

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Years Ended December 31, 2007 and 2006

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, 2007, 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, 2007, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended. The management of the Company is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries and the Company's separate financial statements for the year ended December 31, 2006 presented herewith for comparative purpose, were audited by another auditor whose report dated February 27, 2007, expressed an unqualified opinion on those financial statements. However, such consolidated financial statements and the separate financial statements for the year ended December 31, 2006 were restated as described in Note 4 to the financial statements. I have audited the adjustments that were applied to restate such financial statements. In my opinion, such adjustments are appropriate and have been properly applied.

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 respect, the consolidated financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2007, and the consolidated results of their operations and their cash flows for the year then ended, and the separate financial position of Thitikorn Public Company Limited as at December 31, 2007 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

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

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 27, 2008

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

A S S E T S

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2007	2006 "Restated" Note 4	2007	2006 "Restated" Note 4
CURRENT ASSETS					
Cash and cash equivalents	6	45,861	40,352	39,619	34,213
Trade accounts receivable					
Current portion of hire-purchase contract receivables-net	7	2,591,633	2,790,427	2,379,530	2,467,603
Other receivables-net	8	52,475	65,348	50,511	62,178
Receivables from and short -term loan to related parties	5	4,151	286	4,157	106,165
Short-term loan to others		1,000	1,500	-	-
Asset foreclosed - net	9	155,584	73,932	155,009	72,505
Other current assets		26,785	12,813	26,531	12,145
Total current assets		2,877,489	2,984,658	2,655,357	2,754,809
NON – CURRENT ASSETS					
Deposits pledged as collateral	10	25,000	24,000	-	-
Hire-purchase contract receivables net of current portion - net	7	2,227,017	2,156,701	1,989,114	1,837,662
Investments accounted for using the cost method	4,11	-	-	93,986	93,986
Long-term loans to others	12	22,640	14,890	22,640	14,890
Property, plant and equipment - net	13	101,055	100,106	89,560	86,815
Intangible assets - net		7,532	6,272	7,027	5,392
Deferred tax assets	4,20	117,852	125,669	90,069	95,545
Assets not used in operation	14	35,157	35,157	5,708	5,708
Other non - current assets		10,700	10,176	9,050	8,542
Total non – current assets		2,546,953	2,472,971	2,307,154	2,148,540
TOTAL ASSETS		5,424,442	5,457,629	4,962,511	4,903,349

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2007	2006 "Restated" Note 4	2007	2006 "Restated" Note 4
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15	1,718,708	1,966,061	1,440,446	1,584,127
Trade accounts payable					
Related party	5	11,966	-	11,966	-
Other companies		59,546	-	59,546	-
Current portion of long-term loans	16	-	100,000	-	100,000
Current portion of debentures	17	-	545,000	-	545,000
Payable to and short - term loans from related parties	5	1,995	752	183,047	188,684
Income tax payable		37,951	48,724	35,987	47,439
Deposits and advances from customers		175,554	112,289	168,728	98,060
Other current liabilities		61,899	62,573	55,888	55,110
Total current liabilities		2,067,619	2,835,399	1,955,608	2,618,420
NON – CURRENT LIABILITIES					
Long - term loans - net of current portion	16	600,000	-	600,000	-
Debentures- net of current portion	17	200,000	200,000	200,000	200,000
Other non - current liabilities		21,900	25,157	13,760	15,568
Total non – current liabilities		821,900	225,157	813,760	215,568
Total liabilities		2,889,519	3,060,556	2,769,368	2,833,988
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
Premiums on share capital	18	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	18	50,000	50,000	50,000	50,000
- Unappropriated	4	1,011,936	874,086	670,156	546,374
Total shareholders' equity		2,534,923	2,397,073	2,193,143	2,069,361
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,424,442	5,457,629	4,962,511	4,903,349

