

THITIKORN PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT  
1 JANUARY 2005 TO 31 DECEMBER 2005

## AUDITOR' S REPORT

To The Shareholders of THITIKORN PUBLIC COMPANY LIMITED

I have audited the consolidated balance sheets of THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES as of December 31, 2005 and 2004 and the related consolidated statements of income, the consolidated statements of changes in shareholders' equity, and the consolidated statements of cash flows for the years then ended. I have also audited the balance sheet of THITIKORN PUBLIC COMPANY LIMITED as of December 31, 2005 and 2004, and the related statements of income, the statements of changes in shareholders' equity, and the statements of cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. 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 misstatements. 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 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 position of THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of THITIKORN PUBLIC COMPANY LIMITED as of December 31, 2005 and 2004 the results of their operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

(Sanit Hirunpanupong)

Certified Public Accountant No. 3652

Bunchikij Co., Ltd.

Bangkok,

February 28, 2006

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## BALANCE SHEETS

As of December 31, 2005 and 2004

## ASSETS

Unit : Baht

	Note	Consolidated		The Company	
		2005	2004	2005	2004
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	61,827,711	60,446,584	46,079,500	29,746,299
Trade account receivables					
Hire-purchase receivables, net	5	5,345,786,559	4,982,311,046	4,216,264,026	3,116,530,706
Other receivables, net	6	57,827,693	41,583,969	50,557,179	29,860,838
Related parties transactions	7.2	49,733	22,110	251,150,998	380,516,211
Short-term loans	8	7,200,000	6,500,000	-	-
Other current assets					
Repossessed vehicles for sale, net	9	127,712,349	25,347,601	124,040,055	18,956,801
Others		28,270,529	45,889,782	27,438,759	36,846,356
Total current assets		<u>5,628,674,574</u>	<u>5,162,101,092</u>	<u>4,715,530,517</u>	<u>3,612,457,211</u>
<b>NON-CURRENT ASSETS</b>					
Investments for using the equity method	7.5	-	-	385,816,010	351,376,329
Long-term loans	10	2,400,000	-	2,400,000	-
Property, plant and equipment, net	11	79,075,279	76,665,706	69,460,947	65,726,808
Intangible assets, net	12	10,085,324	21,989,868	4,972,492	7,658,008
Other non-current assets					
Restricted deposits at bank	4	24,000,000	24,000,000	-	-
Others	13	43,792,220	41,593,687	13,147,242	10,224,605
Total non-current assets		<u>159,352,823</u>	<u>164,249,261</u>	<u>475,796,691</u>	<u>434,985,750</u>
Total assets		<u><u>5,788,027,397</u></u>	<u><u>5,326,350,353</u></u>	<u><u>5,191,327,208</u></u>	<u><u>4,047,442,961</u></u>

Notes to financial statements are an integral part of these statements.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## BALANCE SHEETS

As of December 31, 2005 and 2004

## LIABILITIES AND SHAREHOLDERS' EQUITY

Unit : Baht

	Note	Consolidated		The Company	
		2005	2004	2005	2004
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans					
from financial institutions	14	2,460,946,417	2,998,127,396	1,801,695,449	1,808,066,208
Related parties transactions	7.2	1,012,798	10,347,177	110,429,239	4,802,540
Other current liabilities					
Accrued income tax		96,688,748	97,233,490	88,303,853	70,456,257
Deposits and advances from customers		85,416,533	100,085,810	67,576,238	63,324,879
Others		48,064,976	44,307,541	38,215,397	28,568,207
Total current liabilities		<u>2,692,129,472</u>	<u>3,250,101,414</u>	<u>2,106,220,176</u>	<u>1,975,218,091</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans	15	100,000,000	-	100,000,000	-
Debentures	16	745,000,000	-	745,000,000	-
Account payables other		28,062,723	9,067,368	17,271,830	5,043,299
Total non-current liabilities		<u>873,062,723</u>	<u>9,067,368</u>	<u>862,271,830</u>	<u>5,043,299</u>
Total liabilities		<u>3,565,192,195</u>	<u>3,259,168,782</u>	<u>2,968,492,006</u>	<u>1,980,261,390</u>
<b>SHAREHOLDERS' EQUITY</b>					
Authorized, Issued and fully paid-up share capital					
500,000,000 ordinary shares of Baht 1 each,		500,000,000	500,000,000	500,000,000	500,000,000
Premium on share capital		972,987,500	972,987,500	972,987,500	972,987,500
Retained earnings					
Appropriated-legal reserve	17	50,000,000	47,704,296	50,000,000	47,704,296
Unappropriated		699,847,702	546,489,775	699,847,702	546,489,775
Total shareholders' equity		<u>2,222,835,202</u>	<u>2,067,181,571</u>	<u>2,222,835,202</u>	<u>2,067,181,571</u>
Total liabilities and shareholders' equity		<u>5,788,027,397</u>	<u>5,326,350,353</u>	<u>5,191,327,208</u>	<u>4,047,442,961</u>

Notes to financial statements are an integral part of these statements.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

