

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Years Ended December 31, 2009 and 2008

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thitikorn Public Company Limited

I have audited the consolidated balance sheet of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited the balance sheet of Thitikorn Public Company Limited as at December 31, 2009, and the related statements of income, changes in shareholders' equity and cash flows for the year 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 audit. The consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries and the separate financial statements of Thitikorn Public Company Limited for the year ended December 31, 2008, which are presented herewith for comparative purpose, were audited by another auditor in my office whose report dated February 25, 2009, expressed an unqualified opinion on those financial statements.

I conducted my audit 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 estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides 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 Thitikorn Public Company Limited and its subsidiaries and of Thitikorn Public Company Limited as at December 31, 2009, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

Bangkok
February 23, 2010

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

ASSETS

		In Thousand Baht				
		Consolidated		The Company Only		
Note		2009	2008	2009	2008	
CURRENT ASSETS						
	Cash and cash equivalents	7	37,869	38,912	33,355	35,540
	Trade receivables					
	- Current portion of hire-purchase contract receivables - net	8	2,931,541	2,719,172	2,637,459	2,561,243
	- Other receivables - net	9	54,713	59,234	52,222	57,524
	Receivables from and short-term loan to related parties	6	5,151	11,669	438,004	20,288
	Current portion of long-term loans to other parties	13	13,405	1,080	13,405	1,080
	Asset foreclosed - net	10	144,225	165,892	142,982	165,363
	Other current assets		54,021	49,946	14,229	46,764
	Total Current Assets		<u>3,240,925</u>	<u>3,045,905</u>	<u>3,331,656</u>	<u>2,887,802</u>
NON-CURRENT ASSETS						
	Restricted deposits at financial institutions	11	25,000	25,000	-	-
	Hire-purchase contract receivables - net	8	3,079,062	2,499,647	2,334,146	2,236,224
	Investments in subsidiaries accounted for using the cost method	12	-	-	93,986	93,986
	Long-term loans to other parties - net	13	21,087	26,720	21,087	26,720
	Property, plant and equipment - net	6, 14	126,652	109,714	117,083	98,220
	Intangible assets - net		4,103	6,348	3,934	6,017
	Deferred tax assets	22	106,419	115,816	89,739	94,789
	Assets not used in operations	15	35,157	35,157	5,708	5,708
	Other non-current assets		7,221	9,111	4,489	4,370
	Total Non-Current Assets		<u>3,404,701</u>	<u>2,827,513</u>	<u>2,670,172</u>	<u>2,566,034</u>
	TOTAL ASSETS		<u><u>6,645,626</u></u>	<u><u>5,873,418</u></u>	<u><u>6,001,828</u></u>	<u><u>5,453,836</u></u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2009	2008	2009	2008
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	16	1,515,868	1,468,735	1,064,711	1,236,155
Trade payables			-		-
- Related party	6	18,812	9,983	18,812	9,983
- Other parties		78,770	44,924	78,770	44,924
Current portion of debentures	18	-	200,000	-	200,000
Current portion of long-term loans	17	600,000	-	600,000	-
Payables to and short-term loans from related parties	6	2,585	3,203	199,420	189,325
Income tax payable		61,225	51,131	61,101	51,131
Deposits and advances from customers		106,178	114,567	100,023	107,537
Accrued expenses and other current liabilities		78,794	59,975	72,264	55,711
Total Current Liabilities		2,462,232	1,952,518	2,195,101	1,894,766
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	17	1,300,000	1,200,000	1,300,000	1,200,000
Other non-current liabilities		18,718	20,038	11,800	12,700
Total Non-Current Liabilities		1,318,718	1,220,038	1,311,800	1,212,700
Total Liabilities		3,780,950	3,172,556	3,506,901	3,107,466
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Issued and fully paid-up share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Premium on shares	19	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	19	50,000	50,000	50,000	50,000
- Unappropriated		1,341,689	1,177,875	971,940	823,383
Total Shareholders' Equity		2,864,676	2,700,862	2,494,927	2,346,370
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,645,626	5,873,418	6,001,828	5,453,836

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2009	2008	2009	2008
REVENUES					
	Hire-purchase income	1,959,496	1,791,206	1,905,694	1,751,672
	Other income	722,372	717,821	715,250	701,145
	Total Revenues	2,681,868	2,509,027	2,620,944	2,452,817
EXPENSES					
	General and administrative expenses	1,520,253	1,424,163	1,477,604	1,385,444
	Bad debt and provision for doubtful accounts	573,035	530,903	579,007	530,212
	Total Expenses	2,093,288	1,955,066	2,056,611	1,915,656
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		588,580	553,961	564,333	537,161
	Finance costs	133,319	112,974	129,750	117,524
	Income tax	121,447	115,048	116,026	106,410
NET PROFIT		333,814	325,939	318,557	313,227
Earnings per share (Baht)		0.67	0.65	0.64	0.63