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

		In Thousand Baht			
		Consolidated		The Company only	
		2007	2006	2007	2006
			“Restated”		“Restated”
	Notes		Note 4		Note 4
REVENUES					
Hire-purchase income		1,696,651	1,715,648	1,638,634	1,613,581
Other income	5,19	628,039	435,889	590,695	407,047
Total Revenues		<u>2,324,690</u>	<u>2,151,537</u>	<u>2,229,329</u>	<u>2,020,628</u>
EXPENSES					
Selling and administrative expenses	5	1,364,994	1,226,123	1,300,278	1,141,467
Bad debt and provision for doubtful accounts		444,632	450,873	438,668	421,720
Total Expenses		<u>1,809,626</u>	<u>1,676,996</u>	<u>1,738,946</u>	<u>1,563,187</u>
PROFIT BEFORE INTEREST EXPENSE AND INCOME TAX		515,064	474,541	490,383	457,441
Interest expense	5	122,481	132,387	122,146	124,843
Income tax	4,20	104,733	92,470	94,455	83,471
NET PROFIT		<u>287,850</u>	<u>249,684</u>	<u>273,782</u>	<u>249,127</u>
Earnings per share (Baht)		<u>0.58</u>	<u>0.50</u>	<u>0.55</u>	<u>0.50</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

		In Thousand Baht				
		Consolidated				
		Retained earnings				
Notes	Issued and fully paid-up share capital	Premiums on share capital	Appropriated for legal reserve	Unappropriated	Total	
	Balance as at January 1, 2006, as previously reported	500,000	972,987	50,000	699,848	2,222,835
4	Adjustment	-	-	-	124,554	124,554
	As adjusted	500,000	972,987	50,000	824,402	2,347,389
21	Dividend paid	-	-	-	(200,000)	(200,000)
	Net profit	-	-	-	249,684	249,684
	Balance as at December 31, 2006	500,000	972,987	50,000	874,086	2,397,073
21	Dividend paid	-	-	-	(150,000)	(150,000)
	Net profit	-	-	-	287,850	287,850
	Balance as at December 31, 2007	500,000	972,987	50,000	1,011,936	2,534,923

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, 2007 AND 2006

In Thousand Baht					
The Company only					
Notes	Issued and fully paid-up share capital	Premiums on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2006, as previously reported	500,000	972,987	50,000	699,848	2,222,835
Adjustment	4	-	-	(202,601)	(202,601)
As adjusted	500,000	972,987	50,000	497,247	2,020,234
Dividend paid	21	-	-	(200,000)	(200,000)
Net profit	-	-	-	249,127	249,127
Balance as at December 31, 2006	500,000	972,987	50,000	546,374	2,069,361
Dividend paid	21	-	-	(150,000)	(150,000)
Net profit	-	-	-	273,782	273,782
Balance as at December 31, 2007	500,000	972,987	50,000	670,156	2,193,143

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, 2007 AND 2006

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006 “Restated” Note 4	2007	2006 “Restated” Note 4
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit	287,850	249,684	273,782	249,127
Adjustments to reconcile net profit to cash provided by (used in) operating activities				
Depreciation and amortization	29,112	28,341	26,939	22,348
Unrealized loss (gain) on exchange rate	76	(2,410)	76	(2,410)
Bad debt and provision for doubtful accounts	444,632	450,873	438,668	421,720
Loss on decline in value (Reversal of loss) of assets foreclosed	30,590	(2,037)	30,809	(1,404)
Gain on sales of fixed assets	(715)	(1,939)	(555)	(1,278)
Deferred income tax	7,817	(1,116)	5,476	(6,316)
Net Profit Provided by Operating Activities before Changes in Operating Assets and Liabilities	799,362	721,396	775,195	681,787
Decrease (Increase) in operating assets:				
Hire-purchase contract receivables	(299,644)	(31,381)	(486,073)	(496,008)
Other trade accounts receivable	(3,969)	(24,121)	(4,506)	(26,018)
Receivables from related parties	(3,865)	(173)	(2,992)	2,049
Assets foreclosed	(112,242)	55,817	(113,313)	52,939
Other current assets	(13,639)	11,163	(14,186)	14,915
Other non-current assets	(524)	(1,540)	(508)	(1,103)
Increase (Decrease) in operating liabilities :				
Trade accounts payable - related party	11,966	-	11,966	-
Trade accounts payable - other companies	59,546	-	59,546	-
Payables to related parties	1,243	(261)	1,363	2,255
Income tax payable	(10,773)	(47,964)	(11,452)	(40,865)
Deposits and advances from customers	63,265	26,872	70,668	30,484
Other current liabilities	(674)	14,508	778	16,895
Other non-current liabilities	(3,257)	(2,906)	(1,808)	(1,704)
Net Cash Provided by Operating Activities	486,795	721,410	284,678	235,626
CASH FLOWS FROM INVESTING ACTIVITIES				
Short-term loans to others	500	5,700	-	-
Short-term loans to related party	-	-	105,000	143,000
Long-term loans to others	(7,750)	(12,490)	(7,750)	(12,490)
Deposits pledged as collateral	(1,000)	-	-	-
Purchases of fixed assets	(29,506)	(44,805)	(29,506)	(39,343)
Proceeds from sale of fixed assets	2,506	3,430	2,347	2,745
Purchases of intangible assets	(3,606)	(2,245)	(3,605)	(2,245)
Net Cash Provided by (Used in) Investing Activities	(38,856)	(50,410)	66,486	91,667