For the years ended December 31, 2005 and 2004

Unit : Baht

	Note	Consolidated		The Company	
		2005	2004	2005	2004
<b>REVENUES</b>					
Hire-purchase incomes, net	18	1,679,766,929	1,396,113,904	1,422,362,131	897,141,835
Other incomes	18	414,353,394	204,055,529	396,783,060	222,443,394
Share of profit from investments-equity method	7.5	-	-	34,439,681	94,846,753
Total revenues		<u>2,094,120,323</u>	<u>1,600,169,433</u>	<u>1,853,584,872</u>	<u>1,214,431,982</u>
<b>EXPENSES</b>					
Selling and administrative expenses					
Bad debt and Doubtful accounts		277,150,638	162,667,397	261,098,790	108,092,486
Others		1,194,763,829	763,021,696	1,016,568,098	530,097,017
Total expenses		<u>1,471,914,467</u>	<u>925,689,093</u>	<u>1,277,666,888</u>	<u>638,189,503</u>
<b>PROFIT BEFORE INTEREST AND INCOME TAX</b>		<u>622,205,856</u>	<u>674,480,340</u>	<u>575,917,984</u>	<u>576,242,479</u>
<b>INTEREST EXPENSES</b>		117,342,931	81,672,795	88,043,389	41,001,261
<b>INCOME TAX EXPENSES</b>		159,209,294	169,884,746	142,220,964	112,318,419
<b>NET PROFIT</b>		<u><u>345,653,631</u></u>	<u><u>422,922,799</u></u>	<u><u>345,653,631</u></u>	<u><u>422,922,799</u></u>
<b>BASIC EARNINGS PER SHARE</b>	3.11	0.69	0.85	0.69	0.85

Notes to financial statements are an integral part of these statements.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2005 and 2004

Unit : Baht

	Note	Consolidated		The Company	
		2005	2004	2005	2004
<b>Cash flows from operating activities</b>					
Net profit		345,653,631	422,922,799	345,653,631	422,922,799
Add (deduct) adjustment for:					
Depreciation		16,127,081	11,714,371	14,898,895	10,078,818
Amortization		16,199,201	15,622,621	6,980,173	6,375,557
Bad debt and doubtful accounts		277,150,638	162,667,397	261,098,790	108,092,486
Loss (gain) on exchange rate-unrealized		(2,337,797)	(7,214,375)	(2,337,797)	(7,214,375)
Loss on decline in value of assets for sale		36,969,785	2,443,284	37,306,330	1,692,057
Gain on disposal of assets		(718,424)	(1,359,143)	(493,945)	(976,126)
Loss on retired assets		-	79,415	-	-
Gain on cession of land		(4,750,122)	-	-	-
Share of profit from investments- equity method		-	-	(34,439,681)	(94,846,753)
		<u>684,293,993</u>	<u>606,876,369</u>	<u>628,666,396</u>	<u>446,124,463</u>
<b>Operating assets and operating liabilities</b>					
Hire-purchase receivables		(631,725,592)	(1,215,990,287)	(1,355,424,740)	(1,257,128,931)
Other receivables		(22,444,283)	(17,953,232)	(26,103,711)	(15,151,310)
Accrued income-related parties		(27,623)	-	2,365,213	551,769
Repossessed vehicles for sale		(139,334,533)	(13,470,284)	(142,389,584)	(9,809,749)
Other current assets		14,919,253	(22,675,068)	9,407,597	(24,450,028)
Other non-current assets		(2,536,537)	(508,887)	(2,922,637)	(112,020)
Trade account payables		-	(1,664,820)	-	(713,320)
Account payables - related parties		(9,334,379)	7,456,755	(3,373,301)	2,160,575
Accrued income tax		(544,742)	35,875,958	17,847,596	50,283,014
Deposits and advances from customers		(14,669,277)	(6,581,763)	4,251,359	2,299,565
Other current liabilities		3,757,435	10,707,692	9,647,190	5,322,559
Other non-current liabilities		18,995,355	9,067,368	12,228,531	5,043,299
Net cash provided (used) by operating activities		<u>(98,650,930)</u>	<u>(608,860,199)</u>	<u>(845,800,091)</u>	<u>(795,580,114)</u>

Notes to financial statements are an integral part of these statements.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (Continued)