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		In Thousand Baht				
		Consolidated				
		Retained Earnings				
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	Total
	Note					
Beginning Balance as at January 1, 2009		500,000	972,987	50,000	1,177,875	2,700,862
Dividends paid	23	-	-	-	(170,000)	(170,000)
Net profit		-	-	-	333,814	333,814
Balance as at December 31, 2009		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,341,689</u>	<u>2,864,676</u>
Beginning Balance as at January 1, 2008		500,000	972,987	50,000	1,011,936	2,534,923
Dividends paid	23	-	-	-	(160,000)	(160,000)
Net profit		-	-	-	325,939	325,939
Balance as at December 31, 2008		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,177,875</u>	<u>2,700,862</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		In Thousand Baht				
		The Company Only				
		Retained Earnings				
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	Total
	Note					
Beginning Balance as at January 1, 2009		500,000	972,987	50,000	823,383	2,346,370
Dividends paid	23	-	-	-	(170,000)	(170,000)
Net profit		-	-	-	318,557	318,557
Balance as at December 31, 2009		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>971,940</u>	<u>2,494,927</u>
Beginning Balance as at January 1, 2008		500,000	972,987	50,000	670,156	2,193,143
Dividends paid	23	-	-	-	(160,000)	(160,000)
Net profit		-	-	-	313,227	313,227
Balance as at December 31, 2008		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>823,383</u>	<u>2,346,370</u>

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	455,261	440,987	434,583	419,637
Adjustments				
Depreciation and amortization	34,434	32,009	32,346	30,064
Unrealized loss (gain) on exchange rate	(255)	1,985	(255)	1,985
Bad debt and provision for doubtful accounts	573,035	530,903	579,007	530,212
Increase (Decrease) in allowance for diminution in value of asset foreclosed	(10,597)	6,351	(10,879)	6,103
Loss on written-off assets	4,020	-	-	-
Gain on sales of equipment	(3,118)	(1,092)	(2,986)	(585)
Interest income	(3,162)	(2,878)	(9,976)	(2,417)
Interest expense	133,319	112,974	129,750	117,524
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(1,351,663)	(919,595)	(740,603)	(948,188)
Trade receivables - other	(8,735)	(18,449)	(7,240)	(17,963)
Other receivables from related parties	6,518	(7,518)	6,263	(8,059)
Asset foreclosed	32,264	(16,659)	33,260	(16,457)
Other current assets	(4,109)	(22,881)	32,573	(20,088)
Other non-current assets	(2,130)	(1,229)	(119)	1,861
Increase (Decrease) in operating liabilities :				
Trade payables - related party	8,829	(1,983)	8,829	(1,983)
Trade payables - other parties	33,846	(14,622)	33,846	(14,622)
Other payables to related parties	(618)	1,208	(378)	4,083
Deposits and advances from customers	(8,389)	(60,987)	(7,514)	(61,191)
Accrued expenses and other current liabilities	21,834	(1,292)	19,568	455
Other non-current liabilities	(1,320)	(1,862)	(900)	(1,060)
	(90,736)	55,370	529,175	19,311
Income tax paid	(101,956)	(99,832)	(101,006)	(95,986)
Net Cash Provided by (Used in) Operating Activities	(192,692)	(44,462)	428,169	(76,675)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term loans to other parties	-	1,000	-	-
Increase in short-term loans to related party	-	-	(422,000)	(8,000)
Increase in long-term loans to other parties	(6,692)	(5,160)	(6,692)	(5,160)
Purchases of fixed assets	(53,608)	(38,895)	(53,607)	(37,123)
Proceeds from sales of equipment	7,834	4,780	7,702	4,273
Purchases of intangible assets	(235)	(1,459)	(235)	(1,460)
Interest received	3,296	2,811	7,959	2,303
Net Cash Used in Investing Activities	(49,405)	(36,923)	(466,873)	(45,167)

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans				
from financial institutions	47,388	(251,958)	(171,189)	(206,276)
Proceeds from long-term loans	700,000	600,000	700,000	600,000
Redemption of debentures	(200,000)	-	(200,000)	-
Increase in short-term loans from related parties	-	-	10,580	2,200
Dividends paid	(170,000)	(160,000)	(170,000)	(160,000)
Interest paid	(136,334)	(113,606)	(132,872)	(118,161)
Net Cash Provided by Financing Activities	241,054	74,436	36,519	117,763
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,043)	(6,949)	(2,185)	(4,079)
Cash and Cash Equivalents at Beginning of Year	38,912	45,861	35,540	39,619
CASH AND CASH EQUIVALENTS AT END OF YEAR	37,869	38,912	33,355	35,540
Supplementary disclosures of cash flow information				
Cash and cash equivalents at end of year				
Cash in hand	7,218	7,140	6,760	6,935
Current accounts at banks	26,198	31,554	22,142	28,387
Savings deposits at bank	4,453	218	4,453	218
Total	37,869	38,912	33,355	35,540

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

1. GENERAL INFORMATION

Thitikorn Public Company Limited (“the Company”) was incorporated in Thailand and has its registered office at 69 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240, Thailand.