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
		“Restated” Note 4		“Restated” Note 4
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank overdrafts and short-term loans from financial institutions	(247,430)	(492,476)	(143,758)	(215,159)
Short-term loans from related parties	-	-	(7,000)	76,000
Long-term loans	600,000	-	600,000	-
Repayments of long-term loans	(100,000)	-	(100,000)	-
Redemption of debentures	(545,000)	-	(545,000)	-
Dividend paid	(150,000)	(200,000)	(150,000)	(200,000)
Net Cash Used in Financing Activities	(442,430)	(692,476)	(345,758)	(339,159)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	5,509	(21,476)	5,406	(11,866)
Cash and Cash Equivalents-Beginning of Year	40,352	61,828	34,213	46,079
CASH AND CASH EQUIVALENTS-END OF YEAR	45,861	40,352	39,619	34,213
Supplemental Disclosure of Cash Flow Information				
Cash paid during the year:				
Interest expense	131,091	120,786	130,896	112,568
Income tax	108,569	146,938	100,430	130,653

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2007 and 2006

The financial statements were authorized for issue by the directors on February 27, 2008

1. GENERAL INFORMATION

Thitikorn Public Company Limited (“the Company”) was incorporated in Thailand and has its registered office at 69 Ramkhamhaeng Road, Hua-Mark, 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 and 42.36% shareholding).

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:

Name of Companies	Type of business	In Thousand Baht		Percentage of	
		Paid-up share capital		direct and indirect holdings (%)	
		December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
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 Federal 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 basis except for the investment properties and certain financial assets and liabilities which are stated at fair value.

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 both current and future periods.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

3. 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 recognised 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 as shown in statement of cash flows consist of cash in hand, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months except for cash at bank held as collateral.

Trade Accounts Receivable

Trade accounts receivable is stated their invoice value 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 by the aged of the totaling amount of outstanding balance of each contract less unearned income and collaterals of automobiles. The percentage of allowance for doubtful accounts are described as follows:

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

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.

Assets Foreclosed

Assets foreclosed are stated at the lower of net receivable balance and net proceeds to be received from the sale of the foreclosed assets.

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 percentage as follows:

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

Investments

Investments in subsidiary companies

Investments in subsidiary companies in the separate financial statements of the Company are accounted for using the cost method less impairment loss (if any). This is a change in accounting policy, the effects of which are disclosed in Note 4 to the financial statements.

Property, Plant and Equipment and Depreciation

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses .

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 capitalised 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

Borrowing costs

The Group capitalised its borrowing cost during the period of construction of building and improvements as cost of project. The Group will stop 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 basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows

Buildings and building improvements	20 years
Buildings on rented land and building improvements	10 years, 20 years and upon the period of lease contracts
Furniture, fixtures and other 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. They are amortized upon the period of lease contracts.

Amortisation

Amortisation 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 amortised but are systematically tested for impairment at each balance sheet date. The estimated economic useful lives are as follows:

Software licenses	5 years
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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 as and when indicators of impairment are identified.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income 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 recognised 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 recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised 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 recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other 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.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of income.

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 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 amortisation, if no impairment loss had been recognised.

Trade and Other Accounts Payable

Trade and other accounts payable are stated at cost.

Employee Benefit

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 percent of salary and the Company and its subsidiaries at the rate of 3 percent of salary. Provident fund contribution is recorded as expenses in the year incurred.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

Provisions

A provision is recognised 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 recognise interest income on hire-purchase as unearned interest income in each installment period based on the sum-of-digits method. Income from each installment is recognised on an accrual basis (based on the due date of the installment irrespective of actual collection). The Company and its subsidiaries cease recognising income when the receivables are more than 3 overdue, unless there is an indication of inability to repay, when income recognition is ceased immediately.

Rental income

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

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised 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 recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised 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 capitalised 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 recognised in the statement of income using the effective interest rate method.