For the years ended December 31, 2005 and 2004

Unit : Baht

Note	Consolidated		The Company	
	2005	2004	2005	2004
<b>Cash flows from investing activities</b>				
Short-term loans	(700,000)	(6,500,000)	-	-
Short-term loans to related parties	-	-	127,000,000	253,000,000
Long-term loans	(2,400,000)	-	(2,400,000)	-
Restricted deposits at bank	-	(24,000,000)	-	-
Acquisition of assets	(22,425,528)	(28,270,725)	(22,410,201)	(28,011,639)
Proceeds from sale of assets	4,607,298	2,296,026	4,271,112	1,729,326
Compensation from cession of land	5,088,126	-	-	-
Acquisition of intangible assets	(4,294,657)	(562,450)	(4,294,657)	(562,450)
Net cash provided (used) by investing activities	(20,124,761)	(57,037,149)	102,166,254	226,155,237
<b>Cash flows from financing activities</b>				
Bank overdrafts and short-term loans	(534,843,182)	873,304,582	(4,032,962)	761,791,317
Short-term loans from related parties	-	-	109,000,000	-
Long-term loan	100,000,000	-	100,000,000	-
Debentures	745,000,000	-	745,000,000	-
Dividend paid	(190,000,000)	(175,000,000)	(190,000,000)	(175,000,000)
Net cash provided (used) by financing activities	120,156,818	698,304,582	759,967,038	586,791,317
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,381,127</b>	<b>32,407,234</b>	<b>16,333,201</b>	<b>17,366,440</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>60,446,584</b>	<b>28,039,350</b>	<b>29,746,299</b>	<b>12,379,859</b>
<b>Cash and cash equivalents at end of period</b>	<b>61,827,711</b>	<b>60,446,584</b>	<b>46,079,500</b>	<b>29,746,299</b>
<b>Additional information</b>				
Interest expenses for the period	97,302,326	83,391,395	74,575,766	42,215,907
Income tax expenses for the period	159,768,603	134,008,789	124,373,368	62,035,405

Notes to financial statements are an integral part of these statements.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2005 and 2004

Unit : Baht

		Consolidated				
		Share capital	Premium on	Legal reserve	Unappropriated	Total
		Issued and paid-up	share capital		Retained earnings	
Note						
	At beginning of 2004	500,000,000	972,987,500	26,558,156	319,713,116	1,819,258,772
	Legal reserve	-	-	21,146,140	(21,146,140)	-
	Dividend paid	-	-	-	(175,000,000)	(175,000,000)
	Net profit	-	-	-	422,922,799	422,922,799
	At ending of 2004	500,000,000	972,987,500	47,704,296	546,489,775	2,067,181,571
	Legal reserve	-	-	2,295,704	(2,295,704)	-
	Dividend paid	-	-	-	(190,000,000)	(190,000,000)
	Net profit	-	-	-	345,653,631	345,653,631
	At ending of 2005	500,000,000	972,987,500	50,000,000	699,847,702	2,222,835,202

		The Company				
		Share capital	Premium on	Legal reserve	Unappropriated	Total
		Issued and paid-up	share capital		Retained earnings	
Note						
	At beginning of 2004	500,000,000	972,987,500	26,558,156	319,713,116	1,819,258,772
	Legal reserve	-	-	21,146,140	(21,146,140)	-
	Dividend paid	-	-	-	(175,000,000)	(175,000,000)
	Net profit	-	-	-	422,922,799	422,922,799
	At ending of 2004	500,000,000	972,987,500	47,704,296	546,489,775	2,067,181,571
	Legal reserve	-	-	2,295,704	(2,295,704)	-
	Dividend paid	-	-	-	(190,000,000)	(190,000,000)
	Net profit	-	-	-	345,653,631	345,653,631
	At ending of 2005	500,000,000	972,987,500	50,000,000	699,847,702	2,222,835,202

Notes to financial statements are an integral part of these statements.



## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements

As of December 31, 2005 and 2004

## 1. General information

THITIKORN PUBLIC COMPANY LIMITED was incorporated as a public company limited in Thailand on June 27, 2003 and was listed company on the Stock Exchange of Thailand. Its major shareholder is SINTHONGLOR COMPANY LIMITED (incorporated in Thailand and owned 42.36%). The Company is engaged in vehicles hire-purchase business. The registered office of the Company is located at 69 Ramkhamhaeng Road, Hua-Mark, Bangkapi, Bangkok, Thailand.

## 2. Basis for preparation and presentation of financial statements

2.1 The Company records its accounting transactions in Thai Baht currency and prepares its statutory financial statements including the consolidated financial statements in Thai language in conformity with accounting standards and practices generally accepted in Thailand. The Company presents its financial statements in a format in accordance with the Notification of the Department of Business Development "Brief particular items shown in the financial statement B.E. 2544. The Company's financial statements have been prepared under the historical cost convention except as disclosed in the notes to financial statements and respective accounting policies. These English version financial statements are translated from the Thai version.

2.2 Certain items in the 2004 financial statements have been reclassified to conform with 2005 financial statements presentation.

## 2.3 Basis of consolidation

The consolidated financial statements of THITIKORN PUBLIC COMPANY LIMITED included two subsidiary companies as follows:

	Type of business	Percentage of holding
C. V. A. CO., LTD.	Hire-purchase Motorcycle business	99.99
CHAYAPAK CO., LTD.	Hire-purchase Automobile business	99.99

Significant inter-company balances and transactions of the Company and subsidiaries are eliminated from the consolidated financial statements.

2.4 These financial statements were authorized for issue by the Director on February 28, 2006.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 3. Summary of significant accounting policies

## 3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits at financial institutions, and highly liquid investments that are readily convertible to known amounts or that are subject to an insignificant risk of changes in value, but not include time deposits with maturity exceed three-month period (fixed deposits).

## 3.2 Account receivables

Account receivables are stated at net realizable value which resulted from carrying book value less allowance for doubtful accounts. The Company and subsidiaries estimate allowance for doubtful accounts that may be incurred in the collection of account receivables. The estimation is based on collection experience and a review of current status of existing receivables.