The Company was listed on the Stock Exchange of Thailand in 2003.

The major shareholder is Sinthonglor Company Limited (incorporated in Thailand which holds 42.36% of the shares).

The Company and its subsidiaries operate in Thailand and principally engage in vehicles hire-purchase business. Details of the Company’s subsidiaries are as follows:

<u>Name of Subsidiary</u>	<u>Type of business</u>	<u>In Thousand Baht</u>		<u>Percentage of</u>	
		<u>Paid-up Share</u>		<u>Direct and Indirect</u>	
		<u>Capital</u>		<u>Holdings (%)</u>	
		<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
		<u>31, 2009</u>	<u>31, 2008</u>	<u>31, 2009</u>	<u>31, 2008</u>
C. V. A. Co., Ltd.	Hire-purchase motorcycle business	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

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”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The financial statements are presented in Thai Baht unless otherwise stated. They are prepared on the historical cost convention except as disclosed in the accounting policies.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects current and future periods.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

On May 15, 2009, FAP has made the announcement No. 12/2552 to renumber TAS to be the same as International Accounting Standards.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

FAP has issued Notification No. 86/2551 regarding accounting standards. These accounting standards will become effective for the financial statements for fiscal years beginning on or after January 1, 2009. The notification mandates the use of the following new accounting standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-Current Assets Held for Sale and Discontinued Operations

The Company's management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for current periods in which they are initially applied.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, cheques in-transit, deposits at financial institutions, fixed deposit, and current investment with maturity period not over 3 months except for deposits at bank held as collateral.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Trade Receivables

Trade receivables are stated at their invoice values less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Hire-purchase receivables are stated at net realizable value which resulted from carrying book value less unearned income and allowance for doubtful accounts. The Company and its subsidiaries provide their allowance for doubtful accounts of hire-purchase receivables based on the age of the total amount of outstanding balance of each contract less unearned income and collaterals of automobiles. The percentages of allowance for doubtful accounts are described as follows:

Period	Allowance for doubtful accounts (%)	
	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 for doubtful accounts of hire-purchase receivables - automobile is calculated based on outstanding balance past due not over 6 months less collaterals at 80%, outstanding balance past due 7-12 months less collaterals at 50% and outstanding balance past due more than 12 months less no collaterals.

Asset Foreclosed

Asset foreclosed is stated at the lower of net receivable balance or net realizable value from proceeds to be received from the sale of the foreclosed asset.

Net realized value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Company and subsidiaries estimate loss of the outstanding vehicles at the percentages as follows:

Aging less than one year	30%
Aging more than one year	100%

Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less impairment loss (if any).

Property, Plant and Equipment and Depreciation

Owned assets

Land is stated at cost less impairment losses (if any). Plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Borrowing costs

The Group capitalized its borrowing cost during the period of construction of building and improvements as cost of project. The Group will cease to capitalize its borrowing cost when the construction is finished and ready for use.

Depreciation

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

Buildings and building improvements	20 years
Buildings and building improvements on rented land	10 years, 20 years, and over the period of lease contracts
Furniture, fixtures and office equipment	5 years and 10 years
Vehicles	5 years

No depreciation has been provided for land and construction in process.

Intangible Assets

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and impairment losses (if any), which are amortized upon the period of lease contracts.

Software licenses

Software licenses are stated at cost less accumulated amortization and impairment losses (if any), which are amortized on a straight-line method over the estimated useful lives of 5 years.

Amortization

Amortization is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated economic useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite economic useful life are not amortized but are systematically tested for impairment at each balance sheet date.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Impairment of Assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and when indicators of impairment are identified.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of income even though the financial asset has not been derecognized. The amount of loss recognized in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of income.

Calculation of recoverable amount

The recoverable amount of assets is the greater of the assets' net selling price and value in use. 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.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. However, an impairment loss in respect of goodwill (if any) is not reversed.

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 amortization, if no impairment loss had been recognized.

Trade and Other Payables

Trade and other payables are stated at cost.

Employee Benefits

The Company and its subsidiaries and their employees have jointly established a provident fund as approved by the Ministry of Finance in accordance with the Provident Fund Act (B.E. 2530). Contributions are made to the fund by the employees at the rate of 3% of salary and the Company and its subsidiaries at the rate of 3% of salary. Provident fund contribution is recorded as expense in the year incurred.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Provisions

A provision is recognized in the balance sheet when the Group 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenues

Interest income from hire-purchase

The Company and its subsidiaries recognize interest income on hire-purchase as unearned interest income in each installment period based on the effective interest rate method for new hire-purchase agreements made starting from 2008 and the sum-of-digits method for hire-purchase agreements made before 2008. Income from each installment is recognized on an accrual basis (based on the due date of the installment irrespective of actual collection). The Company and its subsidiaries cease recognition of income when the receivables are overdue more than 3 installments, unless there is an indication of inability to repay, when income recognition is ceased immediately.