Income Tax

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

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 or substantially 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)

4. CHANGES IN ACCOUNTING POLICIES

4.1 Investments in subsidiaries

Investments in subsidiaries are accounted for using cost method less impairment loss (if any). Dividend income is recognized as income when it was declared. In previous years, the Company accounted its investment in subsidiaries using the equity method. Starting from January 1, 2007, the Company changed its accounting policy for recording investment in subsidiaries from the equity method to the cost method in the separate financial statements by using its historical cost, in compliance with the change of Accounting Standard No.44 (revised 2007) : Consolidated Financial Statements and Separate Financial Statements by the Notification No.9/2007 dated May 2, 2007, issued by the Federation of Accounting Professions. Such change in accounting policy affects only to the presentation of accounts of investments in subsidiaries in the separate financial statements but not on the consolidated financial statements and the business fundamentals of the Company.

4.2 Income tax

Prior to 2007, the Company and its subsidiaries recorded income tax based on the amount currently payable under the provisions of the Revenue Code.

Starting from January 1, 2007, the Company and its subsidiaries changed their accounting policy on income tax by early adoption of Accounting Standard No. 56 "Accounting for Income Tax" whereby the income tax is recorded using the liability method.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2007 and 2006**

According to the changes in accounting policies on investment in subsidiaries and income tax discussed above, the consolidated financial statements and the separate financial statements for the year ended December 31, 2006 were restated for comparison with the consolidated financial statements and the separated financial statements for the year ended December 31, 2007.

Effects of the adjustments from the restatement of the consolidated financial statements and the separate financial statements for the year ended December 31, 2006, presented for comparative purpose are as follows:

	In Thousand Baht	
	Increase (Decrease)	
	Consolidated	The Company Only
Retained earnings, beginning of year	124,554	(202,601)
Net profit	1,115	558
Retained earnings, end of year	125,669	(202,043)
Earnings per share (Baht)	-	-
Investments in subsidiaries	-	(297,588)
Deferred tax assets	125,669	95,545
Shareholders' equity	125,669	(202,043)

5. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties.

Types of relationship of related parties are as follows :

Name of Companies	Type of business	Type of relationship
C. V. A. Company Limited	Hire-purchase motorcycle	Subsidiary
Chayapak Company Limited	Hire-purchase automobile	Subsidiary
S. P. International Co., Ltd.	Sale automobile and management service	Co directors & shareholders
S. P. Building Co., Ltd.	Property business	Co directors & shareholders
S. P. Suzuki Public Co., Ltd.	Sale motorcycle	Co directors & shareholders
Zinphol Company Limited	Dealer of motorcycle and hire-purchase business	Subsidiary of S.P.Suzuki Public Co.,Ltd.
Lexus Co., Ltd.	Sale automobile	Co directors & shareholders

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

Pricing policies for each transactions are described as follows:

Type of Transaction	Pricing policies
Service income	Mutual agreement
Interest income	MOR
Stationery income	Cost
Other income	Cost
Rental and service	Contract price
Management fee	Contract price
Utility expenses	Cost
Sales promotion expense	Contract price
Stationery fee	Cost
Other expenses	Market price
Service expense	Mutual agreement
Interest expense	MOR
Loss on disposal of assets	Market price
Purchase of vehicle	Market price

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2007 and 2006 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Service income				
C.V.A. Company Limited	-	-	593	9,291
Interest income				
Chayapak Company Limited	-	-	4,867	9,744
Stationery income				
Chayapak Company Limited	-	-	5	-
Other income				
S.P. Suzuki Public Company Limited	16,896	271	16,896	271
Zinphol Company Limited	291	424	291	424
Chayapak Company Limited	-	-	-	3
	<u>17,187</u>	<u>695</u>	<u>17,187</u>	<u>698</u>
Rental and service				
S.P. International Company Limited	<u>14,995</u>	<u>13,629</u>	<u>12,543</u>	<u>11,082</u>
Management fee				
S.P. International Company Limited	<u>9,000</u>	<u>9,000</u>	<u>3,600</u>	<u>3,600</u>
Utility expenses				
S.P. International Company Limited	<u>2,344</u>	<u>2,180</u>	<u>2,140</u>	<u>1,665</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Sales promotion expenses				
Zinphol Company Limited	1,182	-	1,182	-
Stationery fee				
S.P. International Company Limited	1,895	1,601	1,887	1,590
S.P. Suzuki Public Company Limited	511	-	511	-
	<u>2,406</u>	<u>1,601</u>	<u>2,398</u>	<u>1,590</u>
Other expenses				
S.P. International Company Limited	3,431	3,353	3,210	2,816
S.P. Suzuki Public Company Limited	1,742	1,231	1,742	1,231
Lexus Co.,Ltd.	29	36	-	-
	<u>5,202</u>	<u>4,620</u>	<u>4,952</u>	<u>4,047</u>
Service expense				
C.V.A. Company Limited	-	-	23,269	24,264
Interest expense				
C.V.A. Company Limited	-	-	13,694	12,049
Chayapak Company Limited	-	-	18	-
	<u>-</u>	<u>-</u>	<u>13,712</u>	<u>12,049</u>
Loss on disposal of assets foreclosed				
Zinphol Company Limited	1,742	3,670	1,742	3,663
Purchase of vehicle				
Lexus Co.,Ltd.	9,931	4,550	9,931	-