Allowance for doubtful accounts of hire-purchase receivables are provided at the percentage on the overdue installment payments less unrealized income and collateral at percentage as follows:

Accounts receivable status	Allowance (%)	
	Automobile	Motorcycle
Not yet due	1	1
Past due 1 month	1	1
Past due 2 – 3 months	2	20
Past due 4 – 6 months	20	50
Past due 7 – 12 months	50	100
Past due Over 12 months	100	100

The allowance estimation is provided on the net account receivables for automobile less related collateral by its status past due less than 6 months at 80%, past due 7-12 months at 50%, and those more than 12 months less no collateral.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

The above allowance estimation is provided under the policy of the Company and subsidiaries based on past record of bad debts incurred. During the past three years, the average bad debts incurred were approximately 2.49% of the net hire-purchase receivables, and the average allowance provided were approximately 8.67% of the net hire-purchase receivables. The allowance provided in year 2005 under the above policy are 7.33% of the net hire-purchase receivables. However, the above allowance estimation policy did not conform with accounting practice jointly issued by the Securities and Exchange Commission, and the Federation of Accounting Professions relating to allowance estimation for business of "Consumer Finance". The accounting practice requires business of "Consumer Finance" to provide allowance for doubtful accounts based on those account receivables overdue more than three-month period without deduction of related collateral.

### 3.3 Account receivables and short-term loans to related parties

Account receivables and short-term loans to related parties are stated at net realizable value.

### 3.4 Assets for sales

Non-performing assets held for disposal are stated at carrying amounts at the date of retirement.

Repossessed vehicles from hire-purchase business are valued at the lower of net book value or an estimated net realizable value. At end of period, the Company and subsidiaries estimate loss of the outstanding vehicles at the percentage as follows:

	2005	2004
	<hr/>	<hr/>
Aging less than one year	25%	20%
Aging more than one year	100%	100%

### 3.5 Investments

Investments in marketable securities are stated at fair value (with referring to price as quoted on the Stock Exchange of Thailand). For any trading investments the change in value are recorded as gain or loss in the income statements, while the change of those available for sale investments are recorded as revaluation surplus (deficit) in shareholders' equity.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

Investments in non-marketable securities, which held as other long-term investments are stated at cost less allowance for loss arising from decline in value other than temporarily (if any).

Investments in subsidiary companies are stated under the equity method.

### 3.6 Property, plant and equipment

Property is stated at cost, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20 years
Buildings improvement	3 – 20 years
Furniture & equipment	5 – 10 years
Vehicle	5 years

The Company and subsidiaries records depreciation as expense in the period. When property, plant or equipment are disposed, the Company and subsidiaries will write-off both the asset account and its related accumulated depreciation, and will recognize any gain or loss from disposal of the asset in the income statement.

Expenditures for addition, betterment, and renewal, which result in a substantial increase in an asset's economic future benefit, are capitalized. Repair and maintenance costs are recognized as expenses in the income statement when incurred.

### 3.7 Intangible assets

Computer software represents the right to share the hire-purchase software with related parties. It is stated at cost less accumulated amortization. The Company and subsidiaries amortize the software using the straight-line method over the period of 5 years.

Leasehold rights are prepaid rental under operating lease contracts. The Company and subsidiaries amortize the rights using the straight-line method over the lease term ranging from 2 years to 11 years.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 3.8 Liabilities, provisions and expenses

The Company and subsidiaries recognizes liabilities, provisions and expenses in the financial statements when the Company and subsidiaries have a legal obligation or probable obligation as a result of past events. It is probable that to settle the obligation the Company and subsidiaries' outflow resources may be required, and a reliable estimate amount of that obligation can be determined.

The Company and subsidiaries recognize dividends payable in the period when dividends are proposed, declared, and approved by the shareholders.

## 3.9 Recognition of revenue

The Company and subsidiaries record income on hire-purchase contracts as unearned income and realize as income using the sum of the digits basis over the period of the contracts. Hire-purchase income on those contracts which are made before 1 September 2000 are recognized as income using the straight-line basis over the period of the contracts. The Company and subsidiaries will discontinue to realize income for those debts, which have installment payment overdue over three months. This discontinuance is conformed with the accounting practice jointly issued by the Securities and Exchange Commission, and the Federation of Accounting Professions relating to allowance estimation for business of "Consumer Finance".

Other interest income is recognized under the accrual basis. The Company will discontinue to record accrued interest when collectibility is in doubt.

Dividend income is recognized when dividend is proposed and declared.

## 3.10 Income tax

The Company and subsidiaries record income tax based on the amount currently payable under the Revenue Code and other regulations. (if any)

## 3.11 Basic earnings per share

Basic earnings per share are computed by dividing net profit by the weighted average number of ordinary shares outstanding during the period. The weighted average shares are 500 million shares in year 2005 and 2004.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 3.12 Impairment of assets

The Company and subsidiaries review impairment loss on asset, whenever indications or circumstances indicate that the recoverable amount of assets is lower than the carrying amount. The recoverable amount asset is the higher of an asset's selling price or its value in use.

a) The recoverable amount of property, plant, equipment, and intangible asset is the higher of an asset's selling price or its value in use. Recoverable amount is determined on individual assets or for a cash-generating unit.

b) The recoverable amount of equity securities is based on net book value of equity securities and other relevant factors. The recoverable amount of debt securities is based on basic price which calculated by interest yield rate of equity securities and other relevant factors.

c) Loss on impairment of assets is recognized in the income statement as incurred.