Rental income

Rental income from investment property is recognized in the statement of income on a straight-line basis over the term of the lease.

Interest and dividend income

Interest income is recognized in the statement of income on an accrual basis. Dividend income is recognized in the statement of income on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

Expenses

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of income as an integral part of the total lease payments made.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided, using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings per Share

Earnings per share is calculated by dividing the net profit for the year by the weighted average number of common shares outstanding during the year (500,000,000 shares).

5. INTEREST INCOME FROM HIRE-PURCHASE

Prior to 2008, the Company and its subsidiaries recognize interest income on hire-purchase as unearned interest income in each installment period based on the sum-of-digits method. Starting from January 1, 2008, the Company and its subsidiaries recognize interest income on hire-purchase as unearned interest income in each installment period based on the effective interest rate method for new hire-purchase agreements made starting from 2008 to conform to the change in the Thai Accounting Standard No. 17 “Accounting for Lease (revised 2007)”.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

6. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of a company.

Types of relationship of related parties are as follows:

<u>Name of Companies</u>	<u>Type of business</u>	<u>Type of relationship</u>
C. V. A. Company Limited	Hire-purchase motorcycle	Subsidiary
Chayapak Company Limited	Hire-purchase automobile	Subsidiary
S. P. International Co., Ltd.	Sale automobile and related services	Co-directors & shareholders
S. P. Suzuki Public Co., Ltd.	Sale motorcycle	Co-directors & shareholders
Zinphol Company Limited	Dealer of motorcycle sale and hire-purchase	Subsidiary of S.P. Suzuki Public Co., Ltd.
Lexus Bangkok Co., Ltd.	Sale automobile	Co-directors & shareholders
Toyota Pathumthani Toyota's Dealer Co., Ltd.	Sale automobile and related services	Co-directors & shareholders
Napas Co., Ltd.	Transport motorcycle	Co-directors & shareholders in subsidiaries

Pricing policies for each transaction with related parties are as follows:

<u>Type of Transaction</u>	<u>Pricing policies</u>
Service income	Mutual agreement
Interest income	MOR
Sales promotion income	Mutual agreement
Other income	Cost
Rental and services	Contract price
Management fee	Contract price
Utility expenses	Cost
Sales promotion expenses	Mutual agreement
Collection fee	Mutual agreement
Stationery expense	Cost
Other expenses	Mutual agreement
Service expenses	Mutual agreement
Interest expense	MOR
Disposal of asset foreclosed	Market price
Purchase for hire-purchases	Market price
Purchase of fixed assets	Market price

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2009 and 2008 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Service income				
Chayapak Company Limited	-	-	8,088	8,680
C.V.A. Company Limited	-	-	13	21
Total	-	-	8,101	8,701
Interest income				
Chayapak Company Limited	-	-	7,166	150
Sales promotion income				
S.P. Suzuki Public Company Limited	25,200	27,579	25,200	27,579
Other income				
Zinphol Company Limited	308	1,134	15	188
Chayapak Company Limited	-	-	118	113
C.V.A. Company Limited	-	-	-	1
Total	308	1,134	133	302
Rental and services				
S.P. International Company Limited	16,090	16,029	13,638	13,578
Management fee				
S.P. International Company Limited	9,000	9,000	7,200	6,000
Utility expenses				
S.P. International Company Limited	3,384	3,216	3,154	3,006
Sales promotion expenses				
Zinphol Company Limited	15,064	16,532	15,064	16,532
Collection fee				
Zinphol Company Limited	857	524	857	524
Stationery expense				
S.P. International Company Limited	1,714	1,726	1,706	1,714
S.P. Suzuki Public Company Limited	211	408	211	408
Total	1,925	2,134	1,917	2,122
Other expenses				
S.P. International Company Limited	13,228	5,387	4,537	4,002
S.P. Suzuki Public Company Limited	3,018	4,459	3,018	4,459
Toyota Pathumthani Toyota's Dealer Co., Ltd.	838	-	10	-
Lexus Bangkok Co., Ltd.	54	30	-	-
Napas Co., Ltd.	29	120	29	120
Zinphol Company Limited	2	-	2	-
Total	17,169	9,996	7,596	8,581
Service expenses				
C.V.A. Company Limited	-	-	61,200	52,426
Interest expense				
C.V.A. Company Limited	-	-	11,610	12,848
Chayapak Company Limited	-	-	14	333
Total	-	-	11,624	13,181
Disposal of asset foreclosed				
Zinphol Company Limited	53,946	10,518	53,946	10,518