Significant outstanding balances with its related companies as at December 31, 2007 and 2006 are summarized as follows :

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Receivables and short-term loan				
Accrued income				
S.P. Suzuki Public Company Limited	3,829	200	3,829	200
Zinphol Company Limited	322	86	322	86
Chayapak Company Limited	-	-	2	632
C.V.A. Company Limited	-	-	4	247
	<u>4,151</u>	<u>286</u>	<u>4,157</u>	<u>1,165</u>
Short – term loan				
Chayapak Company Limited				
(Interest rate at 7.125 – 7.75% p.a in 2007 and 6.75 – 7.75% p.a in 2006)	-	-	-	105,000
	<u>4,151</u>	<u>286</u>	<u>4,157</u>	<u>106,165</u>
Trade accounts payable				
Zinphol Company Limited	11,966	-	11,966	-

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Payables and short-term loan				
Accrued expenses				
Zinphol Company Limited	1,265	-	1,265	-
S.P. International Company Limited	639	715	612	618
S.P. Suzuki Public Company Limited	91	37	91	37
C.V.A. Company Limited	-	-	3,069	3,029
Chayapak Company Limited	-	-	10	-
	<u>1,995</u>	<u>752</u>	<u>5,047</u>	<u>3,684</u>
Short – term loan				
C.V.A. Company Limited				
(Interest rate at 7.125 – 7.75% p.a in 2007 and 6.75 – 7.75% p.a in 2006)	-	-	178,000	185,000
	<u>1,995</u>	<u>752</u>	<u>183,047</u>	<u>188,684</u>

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

	In Thousand Baht			
	The Company Only			
	December 31,2006	Increase	Decrease	December 31,2007
Short-term loan to subsidiary				
Chayapak Company Limited	105,000	178,000	283,000	-
Short-term loan from subsidiary				
C.V.A. Company Limited	185,000	34,000	41,000	178,000

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Cash	9,078	2,563	7,790	1,877
Deposits at financial institutions	36,783	37,789	31,829	32,336
Total	<u>45,861</u>	<u>40,352</u>	<u>39,619</u>	<u>34,213</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

7. HIRE - PURCHASE CONTRACT RECEIVABLES - NET

As at December 31, 2007 and 2006, the Company and subsidiaries have outstanding balances of hire-purchase contract receivables as follows :

	In Thousand Baht					
	Consolidated					
	2007			2006		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,110,731	4,283,213	2,827,518	7,147,290	4,457,197	2,690,093
Less Unearned income	<u>(1,914,991)</u>	<u>(1,388,264)</u>	<u>(526,727)</u>	<u>(1,764,151)</u>	<u>(1,324,046)</u>	<u>(440,105)</u>
	5,195,740	2,894,949	2,300,791	5,383,139	3,133,151	2,249,988
Less Allowance for doubtful accounts	<u>(377,090)</u>	<u>(303,316)</u>	<u>(73,774)</u>	<u>(436,011)</u>	<u>(342,724)</u>	<u>(93,287)</u>
Net	<u>4,818,650</u>	<u>2,591,633</u>	<u>2,227,017</u>	<u>4,947,128</u>	<u>2,790,427</u>	<u>2,156,701</u>

