

The gross carrying amounts of fully depreciated equipment that was still in use as at 31 December 2009 amounted to Baht 4.35 million (2008: Baht 3.21 million).



9. Interest-bearing liabilities

		(in thousand Baht)	
	Note	2009	2008
Current			
Short-term loans from financial institutions			
Related parties			
unsecured	4	480,000	458,000
Other parties			
unsecured		692,000	603,000
Total		1,172,000	1,061,000

As at 31 December 2009, the Company had credit facilities for bank overdrafts and short-term loans from financial institutions totalling Baht 1,755 million (2008: Baht 1,755 million). Under these credit facilities, the Company has to comply with certain terms and conditions prescribed in the agreements such as financial ratio, etc.

As at 31 December 2009, the Company had unutilised credit facilities totalling Baht 583 million (2008: Baht 694 million).

Interest-bearing liabilities of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

10. Other current liabilities

		in thousand Baht	
		2009	2008
Accrued finance costs		1,440	2,800
Accrued expenses		342	900
Accrued withholding tax		832	874
Others		667	827
Total		3,281	5,401

11. Share capital

	<i>Par value</i>	2009		2008	
	<i>per share</i>	Number	Amount	Number	Amount
	<i>(in Baht)</i>	<i>(thousand shares / thousand Baht)</i>			
Authorised and					
issued and paid-up					
At 1 January					
- ordinary shares	5	20,000	100,000	20,000	100,000
At 31 December					
- ordinary shares	5	20,000	100,000	20,000	100,000



12. Additional paid-in capital and reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

In February 2010, the Company's Board of Directors Meeting passed a resolution to propose an appropriation to the legal reserve from the net profit of 2009 in the amount of Baht 2.71 million (2008: Baht 2 million), such appropriation must be approved by the Meeting of Shareholders of the Company.

13. Segment information

Management considers that the Company operates predominantly in a major line of business, factoring, and therefore has only one business segment.

14. Other income

	in thousand Baht	
	2009	2008
Interest income	1,426	686
Others	7	2
Total	1,433	688

15. Administrative expenses

	in thousand Baht	
	2009	2008
Employee benefit expenses	13,642	12,157
Bad and doubtful debts expenses	5,428	8,217
Specific business tax	3,928	4,767
Examination fees on factoring documents	2,431	3,238
Others	9,512	9,258
Total	34,941	37,637



16. Employee benefit expenses

	in thousand Baht	
	2009	2008
Wages and salaries	8,874	7,301
Contribution to defined contribution plan	467	352
Others	4,301	4,504
Total	13,642	12,157

The defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Company at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

17. Expenses by nature

	in thousand Baht	
	2009	2008
Employee benefit expenses	13,642	12,157
Directors' and management benefit expenses	13,926	13,791
Depreciation	1,951	1,628
Bad and doubtful debts expenses	5,428	8,217
Specific business tax	3,928	4,767
Examination fees on factoring documents	2,431	3,238
Office rental expense	2,230	1,983

18. Finance costs

		(in thousand Baht)	
	Note	2009	2008
Finance costs paid and payable to:			
Related parties	4	10,750	11,765
Financial institutions		10,487	30,639
Total		21,237	42,404



19. Income tax expense

Income tax reduction

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand under the regulation of the Stock Exchange of Thailand governing the approval of listed companies on the Market for Alternative Investment (MAI) a reduction in the corporate income tax rate from 30% to 20% for the five consecutive accounting periods beginning on or after the date that the Company listed on the Stock Exchange of Thailand.

The current tax expense in the statements of income is less than the amount determined by applying the Thai Corporate tax rate to the accounting profit for the year principally because of the different treatment for accounting and taxation purposes of certain item of expense, in particular bad and doubtful debts expenses.

20. Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	in thousand Baht/ thousand shares	
	2009	2008
Profit attributable to equity holders of the Company	38,058	38,875
Number of ordinary shares outstanding	20,000	20,000
Basic earnings per share (in Baht)	1.90	1.94

21. Dividends

At the 2009 Annual General Meeting of Shareholders of the Company held on 8 April 2009, the shareholders approved the appropriation to the legal reserve of Baht 2 million, which was recognised in the financial statements for the year ended 31 December 2008, and the appropriation of dividends of Baht 1.20 per share, amounting to Baht 24 million. The dividend was paid to shareholders during 2009.