## 3.13 Foreign currencies translation

The Company and subsidiaries translated transactions in foreign currencies into Baht at the rates of exchange on the date of transactions. The differences are recognized as realized gain or loss in the income statement. Outstanding assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the exchange rate on the balance sheet date, the differences are recognized as unrealized gain or loss in the income statement.

## 3.14 Employee benefit

The Company, subsidiaries and their employees have jointly with the related parties established a provident fund scheme under Provident Fund Act B.E. 2530. The fund is contributed by both employees and the companies. The fund will be repaid to the employees upon termination in accordance with the rules of the fund.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 3.15 Financial instruments

The Company and subsidiaries do not speculate or engage in the trading of any financial derivative instruments. The accounting policies on recognition and measurement of financial assets and financial liabilities are disclosed in the respective accounting policies.

## 4. Cash and cash equivalents

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Cash on hand	12,252,362	35,440,001	6,618,896	18,187,878
Cash at banks	73,575,349	49,006,583	39,460,604	11,558,421
Total	85,827,711	84,446,584	46,079,500	29,746,299
Less amount as non-current asset	(24,000,000)	(24,000,000)	-	-
	61,827,711	60,446,584	46,079,500	29,746,299

Cash at banks bear interest at the rate 0% - 1% p.a.

The time deposits amount of Baht 24 million were pledged as guarantee for overdrafts facilities of subsidiaries. They were presented as non-current asset.

## 5. Hire-purchase receivables, net

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Hire-purchase receivables	7,637,367,642	7,038,743,764	6,197,052,294	4,605,837,220
Less Unearned income	(1,868,157,348)	(1,666,661,062)	(1,671,650,481)	(1,238,508,283)
	5,769,210,294	5,372,082,702	4,525,401,813	3,367,328,937
Less Allowance for doubtful accounts	(423,423,735)	(389,771,656)	(309,137,787)	(250,798,231)
Net	5,345,786,559	4,982,311,046	4,216,264,026	3,116,530,706

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

Hire-purchase receivables can be by its status as follows:

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Not yet due	3,486,248,404	3,616,612,595	2,942,286,308	2,410,462,174
Past due 1 month	877,230,617	725,530,460	692,266,033	436,696,835
Past due 2-3 months	853,869,818	608,938,509	605,163,515	303,805,816
Past due 4-6 months	325,791,017	200,782,791	193,757,574	85,171,041
Past due 7-12 months	130,071,563	87,180,683	62,172,740	38,074,411
Past due over 12 months	95,998,875	133,037,664	29,755,643	93,118,660
Total	5,769,210,294	5,372,082,702	4,525,401,813	3,367,328,937

Hire-purchase receivables can be classified to portion due within one year and portion due over one year as follows:

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Portion due within one year	4,612,705,542	4,273,801,860	3,820,495,589	2,945,908,547
Less Unearned income	(1,387,769,583)	(1,286,429,566)	(1,258,427,316)	(992,887,181)
	3,224,935,959	2,987,372,294	2,562,068,273	1,953,021,366
Portion due over one year	3,024,662,100	2,764,941,904	2,376,556,705	1,659,928,673
Less Unearned income	(480,387,765)	(380,231,496)	(413,223,165)	(245,621,102)
	2,544,274,335	2,384,710,408	1,963,333,540	1,414,307,571
Total	5,769,210,294	5,372,082,702	4,525,401,813	3,367,328,937



## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 6. Other receivables, net

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Others	55,994,446	40,943,088	49,110,622	29,738,696
Related parties	213,857	92,552	213,857	92,552
Post date cheque	1,009,000	-	1,009,000	-
Past due over one year	1,031,698	940,047	337,008	113,308
	58,249,001	41,975,687	50,670,487	29,944,556
Less Allowance for doubtful accounts	(421,308)	(391,718)	(113,308)	(83,718)
Net	57,827,693	41,583,969	50,557,179	29,860,838

## 7. Related parties transactions

Significant related transactions are as follows:

7.1 The Company and subsidiaries are related as follows:

The companies	Type of Bussiness	Type of relation
C. V. A. CO., LTD.	Motorcycle Hire-purchase	Subsidiary company
CHAYAPAK CO., LTD.	Automobile Hire-purchase	Subsidiary company
S. P. INTERNATIONAL CO., LTD.	Vehicles Distributor	Share major shareholder and board of directors
S. P. BUILDING CO., LTD.	Property leasehold	Share major shareholder and board of directors
S. P. SUZUKI PUBLIC CO., LTD.	Motorcycle Distributor	Share major shareholder and board of directors
ZINPHOL CO., LTD.	Motorcycle Distributor	Subsidiary company of S. P. SUZUKI PUBLIC CO., LTD.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