	In Thousand Baht					
	The Company Only					
	2007			2006		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	6,489,584	3,937,180	2,552,404	6,298,023	3,982,648	2,315,375
Less Unearned income	<u>(1,833,858)</u>	<u>(1,337,184)</u>	<u>(496,674)</u>	<u>(1,654,109)</u>	<u>(1,252,225)</u>	<u>(401,884)</u>
	4,655,726	2,599,996	2,055,730	4,643,914	2,730,423	1,913,491
Less Allowance for doubtful accounts	<u>(287,082)</u>	<u>(220,466)</u>	<u>(66,616)</u>	<u>(338,649)</u>	<u>(262,820)</u>	<u>(75,829)</u>
Net	<u>4,368,644</u>	<u>2,379,530</u>	<u>1,989,114</u>	<u>4,305,265</u>	<u>2,467,603</u>	<u>1,837,662</u>

Hire-purchase contract receivables at December 31, 2007 and 2006 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Not yet due	3,362,127	3,257,186	3,106,959	2,917,672
Past due 1 month	766,218	780,073	708,857	699,159
Past due 2-3 months	693,495	821,773	622,253	701,976
Past due 4-6 months	167,029	289,630	124,353	215,274
Past due 7-12 months	69,498	111,507	34,593	64,972
Past due over 12 months	<u>137,373</u>	<u>122,970</u>	<u>58,711</u>	<u>44,861</u>
Total	<u>5,195,740</u>	<u>5,383,139</u>	<u>4,655,726</u>	<u>4,643,914</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements (Continued)****December 31, 2007 and 2006**

The Company and subsidiaries determine its provision for doubtful accounts follows the accounting policy described in Note 3 to the financial statements. Such policy is not in compliance with the accounting guidance for making of provision of doubtful accounts for consumer finance business which was mutual defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand. However, by the statistic information during the past 3 years (2004 – 2006), the Company and subsidiaries had an average actual bad debt at 39.08% of doubtful accounts based on such basis while its allowance for doubtful accounts was made at 7.56% of hire-purchase contract receivables – net. Actual bad debt for the year ended December 31, 2007 is at 57.19% of doubtful accounts based on such basis while its allowance for doubtful accounts is at 7.26% of hire-purchase contract receivables – net.

8. OTHER TRADE ACCOUNTS RECEIVABLE-NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Other trade accounts receivable	53,898	66,699	51,276	62,840
Less Allowance for doubtful accounts	(1,423)	(1,351)	(765)	(662)
Net	<u>52,475</u>	<u>65,348</u>	<u>50,511</u>	<u>62,178</u>

The balances of other trade accounts receivable are classified by aging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Outstanding				
Not more than 3 months	52,475	65,348	50,511	62,178
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	1,423	1,351	765	662
Total	53,898	66,699	51,276	62,840
Less: Allowance for doubtful accounts	1,423	1,351	765	662
Other trade accounts receivable - net	<u>52,475</u>	<u>65,348</u>	<u>50,511</u>	<u>62,178</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

9. ASSETS FORECLOSED - NET

As at December 31, 2007 and 2006, the outstanding balance of assets foreclosed of the Company and its subsidiaries are as follows :

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Portion due within one year	222,263	105,618	221,442	103,578
Over one year	6,052	10,455	5,432	9,983
	228,315	116,073	226,874	113,561
Less Allowance for declining in value	(72,731)	(42,141)	(71,865)	(41,056)
Net	155,584	73,932	155,009	72,505

10. DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2007 and 2006, the subsidiaries used their fixed deposits of Baht 25 million and Baht 24 million, respectively, to secure their overdrafts lines.

11. INVESTMENTS ACCOUNTED FOR USING THE COST METHOD

	In Thousand Baht					
	Paid-up share capital		Percentage of holdings		Investments	
	2007	2006	2007	2006	2007	2006
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	43,993	43,993
					93,986	93,986

12. LONG-TERM LOANS TO OTHERS

This account is loans without collateral to 37 agents in 2007 and 20 agents in 2006, bearing interest between 8-9% and MLR+2% per annum. The maturity of the loans is in years 2009 to 2012.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements
December 31,2007 and 2006

13. PROPERTY , PLANT AND EQUIPMENT- NET

	In Thousand Baht						Total
	Consolidated						
	Land	Building	Building improvements	Building on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	
<u>Cost</u>							
Balance as at December 31, 2005	12,617	23,818	21,543	-	36,567	45,943	140,488
Adjustments/Reclassifications	-	-	(21,140)	25,219	(4,079)	-	-
Acquisitions	-	-	-	15,865	11,045	17,895	44,805
Disposals	-	-	-	-	(2,120)	(4,788)	(6,908)
Balance as at December 31, 2006	12,617	23,818	403	41,084	41,413	59,050	178,385
Acquisitions	-	-	-	14,105	11,510	3,891	29,506
Disposals	-	-	-	-	(2,131)	(3,671)	(5,802)
Balance as at December 31, 2007	12,617	23,818	403	55,189	50,792	59,270	202,089