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Purchases for hire-purchases				
S.P. International Company Limited	1,060,312	157,348	-	-
Zinphol Company Limited	472,380	494,338	471,716	494,338
Toyota Pathumthani Toyota's Dealer Co., Ltd.	98,883	-	-	-
S.P. Suzuki Public Company Limited	1,987	8,486	1,987	8,486
Total	<u>1,633,562</u>	<u>660,172</u>	<u>473,703</u>	<u>502,824</u>
Purchases of fixed assets				
S.P. International Company Limited	12,470	11,943	12,470	11,943
Toyota Pathumthani Toyota's Dealer Co., Ltd.	1,589	-	1,589	-
Zinphol Company Limited	654	-	654	-
Total	<u>14,713</u>	<u>11,943</u>	<u>14,713</u>	<u>11,943</u>

Significant outstanding balances with related parties as at December 31, 2009 and 2008 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Receivables and short-term loan				
Accrued income				
S.P. Suzuki Public Company Limited	4,548	9,089	4,548	9,089
Zinphol Company Limited	603	2,580	586	2,459
Chayapak Company Limited	-	-	2,870	738
C.V.A. Company Limited	-	-	-	2
Total	<u>5,151</u>	<u>11,669</u>	<u>8,004</u>	<u>12,288</u>
Short-term loan				
Chayapak Company Limited (Interest rate at 6.125 - 7% p.a. in 2009 and 7.125 - 7.50% p.a. in 2008)	-	-	430,000	8,000
Total	<u>5,151</u>	<u>11,669</u>	<u>438,004</u>	<u>20,288</u>
Trade payables				
Zinphol Company Limited	18,812	9,983	18,812	9,983
Payables and short-term loan				
Accrued expenses				
Zinphol Company Limited	1,488	1,669	1,488	1,669
S.P. International Company Limited	857	1,237	830	1,191
S.P. Suzuki Public Company Limited	180	284	180	284
Napas Co., Ltd.	60	13	60	13
C.V.A. Company Limited	-	-	6,082	5,964
Chayapak Company Limited	-	-	-	4
Total	<u>2,585</u>	<u>3,203</u>	<u>8,640</u>	<u>9,125</u>
Short-term loan				
C.V.A. Company Limited (Interest rate at 6.125 - 7% p.a. in 2009 and 7.125 - 7.50% p.a. in 2008)	-	-	190,780	180,200
Total	<u>2,585</u>	<u>3,203</u>	<u>199,420</u>	<u>189,325</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

The significant movements of loans from and loans to related parties during the year are as follows:

	The Company Only (In Thousand Baht)			December 31, 2009
	December 31, 2008	Increase	Decrease	
Short-term loan to subsidiary				
Chayapak Company Limited	8,000	951,000	529,000	430,000
Short-term loan from subsidiary				
C.V.A. Company Limited	180,200	87,700	77,120	190,780

As at December 31, 2009, the Company was guarantor for the short-term loan credit facilities granted by a local bank of Chayapak Co., Ltd. amounting to Baht 600 million.

7. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Cash	7,218	7,140	6,760	6,935
Deposits at financial institutions	30,651	31,772	26,595	28,605
Total	37,869	38,912	33,355	35,540

8. HIRE-PURCHASE CONTRACT RECEIVABLES - NET

	Consolidated (In Thousand Baht)					
	2009			2008		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	8,892,766	4,906,902	3,985,864	7,890,775	4,574,833	3,315,942
Less Unearned income	(2,536,275)	(1,703,685)	(832,590)	(2,304,638)	(1,564,446)	(740,192)
Net	6,356,491	3,203,217	3,153,274	5,586,137	3,010,387	2,575,750
Less Allowance for doubtful accounts	(345,888)	(271,676)	(74,212)	(367,318)	(291,215)	(76,103)
Net	6,010,603	2,931,541	3,079,062	5,218,819	2,719,172	2,499,647

	The Company Only (In Thousand Baht)					
	2009			2008		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,652,473	4,495,872	3,156,601	7,327,261	4,313,255	3,014,006
Less Unearned income	(2,389,129)	(1,636,375)	(752,754)	(2,229,824)	(1,523,744)	(706,080)
Net	5,263,344	2,859,497	2,403,847	5,097,437	2,789,511	2,307,926
Less Allowance for doubtful accounts	(291,739)	(222,038)	(69,701)	(299,970)	(228,268)	(71,702)
Net	4,971,605	2,637,459	2,334,146	4,797,467	2,561,243	2,236,224

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Hire-purchase contract receivables at December 31, 2009 and 2008 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Current	4,480,285	3,752,944	3,612,883	3,452,891
Overdue 1 month	867,096	836,014	798,638	794,147
Overdue 2 - 3 months	761,082	701,780	688,901	660,702
Overdue 4 - 6 months	125,053	133,809	100,145	107,397
Overdue 7 - 12 months	28,826	39,385	16,552	20,922
Overdue longer than 12 months	94,149	122,205	46,225	61,378
Total	6,356,491	5,586,137	5,263,344	5,097,437

The Company and its subsidiaries determine their provision for doubtful accounts in line with the 2008 policy. Such policy is not compliance with the accounting guidance for making of provision of doubtful accounts for consumer finance business which was mutually defined by the Securities and Exchange Commission (“SEC”) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”). However, based on the statistic information for the past 3 years (2006 - 2008), the Company and its subsidiaries had an average actual bad debt less than the doubtful accounts based on such basis defined by the SEC and ICAAT. As at December 31, 2009, the Company and its subsidiaries had allowance for doubtful accounts at 5.44% of hire-purchase contract receivables - net.