7.2 Significant outstanding balances with related parties are as follows:

Unit : Baht

Related parties	Descriptions	Consolidated		The Company	
		2005	2004	2005	2004
EMPLOYEES	Other receivables	40,157	92,552	40,157	92,552
C.V.A. CO., LTD.	Accrued income	-	-	1,577,300	5,039,137
	Loan to	-	-	-	255,000,000
	Investment in subsidiary	-	-	211,921,171	203,539,126
	Loan from	-	-	109,000,000	-
	Accrued expenses	-	-	571,185	-
CHAYAPAK CO., LTD.	Accrued income	-	-	1,523,965	454,964
	Loan to	-	-	248,000,000	120,000,000
	Investment in subsidiary	-	-	176,594,839	147,837,203
S.P. INTERNATIONAL CO., LTD.	Accrued management fee	-	9,000,000	-	3,600,000
	Accrued expense-others	636,138	1,347,177	518,776	1,202,540
S.P. SUZUKI PUBLIC CO., LTD.	Accrued expense-others	376,660	-	339,278	-
ZINPHOL CO., LTD.	Other receivables	173,700	-	173,700	-
	Accrued income	49,733	22,110	49,733	22,110

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 7.3 Significant related revenues and expenses are as follows:

Unit : Baht

Related parties	Consolidated		The Company		Pricing policy
	2005	2004	2005	2004	
<u>EMPLOYEE</u>					
Hi-purchase income	21,158	150,632	21,158	150,632	Mutual agree
<u>C.V.A. CO., LTD.</u>					
Service income	-	-	29,601,200	49,301,400	Mutual agree
Interest income	-	-	4,279,726	25,940,383	MOR
Others income	-	-	160	505,200	Cost
Share of profit from investments	-	-	8,382,045	57,125,234	% of holding
Interest expenses	-	-	1,977,780	-	MOR
<u>CHAYAPAK CO., LTD.</u>					
Interest income	-	-	17,231,691	6,991,562	MOR
Others income	-	-	15,384	45,920	Cost
Share of profit from investments	-	-	28,757,636	37,721,519	% of holding
Interest expenses	-	-	-	22,192	MOR
<u>S.P. INTERNATIONAL CO., LTD.</u>					
Rental and service	14,535,140	12,716,543	11,634,080	9,611,183	Per contract
Management fee	9,000,000	9,000,000	3,600,000	3,600,000	Per contract
Utilities expense	2,863,035	2,460,547	2,161,754	1,796,204	Cost
Stationery fee	1,555,272	1,212,310	1,536,929	1,071,691	Cost
Other expense	3,548,495	6,061,906	2,831,247	5,520,261	Market price
<u>S.P. BUILDING CO., LTD.</u>					
Other expense	-	500,000	-	500,000	Per contract
<u>S.P. SUZUKI PUBLIC CO., LTD.</u>					
Sale promotion income	1,491,303	1,576,058	1,491,302	1,576,058	Market price
Other expense	1,718,258	-	1,680,875	-	Market price
<u>ZINPHOL CO., LTD.</u>					
Other income	342,869	361,367	342,869	361,367	Market price
Gain (loss) on disposal of	469,021	697,485	456,927	(74,107)	Market price

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

Loan to/from subsidiaries during the years ended December 31, 2005 and 2004 are as follows:

Unit : Baht

Loans to	B/F	Movement		C/F	Interest Policy
		Addition	Settlement		
Year 2005					Interest rate
C. V. A. CO.,LTD.	255,000,000	94,000,000	(349,000,000)	-	MOR
CHAYAPAK CO.,LTD.	120,000,000	520,000,000	(392,000,000)	248,000,000	MOR
Total	375,000,000	614,000,000	(741,000,000)	248,000,000	
Year 2004					Interest rate
C. V. A. CO.,LTD.	468,000,000	145,000,000	(358,000,000)	255,000,000	MOR
CHAYAPAK CO.,LTD.	160,000,000	245,000,000	(285,000,000)	120,000,000	MOR
Total	628,000,000	390,000,000	(643,000,000)	375,000,000	

Unit : Baht

Loans from	B/F	Movement		C/F	Interest Policy
		Addition	Settlement		
Year 2005					Interest rate
C. V. A. CO.,LTD.	-	151,000,000	(42,000,000)	109,000,000	MOR
Year 2004					Interest rate
CHAYAPAK CO.,LTD.	-	25,000,000	(25,000,000)	-	MOR

7.4 The Company and the subsidiaries have the pricing policy for purchase, sale and services with the related parties at the market price the same basis as to other parties in the normal course of business.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 7.5 Investments for using the equity method

Unit : Baht

	Paid-up share capital		Percentage of holding		Investment	
	2005	2004	2005	2004	2005	2004
C. V. A. Co., Ltd.	50,000,000	50,000,000	99.99%	99.99%	49,993,000	49,993,000
Chayapak Co., Ltd.	40,000,000	40,000,000	99.99%	99.99%	43,993,400	43,993,400
Total investment-cost					93,986,400	93,986,400
Add Share of profit from investments cumulative balance					292,494,670	258,054,989
Less Amortization of goodwill					(665,060)	(665,060)
Investments at equity method					385,816,010	351,376,329

The cost of investments exceed the net assets value of Chayapak Co., Ltd. at the inception of the acquisition amounting to Baht 665,060 regarded as goodwill was totally charged to the income statements in year 2003.