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

	In Thousand Baht						
	Consolidated						
	Land	Building	Building improvements	Building on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Total
<u>Accumulated depreciation</u>							
Balance as at December 31, 2005	-	12,883	6,739	-	16,309	25,482	61,413
Adjustments/Reclassifications	-	-	(6,674)	8,726	(2,052)	-	-
Depreciation for the year	-	1,172	21	6,751	6,461	7,878	22,283
Depreciation for assets disposed	-	-	-	-	(899)	(4,518)	(5,417)
Balance as at December 31, 2006	-	14,055	86	15,477	19,819	28,842	78,279
Depreciation for the year	-	1,172	21	9,138	8,113	8,321	26,765
Depreciation for assets disposed	-	-	-	-	(653)	(3,357)	(4,010)
Balance as at December 31, 2007	-	15,227	107	24,615	27,279	33,806	101,034
<u>Net book value</u>							
December 31, 2006	12,617	9,763	317	25,607	21,594	30,208	100,106
December 31, 2007	12,617	8,591	296	30,574	23,513	25,464	101,055
<u>Depreciations included in the statement of income for the year</u>							
2006							22,283
2007							26,765

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

	In Thousand Baht						
	The Company Only						
	Land	Building	Building improvements	Building on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Total
<u>Cost</u>							
Balance as at December 31, 2005	7,802	15,291	20,144	-	31,388	42,868	117,493
Adjustments/Reclassifications	-	-	(20,144)	24,210	(4,066)	-	-
Acquisitions	-	-	-	15,865	11,045	12,433	39,343
Disposals	-	-	-	-	(2,053)	(3,776)	(5,829)
Balance as at December 31, 2006	7,802	15,291	-	40,075	36,314	51,525	151,007
Acquisitions	-	-	-	14,105	11,510	3,891	29,506
Disposals	-	-	-	-	(2,131)	(3,457)	(5,588)
Balance as at December 31, 2007	7,802	15,291	-	54,180	45,693	51,959	174,925

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

	In Thousand Baht						
	The Company Only						
	Land	Building	Building improvements	Building on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Total
<u>Accumulated depreciation</u>							
Balance as at December 31, 2005	-	7,801	5,883	-	11,898	22,449	48,031
Adjustments/Reclassifications	-	-	(5,883)	7,929	(2,046)	-	-
Depreciation for the year	-	746	-	6,666	6,113	6,998	20,523
Depreciation for assets disposed	-	-	-	-	(852)	(3,510)	(4,362)
Balance as at December 31, 2006	-	8,547	-	14,595	15,113	25,937	64,192
Depreciation for the year	-	746	-	9,111	7,884	7,229	24,970
Depreciation for assets disposed	-	-	-	-	(654)	(3,143)	(3,797)
Balance as at December 31, 2007	-	9,293	-	23,706	22,343	30,023	85,365
<u>Net book value</u>							
December 31, 2006	7,802	6,744	-	25,480	21,201	25,588	86,815
December 31, 2007	7,802	5,998	-	30,474	23,350	21,936	89,560
<u>Depreciations included in the statement of income for the year</u>							
2006							20,523
2007							24,970

As at December 31, 2007 and 2006, certain building and equipment items 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 35.7 million and Baht 24.2 million (The Company only: Baht 29.1 million and Baht 17.7 million, respectively).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements****December 31,2007 and 2006****14. ASSETS NOT USED IN OPERATION**

This account consists of land and commercial building of the Company and a subsidiary which are not temporarily in - used. 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, was Baht 90.9 million (Baht 26.5 million for the Company).

15. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Bank overdrafts	75,438	39,019	73,176	33,585
Short – term loans	1,643,270	1,927,042	1,367,270	1,550,542
Total	1,718,708	1,966,061	1,440,446	1,584,127

As at December 31,2007, the Company and subsidiaries had credit facilities with several financial institutions which consisted of overdrafts lines of Baht 192 million, short – term loans are in Thai Baht of Baht 3,945 million and foreign currency of USD 1.39 million, bearing interest at 3.80% - 5.58% per annum.