As at December 31, 2009, the Company and its subsidiaries have the outstanding hire-purchase contract receivables, classified by recognition method, as follows:

	Consolidated (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	493,504	8,399,262	8,892,766
Less Unearned income	(46,408)	(2,489,867)	(2,536,275)
Net	447,096	5,909,395	6,356,491

	The Company Only (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	329,390	7,323,083	7,652,473
Less Unearned income	(29,681)	(2,359,448)	(2,389,129)
Net	299,709	4,963,635	5,263,344

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

9. OTHER TRADE RECEIVABLE - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Other trade receivables	54,849	60,650	52,306	58,282
Less Allowance for doubtful accounts	(136)	(1,416)	(84)	(758)
Net	<u>54,713</u>	<u>59,234</u>	<u>52,222</u>	<u>57,524</u>

Other trade receivables are aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Current	41,916	-	39,425	-
Overdue within 3 months	12,797	59,234	12,797	57,524
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue longer than 12 months	136	1,416	84	758
Total	54,849	60,650	52,306	58,282
Less Allowance for doubtful accounts	(136)	(1,416)	(84)	(758)
Net	<u>54,713</u>	<u>59,234</u>	<u>52,222</u>	<u>57,524</u>

10. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Outstanding within one year	206,036	236,989	204,260	236,233
Outstanding longer than one year	6,674	7,985	5,810	7,098
Total	212,710	244,974	210,070	243,331
Less Allowance for diminution in value	(68,485)	(79,082)	(67,088)	(77,968)
Net	<u>144,225</u>	<u>165,892</u>	<u>142,982</u>	<u>165,363</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

11. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2009 and 2008, the subsidiaries have collateralized their fixed deposits with a local bank totalling Baht 25 million as guarantees for their overdraft lines with such bank.

12. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Holdings		Cost of Investments (In Thousand Baht)	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
C.V.A. Company Limited	50,000	50,000	99.99	99.99	49,993	49,993
Chayapak Company Limited	40,000	40,000	99.99	99.99	<u>43,993</u>	<u>43,993</u>
Total					<u>93,986</u>	<u>93,986</u>

13. LONG-TERM LOANS TO OTHER PARTIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Long-term loans to other parties	34,492	27,800	34,492	27,800
Less Current portion	(13,405)	(1,080)	(13,405)	(1,080)
Net	<u>21,087</u>	<u>26,720</u>	<u>21,087</u>	<u>26,720</u>

This account is the unsecured loans to 49 agents in 2009 and 40 agents in 2008, bearing interest rates ranging between 8% - 12% p.a. These loans mature during the years 2010 to 2014.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

14. PROPERTY, PLANT AND EQUIPMENT- NET

	Consolidated (In Thousand Baht)						
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost							
Balance as at December 31, 2007	12,617	24,221	55,189	50,791	59,270	2,819	204,907
Acquisitions	-	-	2,816	6,572	17,151	12,356	38,895
Disposals	-	-	-	(3,037)	(5,008)	-	(8,045)
Transfers in (out)	-	-	9,735	587	-	(10,322)	-
Balance as at December 31, 2008	12,617	24,221	67,740	54,913	71,413	4,853	235,757
Acquisitions	-	-	4,621	8,229	17,512	23,245	53,607
Disposals	-	-	-	(2,658)	(12,425)	-	(15,083)
Transfers in (out)	-	-	25,684	957	-	(26,641)	-
Balance as at December 31, 2009	12,617	24,221	98,045	61,441	76,500	1,457	274,281
Accumulated depreciation							
Balance as at December 31, 2007	-	15,334	24,615	27,278	33,807	-	101,034
Depreciation for the year	-	1,191	10,558	8,512	9,105	-	29,366
Depreciation for assets disposed	-	-	-	(997)	(3,360)	-	(4,357)
Balance as at December 31, 2008	-	16,525	35,173	34,793	39,552	-	126,043
Depreciation for the year	-	1,193	12,137	7,886	10,737	-	31,953
Depreciation for assets disposed	-	-	-	(864)	(9,503)	-	(10,367)
Balance as at December 31, 2009	-	17,718	47,310	41,815	40,786	-	147,629
Net book value							
December 31, 2008	12,617	7,696	32,567	20,120	31,861	4,853	109,714
December 31, 2009	12,617	6,503	50,735	19,626	35,714	1,457	126,652

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

The Company Only (In Thousand Baht)