At the 2008 Annual General Meeting of Shareholders of the Company held on 23 April 2008, the shareholders approved the appropriation to the legal reserve of Baht 1.80 million, which was recognised in the financial statements for the year ended 31 December 2007, and the appropriation of dividends of Baht 1 per share, amounting to Baht 20 million. The dividend was paid to shareholders during 2008.

22. Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.



Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. The Company mitigates this risk by matching the sources of borrowings with factoring receivables to ensure that the Company maintains an accumulated average spread of interest under the Company's policy. Moreover, the Company analyses the term of interest rate movement of factoring receivables, call borrowing and less than 3 months term borrowing and the Company adjusts the interest rate charge to receivables when the interest rate changes. Thus, the Company is flexible in its response to interest rate fluctuations, and, accordingly, the Company's operations are not significantly exposed to interest rate risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligation to the Company as and when they fall due. To reduce exposure to credit risk, the Company analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retention from factoring and other obligation assets as collateral for each customer according to the assessed credit risk.

The carrying amount of financial assets recorded in the balance sheet is net of allowances made for doubtful accounts. The Company concentrates on factoring the debts of the suppliers of large sized department stores with good credit ratings. As at 31 December 2009, the credit facility ratio given to the said group of receivables is 75% (2008: 74%) of total receivables and the Company had retention from factoring of Baht 68 million (2008: Baht 57 million) and leasehold rights, according to the appraisal value, of Baht 68 million as collateral (2008: nil).

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Capital management

The Company's Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Determination of fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

Financial assets shown in the balance sheets consist of cash and cash equivalents, factoring receivables and loans receivable. Financial liabilities shown in the balance sheets consist of short-term loans from financial institutions, factoring payables and retention from factoring.

The book values of financial assets and liabilities are close to their estimated fair values. The management believes that the fair values of those financial assets and financial liabilities do not materially differ from their carrying amount because the majority of financial assets and financial liabilities are short-term and for long-term financial assets, rate of return was determined by a floating rate (market interest rate).



23. Commitments with non-related parties

	in thousand Baht	
	2009	2008
<i>Non-cancellable operating lease commitments</i>		
Within one year	2,251	2,229
After one year but within five years	187	2,438
Total	2,438	4,667

As at 31 December 2008, the Company had commitments under various office lease agreements, ending on 31 January 2009. Monthly space rental and common services fees under these agreements amounted to Baht 166,069.

As at 31 December 2009, the Company had commitments under various office lease agreements, for periods of 24 months, ending on 31 January 2011. Monthly space rental and common services fees under these agreements amounted to Baht 187,560.

24. Litigation

In 2006, the Company filed a civil case with a court against a customer, including the guarantors and the debtor regarding a default of agreement, a guarantee and damages in the amount of Baht 152 million. In January 2009, the Civil Court found in favour of the Company against such customer and guarantors and awarded Baht 55 million to the Company. The case against the debtor was dismissed.

During 2008, the aforementioned debtor filed a counterclaim against the Company and the Company's staff, regarding a violation, in the amount of Baht 124 million. Later on 23 April 2009, the debtor withdrew the case against the Company and the Company's staff with the Civil Court.

25. Thai Accounting Standards (TAS) not yet adopted

The Company has not adopted the following new and revised TAS that have been issued as of the reporting date but are not yet effective. The new and revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS	Topic	Year effective
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2012
TAS 24 (revised 2007)	Related Party Disclosures (formerly TAS 47)	2011

The adoption and initial application of these TAS is not expected to have any material impact on the Company's financial statements.



26. Reclassification of accounts

Certain accounts in the statement of income for the year ended 31 December 2008 have been reclassified to conform to the presentation in the 2009 financial statements as follows:

	in thousand Baht		
	2008		
	Before reclassification	Reclassification	After reclassification
Statement of income			
Administrative expenses	51,428	(13,791)	37,637
Directors' and management benefit expenses	-	13,791	13,791

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development *Re: Determination of items in the financial statements B.E.2552* dated 30 January 2009.





DHANAMITR FACTORING PUBLIC COMPANY LIMITED

444 Olympia Thai Tower 6th Floor, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok 10320
Tel : 0 2512 1818 Fax : 0 2513 4741