## 8. Short-term loans

Short-term loans were loans of subsidiaries to 3 agents, bearing interest rate at 8% p.a. The maturity of the loans is in April and December 2006 The loans were guaranteed with ownership of vehicles.

## 9. Repossessed vehicles for sale, net

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Within one year	170,283,133	31,684,502	165,386,741	23,696,002
More than one year	1,607,070	871,168	1,113,046	414,201
Less Allowance for decline in value	(44,177,854)	(7,208,069)	(42,459,732)	(5,153,402)
Net	127,712,349	25,347,601	124,040,055	18,956,801

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 10. Long-term loans

Long-term loans were loans to 2 agents, bearing interest rate at 8% p.a. The maturity of the loans is in year 2009. The loans were guaranteed with ownership of vehicles.

## 11. Property, plant and equipment, net

The details, the increase and decrease of property, plant and equipment can be summarized as follows:

Consolidated

Unit : Baht

	2005			2004		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	12,617,251	-	12,617,251	12,617,251	-	12,617,251
Buildings	23,818,434	12,882,751	10,935,683	23,818,434	11,710,732	12,107,702
Improvement building	21,542,570	6,739,399	14,803,171	12,925,388	2,741,488	10,183,900
Furniture & equipment	36,566,580	16,308,674	20,257,906	28,272,092	11,148,384	17,123,708
Vehicles	45,943,049	25,481,781	20,461,268	46,941,725	22,308,580	24,633,145
Total	140,487,884	61,412,605	79,075,279	124,574,890	47,909,184	76,665,706
	Net value at beginning	Purchased	Disposal	Depreciation	Transfer in (out)	Net value at ending
Land	12,617,251	-	-	-	-	12,617,251
Buildings	12,107,702	-	-	1,172,019	-	10,935,683
Improvement building	10,183,900	8,617,182	-	3,997,911	-	14,803,171
Furniture & equipment	17,123,708	8,855,860	412,541	5,309,121	-	20,257,906
Vehicles	24,633,145	4,952,486	3,476,333	5,648,030	-	20,461,268
Total	76,665,706	22,425,528	3,888,874	16,127,081	-	79,075,279

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

The Company

Unit : Baht

	2005			2004		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	7,801,881	-	7,801,881	7,801,881	-	7,801,881
Buildings	15,291,515	7,801,244	7,490,271	15,291,515	7,055,571	8,235,944
Improvement building	20,143,467	5,883,545	14,259,922	11,526,285	2,075,211	9,451,074
Furniture & equipment	31,387,777	11,897,865	19,489,912	23,028,411	7,171,443	15,856,968
Vehicles	42,868,114	22,449,153	20,418,961	42,696,490	18,315,549	24,380,941
Total	117,492,754	48,031,807	69,460,947	100,344,582	34,617,774	65,726,808

	Net value at beginning	Purchased	Disposal	Depreciation	Transfer in (out)	Net value at ending
Land	7,801,881	-	-	-	-	7,801,881
Buildings	8,235,944	-	-	745,673	-	7,490,271
Improvement building	9,451,074	8,617,182	-	3,808,334	-	14,259,922
Furniture & equipment	15,856,968	8,840,533	350,950	4,856,639	-	19,489,912
Vehicles	24,380,941	4,952,486	3,426,217	5,488,249	-	20,418,961
Total	65,726,808	22,410,201	3,777,167	14,898,895	-	69,460,947

As of December 31, 2005 depreciable assets amount of Baht 22.1 million were fully depreciated. These fully depreciated assets are still in use for the Company and subsidiaries' operations (for the Company the amount of Baht 15.89 million).

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 12. Intangible assets, net

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Computer software	79,759,107	76,104,450	34,759,107	31,104,450
Leasehold rights	3,780,000	3,140,000	1,760,000	1,120,000
Less Accumulated amortization-B/F	(57,254,582)	(41,631,961)	(24,566,442)	(18,190,885)
Less Amortization for the period	(16,199,201)	(15,622,621)	(6,980,173)	(6,375,557)
Net	10,085,324	21,989,868	4,972,492	7,658,008

## 13. Other non-current assets

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Non-performing assets	35,157,281	35,495,284	5,707,856	5,707,855
Others	8,634,939	6,098,403	7,439,386	4,516,750
Total	43,792,220	41,593,687	13,147,242	10,224,605

Non-performing assets are assets which were not used in operation consist of land and building, which the Company and subsidiaries temporarily discontinued to use. The appraisal value of the land are approximately at Baht 52.82 million (as of June 2003) when compared with the price determined by the Department of Land (for the Company the amount of Baht 13.95 million).

In year 2005, the subsidiary was ceded non-performing lands at the cost of Baht 0.33 million by the Highway Department with the compensation of Baht 5.08 million.



## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 14. Bank overdrafts and short-term loans from financial institutions

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Bank overdrafts	26,658,650	108,034,909	24,907,682	74,973,721
Loans from financial institutions	2,434,287,767	2,890,092,487	1,776,787,767	1,733,092,487
Total	2,460,946,417	2,998,127,396	1,801,695,449	1,808,066,208

As of December 31, 2005, the Company and subsidiaries have credit facilities with financial institutions covering overdraft of Baht 171 million, short-term loans of Baht 3,950 million and in foreign currencies of USD 3.39 million, bearing interest at the rate 3.5% - 4.75% per annum.