	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost							
Balance as at December 31, 2007	7,802	15,291	54,180	45,692	51,959	2,819	177,743
Acquisitions	-	-	-	6,572	15,379	15,172	37,123
Disposals	-	-	-	(3,037)	(3,992)	-	(7,029)
Transfers in (out)	-	-	12,551	587	-	(13,138)	-
Balance as at December 31, 2008	7,802	15,291	66,731	49,814	63,346	4,853	207,837
Acquisitions	-	-	4,621	8,229	17,512	23,245	53,607
Disposals	-	-	-	(2,658)	(12,190)	-	(14,848)
Transfers in (out)	-	-	25,684	957	-	(26,641)	-
Balance as at December 31, 2009	7,802	15,291	97,036	56,342	68,668	1,457	246,596
Accumulated depreciation							
Balance as at December 31, 2007	-	9,293	23,706	22,342	30,023	-	85,364
Depreciation for the year	-	746	10,535	8,435	7,878	-	27,594
Depreciation for assets disposed	-	-	-	(997)	(2,344)	-	(3,341)
Balance as at December 31, 2008	-	10,039	34,241	29,780	35,557	-	109,617
Depreciation for the year	-	746	12,115	7,877	9,290	-	30,028
Depreciation for assets disposed	-	-	-	(864)	(9,268)	-	(10,132)
Balance as at December 31, 2009	-	10,785	46,356	36,793	35,579	-	129,513
Net book value							
December 31, 2008	7,802	5,252	32,490	20,034	27,789	4,853	98,220
December 31, 2009	7,802	4,506	50,680	19,549	33,089	1,457	117,083

As at December 31, 2009 and 2008, certain property and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 68.4 million and Baht 52.4 million, respectively (Baht 62.0 million and Baht 45.8 million, respectively, for the Company only).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

15. ASSETS NOT USED IN OPERATIONS

This account consists of land and commercial buildings of the Company and a subsidiary which are temporarily not used in operations. The appraisal value of such assets, appraised by The Valuation and Consultant Co., Ltd. using comparative market price method (market approach) per report in August 2007, amounted to approximately Baht 90.9 million (Baht 26.5 million for the Company only).

**16. BANK OVERDRAFTS AND SHORT-TERM LOANS
FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Bank overdrafts	24,112	39,795	2,955	27,215
Short-term loans	1,491,756	1,428,940	1,061,756	1,208,940
Total	1,515,868	1,468,735	1,064,711	1,236,155

As at December 31, 2009, the Company and its subsidiaries had credit facilities with several financial institutions which consisted of overdrafts lines of Baht 196 million and short-term loans in Thai Baht 4,480 million and USD 1.39 million. Such loans bear interest rates ranging between 2.30% - 5.00% per annum.

Partial overdraft lines mentioned above are secured by certain directors of the Company and subsidiaries.

Overdraft lines of subsidiaries in amount of Baht 50 million were secured by their fixed deposits as discussed in Note 11.

17. LONG -TERM LOANS - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Long-term loans	1,900,000	1,200,000	1,900,000	1,200,000
Less Current portion	(600,000)	-	(600,000)	-
Net	1,300,000	1,200,000	1,300,000	1,200,000

As at December 31, 2009, the Company obtained the unsecured long-term loans from three local financial institutions totalling Baht 1,900 million. These loans bear interest at fixed rates and interest is repayable monthly whereas loan principals are repayable between July 2010 to July 2011.

Under the terms of the loan agreements, the Company has to comply with specific conditions as follows:

1. To maintain debt to equity ratio at the rate not exceeding 7:1
2. To maintain dividend payment ratio not exceeding 60% of net profit

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

18. DEBENTURES

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Debentures	-	200,000	-	200,000
Less Current portion	-	(200,000)	-	(200,000)
Net	-	-	-	-

On July 4, 2005, the Company issued two lots of debentures to 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 maturity 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 maturity in year 2009. Interest is payable by semi-annual basis.

Under the conditions of the issuance of such debentures, the Company has to comply with specific conditions as follows:

1. To maintain debt to equity ratio at the rate not exceeding 7:1
2. To maintain dividend payment ratio not exceeding 60% of net profit

19. PREMIUM ON SHARES AND LEGAL RESERVE

Premium on shares

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

Legal reserve

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

20. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Bad debts recovery	290,862	286,573	285,500	282,099
Service income	207,163	206,576	212,017	212,174
Engagement fee income	53,005	51,273	52,992	51,259
Collection income	42,127	45,566	39,116	41,462
Delay payment fee income	28,102	32,449	24,662	27,356
Sales promotion income	25,201	27,390	25,201	27,390
Service charge income	17,504	14,377	17,101	13,994
Income from confiscation of customers’ deposits	3,692	12,812	3,684	12,809
Gain on sales of equipment	3,118	1,092	2,986	585
Others	51,598	39,713	51,991	32,017
Total	722,372	717,821	715,250	701,145

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

21. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Bad debt and provision for doubtful accounts	573,035	530,903	579,007	530,212
Employee expenses	411,953	380,182	345,939	319,637
Management's remunerations	18,615	17,866	18,615	17,866
Depreciation and amortization	34,434	32,009	32,346	30,064
Others	1,055,251	994,106	1,080,704	1,017,877
Total	<u>2,093,288</u>	<u>1,955,066</u>	<u>2,056,611</u>	<u>1,915,656</u>

22. INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES

The Company used income tax rate of 25% for the calculation of corporate income tax for the year ended December 31, 2009 and 2008 based on Section 3 and Section 4 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 475) B.E. 2551 (2008).