The credit facilities obtained from financial institutions are secured by the related companies, hire-purchase contracts, the directors of the Company and subsidiaries.

Bank overdrafts of subsidiaries were guaranteed by fixed deposits.(see Note 10)

16. LONG TERM LOANS - NET

Long-term loans as at December 31, 2007 and 2006, consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Long-term loans				
Bill of exchange	-	100,000	-	100,000
Loans	600,000	-	600,000	-
	600,000	100,000	600,000	100,000
Less Current portion of long-term loans net	-	100,000	-	100,000
	600,000	-	600,000	-

As at December 31, 2007, the Company obtained long-term loans from two local financial institutions totaling Baht 600 million. Such loans bear interest at fixed rate 5% and 4.85% per annum. The interest is repayable monthly while the loan principal is repayable at Baht 300 million on December 30, 2010 and at Baht 300 million on July 13,2010.

The above long-term loans have no guarantee.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

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

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

As at December 31, 2006, the Company's long-term loan from a financial institution was bill of exchange without collateral, bore interest at 4.5% per annum. The maturity of the loan is in June 2007.

17. 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.

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

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

18. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Premium on share capital

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

Legal reserve

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2007 and 2006

19. OTHER INCOME

Other income for the years ended December 31, 2007 and 2006, consisted of :

	In Thousand Baht			
	Consolidated		The Company only	
	2007	2006	2007	2006
Bad debts recovery	271,192	110,258	265,102	100,926
Service income	172,984	172,778	169,342	176,813
Collection income	44,551	44,569	37,095	32,887
Income from late payment penalty	37,789	28,900	26,113	17,487
Upfront fee income	16,919	14,286	16,892	14,248
Sales promotion income	16,896	271	16,896	271
Services charge income	13,640	15,272	13,027	14,280
Deposit for loss income	13,129	3,186	13,016	2,531
Gain on exchange rate	3,272	12,867	3,272	12,867
Others	37,667	33,502	29,940	34,737
Total	628,039	435,889	590,695	407,047

20. CORPORATE INCOME TAX / DEFERRED TAX ASSETS AND LIABILITIES

Corporate income tax recorded as (income) expenses for the year ended December 31, 2007 and 2006, consists of:

	In Thousand Baht			
	Consolidated		The Company only	
	2007	2006	2007	2006
Income tax on taxable income	96,916	93,586	88,979	89,787
Decrease (increase) in deferred income tax	7,817	(1,116)	5,476	(6,316)
Income tax as presented in the statements of income	104,733	92,470	94,455	83,471

Deferred tax assets and liabilities presented in balance sheets as at December 31, 2007 and 2006, consist of: -

	In Thousand Baht			
	Consolidated		The Company only	
	2007	2006	2007	2006
Deferred tax assets:				
Effects from non-deductible items from				
- Allowance for doubtful accounts	99,626	114,779	72,103	85,018
- Allowance for decline in value of assets foreclosed	18,226	10,890	17,966	10,527
	117,852	125,669	90,069	95,545
Deferred tax liabilities:				
Net	-	-	-	-
	117,852	125,669	90,069	95,545

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

21. DIVIDEND PAID

At the Shareholders' Meeting held on April 23, 2007, the shareholders approved the dividend payment for the year 2006 for 500 million shares at Baht 0.30 per share, amounting to Baht 150 million. The payment was made on May 17, 2007.

At the Shareholders' Meeting held on April 26, 2006, the shareholders approved the dividend payment for the year 2005 for 500 million shares at Baht 0.40 per share, amounting to Baht 200 million. The payment was made on May 25, 2006.

22. 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 presented.

23. 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, vary large number of customers 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 already set up 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 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 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 change 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 value of financial assets and financial liabilities do not materially differ from their carrying value.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2007 and 2006

Cash and cash equivalent, trade accounts receivable, receivables and short – term loans, bank overdrafts, short-term loans from financial institutions, trade accounts payable and payables to and short – term loans from related parties carry values approximate fair value because these monetary assets or 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.

24. COMMITMENT

As of December 31, 2007 , the Company and subsidiaries had lease and service agreements covering their office premises and branches for a period of 3 to 12 years. Under the agreements, the Company and subsidiaries are committed to pay yearly rental and service fees of Baht 26 million.

25. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2006 were reclassified to conform with those in the 2007 financial statements.