The credit facilities are secured by the related company, hire-purchase contracts, the directors of the Company and subsidiaries, and fixed deposits.

## 15. Long-term loans

Long-term loans were bill of exchange without collateral of the financial institution, bearing interest at the rate 4.5% p.a. The maturity of the loans is on June 2007.

## 16. Debentures

On July 4, 2005, the Company issued two lots of debentures to some certain groups of institutional investors. The first lot is in the amount of Baht 545 million (545,000 units at Baht 1,000 per unit) and bears interest at 4.2% p.a. with the maturity fall in year 2007. The second lot is in the amount of Baht 200 million (200,000 units at Baht 1,000 per unit) and bears interest at 4.8% p.a. with the maturity fall in year 2009. All the interest payable is semi annual.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 17. Dividends and legal reserve

On April 28, 2004, shareholders' meeting approved dividend payment of Baht 175 million at Baht 0.35 per share from the Company's net profit of 2003. The dividend was paid on May 27, 2004.

On April 21, 2005, shareholders' meeting approved dividend payment of Baht 190 million at Baht 0.38 per share from the Company's net profit of 2004. The dividend was paid on May 20, 2005.

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit, after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of its registered share capital. This reserve is not available for dividend distribution.

## 18. Revenues

Revenues of the Company and subsidiaries for the year as follows:

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
Hire-purchase incomes, net				
Motorcycles	1,497,751,342	1,214,594,743	1,383,647,456	873,569,769
Automobiles	182,015,587	181,519,161	38,714,675	23,572,066
Total	1,679,766,929	1,396,113,904	1,422,362,131	897,141,835
Other incomes				
Services incomes	92,967,673	57,901,740	108,504,176	88,541,863
Income from late payment penalty	30,136,678	23,630,109	16,102,767	11,925,713
Interest income	1,097,467	71,784	21,846,139	32,931,944
Bad debt recovery	29,293,729	24,750,457	25,066,336	21,557,497
Collection income	51,533,035	27,120,494	31,458,224	14,982,403
Services charge income	16,735,644	15,237,215	15,135,840	13,192,285
Compensation income	124,484,487	3,479,856	123,877,354	3,312,680
Others	68,104,681	51,863,874	54,792,224	35,999,009
Total	414,353,394	204,055,529	396,783,060	222,443,394

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 19. Segment financial information

The Company and subsidiaries operations mainly involve a single industry in hire-purchase on motorcycle and automobile, and are carried on in the single geographic area only in Thailand.

## 20. Employees and related costs

	Consolidated		The Company	
	2005	2004	2005	2004
Number of employees at end of period (Persons)	1,315	1,176	1,089	744
Employee cost (Million Baht)	281.24	213.64	216.01	146.15
Contribution to provident fund (Million Baht)	0.65	0.62	0.54	0.52

## 21. Disclosure of financial instruments

## 21.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company and subsidiaries. To control the risk, the Company and subsidiaries have a prudent credit control policy, constant follow up account receivable, vary large number of customers base, and deposits and advances and the vehicles as collateral. Therefore, the management of the Company and subsidiaries do not anticipate losses from debt collection in excess of the allowance for doubtful debts already set up in the financial statements.

## 21.2 Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Company and subsidiaries expect that the interest rate risk are not significant since the deposits are current account, and loans are carry interest at rates close to current market rates. Information regarding interest rates and due dates are disclosed in financial statements (Note 4, 7, 14, 15 and 16).

## 21.3 Foreign currency risk

The Company and subsidiaries have certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates. However, the management believes that the foreign exchange rate risk is insignificant. Hence, the Company and subsidiaries do not use financial derivatives instruments to mitigate this risk.

## THITIKORN PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## Notes to Financial Statements (Continued)

## 21.4 Fair value of financial instruments

The following method and assumptions were used by the Company and subsidiaries in estimating fair value of financial assets and financial liabilities and believe that the fair value of financial assets and financial liabilities do not materially differ from their carrying value.

- Cash and cash equivalent, trade account receivables, and related parties transactions carry values approximately at the fair value because these monetary assets will be due in a short period.
- Bank overdrafts, short-term loans from financial institutions, trade account payables, related parties transactions and long-terms loans carry values approximately at the fair value because these monetary liabilities will be due in a short period.

## 22. Commitment and contingent liabilities

22.1 As of December 31, 2005, time deposits amount of Baht 24 million of Subsidiaries have been pledged with bank as guarantee for overdrafts facilities.

22.2 As of December 31, 2005, the Company and subsidiaries have commitments to bank according to letter of guarantee facilities in the amount of Baht 5 million. Most of the facilities were not yet drawn.

22.3 As of December 31, 2005, the Company and subsidiaries have commitments under operating lease agreements for their offices and branches. These agreements are commencing and will terminate on various dates ranging from 3 years to 11 years. The annual rent are approximately Baht 19.85 million and Baht 16.2 million in 2005 and in 2004 respectively.

-----