Subsidiaries used income tax rate of 30% for the calculation of corporate income tax for the year ended December 31, 2009 and 2008.

Corporate income tax recorded as (income) expense for the years ended December 31, 2009 and 2008 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Income tax on taxable profit	112,050	113,012	110,976	111,130
Decrease (increase) in deferred tax assets	9,397	2,036	5,050	(4,720)
Income tax presented in statements of income	<u>121,447</u>	<u>115,048</u>	<u>116,026</u>	<u>106,410</u>

Deferred tax assets and liabilities presented in balance sheets as at December 31, 2009 and 2008 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2009	2008	2009	2008
Deferred tax assets:				
Effects from non-deductible items from:				
- Allowance for doubtful accounts	89,228	95,990	72,967	75,297
- Allowance for decline in value of assets foreclosed	17,191	19,826	16,772	19,492
Total	<u>106,419</u>	<u>115,816</u>	<u>89,739</u>	<u>94,789</u>
Deferred tax liabilities	-	-	-	-
Net	<u>106,419</u>	<u>115,816</u>	<u>89,739</u>	<u>94,789</u>

23. DIVIDENDS

At the shareholders' meeting held on April 21, 2009, the shareholders unanimously approved the Company to pay dividends for the 2008 operations at Baht 0.34 per share totalling Baht 170 million. The Company has paid dividends to the shareholders on May 14, 2009.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

At the shareholders' meeting held on April 23, 2008, the shareholders unanimously approved the Company to pay dividends for the 2007 operations at Baht 0.32 per share totalling Baht 160 million. The Company has paid dividends to the shareholders on May 15, 2008.

24. SEGMENT INFORMATION

The Company and subsidiaries operate mainly in hire-purchase on automobile and motorcycle as a single industry and are carried on in Thailand as a single geographic area. Accordingly, there is no segment financial information to be disclosed.

25. FINANCIAL INSTRUMENTS

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 receivables, various number of customer base, as well as deposits, advances, and leased 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 which is already accounted for in the financial statements.

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 deposits at banks are current and loans carry interest at rates approximate the current market rates. Information regarding interest rates and due dates are disclosed in the financial statements.

Foreign currency risk

The Company and subsidiaries have certain foreign currency transactions that give rise to significant exposure to market risk from fluctuations in foreign exchange rates. However, the management believes that the foreign exchange rate risk is insignificant. Hence, no financial derivative instruments are used to mitigate this risk.

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 values of financial assets and financial liabilities do not materially differ from their carrying values.

Cash and cash equivalent, trade and other receivables, short-term loans to related party, bank overdrafts, short-term loans from financial institutions, trade and other payables, and short-term loans from related party have carrying values approximate fair values because these monetary assets and monetary liabilities will be due in a short period.

Long term hire-purchase contract receivables, long term loans, and debentures are not able to estimate fair value.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2009 and 2008

26. COMMITMENT

As at December 31, 2009, the Company and subsidiaries had lease and service agreements for office premises and branches for the periods of 3 to 12 years. Under the terms of such agreements, the Company and subsidiaries are committed to pay annual rental and service fees amounting to approximately Baht 27.3 million.

27. CAPITAL MANAGEMENT

Significant objectives of the Group's capital management are to ensure that it has an appropriate financial structure and maintain the ability to continue its business as a going concern.

As at December 31, 2009 and 2008, the Group's Debt-to-Equity ratio was 1.32:1.00 and 1.17:1.00, respectively (1.41:1.00 and 1.32:1.00 for the Company only).

28. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the consolidated statement of cash flows and separate statement of cash flows for the year ended December 31, 2008 were reclassified to conform to the presentation of the consolidated statement of cash flows and separate statement of cash flows for the year ended December 31, 2009 without effect to the net profit and shareholders' equity. Such reclassification is shown below:

	In Thousand Baht			
	Consolidated Statement of Cash Flows		Separate Statement of Cash Flows	
	Reclassified Balance	Previously Reported Balance	Reclassified Balance	Previously Reported Balance
Interest income	2,878	-	2,417	-
Other receivables from related parties	-	-	(8,059)	(8,131)
Other current assets	(22,881)	(22,948)	(20,088)	(20,130)
Interest received	2,811	-	2,303	-

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Board of Directors' meeting on February 23, 2010.