

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Years Ended December 31, 2008 and 2007

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, 2008, 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, 2008, 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 separate financial statements of Thitikorn Public Company Limited for the year ended December 31, 2007 presented herewith for comparative purpose, were audited by another auditor in my office whose report dated February 27, 2008, 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 respect, the consolidated financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2008, and the consolidated results of their operations and their cash flows for the year then ended, and the financial position of Thitikorn Public Company Limited as at December 31, 2008 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

(Mr. Boonlert Kaewphanpurk)
Certified Public Accountant
Registration No. 4165

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 25, 2009

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2008 AND 2007

A S S E T S

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2008	2007	2008	2007
CURRENT ASSETS					
Cash and cash equivalents	7	38,912	45,861	35,540	39,619
Trade accounts receivable					
Current portion of hire-purchase contract					
receivables-net	8	2,719,172	2,591,633	2,561,243	2,379,530
Other receivables-net	9	59,234	52,475	57,524	50,511
Receivables from and short -term loan to related parties	6	11,669	4,151	20,288	4,157
Short-term loan to others		-	1,000	-	-
Current portion of long-term loans to others	13	1,080	-	1,080	-
Asset foreclosed - net	10	165,892	155,584	165,363	155,009
Other current assets		49,946	26,785	46,764	26,531
Total current assets		3,045,905	2,877,489	2,887,802	2,655,357
NON – CURRENT ASSETS					
Deposits pledged as collateral	11	25,000	25,000	-	-
Hire-purchase contract receivables net					
of current portion - net	8	2,499,647	2,227,017	2,236,224	1,989,114
Investments in subsidiaries accounted for using					
the cost method	12	-	-	93,986	93,986
Long-term loans to others net of current portion - net	13	26,720	22,640	26,720	22,640
Property, plant and equipment - net	6,14	109,714	103,873	98,220	92,379
Intangible assets - net		6,348	7,532	6,017	7,027
Deferred tax assets	22	115,816	117,852	94,789	90,069
Assets not used in operation	15	35,157	35,157	5,708	5,708
Other non - current assets		9,111	7,882	4,370	6,231
Total non – current assets		2,827,513	2,546,953	2,566,034	2,307,154
TOTAL ASSETS		5,873,418	5,424,442	5,453,836	4,962,511

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2008 AND 2007

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht			
		Consolidated		The Company only	
		2008	2007	2008	2007
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	16	1,468,735	1,718,708	1,236,155	1,440,446
Trade accounts payable					
Related party	6	9,983	11,966	9,983	11,966
Other companies		44,924	59,546	44,924	59,546
Current portion of debentures	18	200,000	-	200,000	-
Payable to and short - term loans from related parties	6	3,203	1,995	189,325	183,047
Income tax payable		51,131	37,951	51,131	35,987
Deposits and advances from customers		114,567	175,554	107,537	168,728
Other current liabilities		59,975	61,899	55,711	55,888
Total current liabilities		1,952,518	2,067,619	1,894,766	1,955,608
NON – CURRENT LIABILITIES					
Long - term loans - net of current portion	17	1,200,000	600,000	1,200,000	600,000
Debentures- net of current portion	18	-	200,000	-	200,000
Other non - current liabilities		20,038	21,900	12,700	13,760
Total non – current liabilities		1,220,038	821,900	1,212,700	813,760
Total liabilities		3,172,556	2,889,519	3,107,466	2,769,368
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	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		1,177,875	1,011,936	823,383	670,156
Total shareholders' equity		2,700,862	2,534,923	2,346,370	2,193,143
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,873,418	5,424,442	5,453,836	4,962,511

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

		In Thousand Baht			
		Consolidated		The Company only	
Notes		2008	2007	2008	2007
REVENUES					
	Hire-purchase income	1,791,206	1,696,651	1,751,672	1,638,634
	Other income	717,821	628,039	701,145	590,695
	Total Revenues	2,509,027	2,324,690	2,452,817	2,229,329
EXPENSES					
	Selling and administrative expenses	1,424,163	1,364,994	1,385,444	1,300,278
	Bad debt and provision for doubtful accounts	530,903	444,632	530,212	438,668
	Total Expenses	1,955,066	1,809,626	1,915,656	1,738,946
PROFIT BEFORE FINANCE COST AND INCOME TAX		553,961	515,064	537,161	490,383
	Finance cost	112,974	122,481	117,524	122,146
PROFIT BEFORE INCOME TAX		440,987	392,583	419,637	368,237
	Income tax	115,048	104,733	106,410	94,455
NET PROFIT		325,939	287,850	313,227	273,782
Earnings per share (Baht)		0.65	0.58	0.63	0.55

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

In Thousand Baht					
Consolidated					
Note	Issued and fully paid-up share capital	Premiums on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2007	500,000	972,987	50,000	874,086	2,397,073
Dividends 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
Dividends paid	-	-	-	(160,000)	(160,000)
Net profit	-	-	-	325,939	325,939
Balance as at December 31, 2008	500,000	972,987	50,000	1,177,875	2,700,862

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, 2008 AND 2007

In Thousand Baht					
The Company only					
Note	Issued and fully paid-up share capital	Premiums on share capital	Retained earnings		Total
			Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2007	500,000	972,987	50,000	546,374	2,069,361
Dividends paid	23	-	-	(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
Dividends paid	23	-	-	(160,000)	(160,000)
Net profit	-	-	-	313,227	313,227
Balance as at December 31, 2008	500,000	972,987	50,000	823,383	2,346,370

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, 2008 AND 2007

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	440,987	392,583	419,637	368,237
Adjustments				
Depreciation and amortisation	32,009	29,112	30,064	26,939
Unrealized loss on exchange rate	1,985	76	1,985	76
Bad debt and provision for doubtful accounts	530,903	444,632	530,212	438,668
Loss on decline in value of assets foreclosed	6,351	30,590	6,103	30,809
Gain on sales of fixed assets	(1,092)	(714)	(585)	(555)
Interest expense	112,974	122,481	117,524	122,146
Decrease (Increase) in operating assets :				
Hire-purchase contract receivables	(919,595)	(299,644)	(948,188)	(486,073)
Other trade accounts receivable	(18,449)	(3,969)	(17,963)	(4,506)
Receivables from related parties	(7,518)	(3,865)	(8,131)	(2,992)
Assets foreclosed	(16,659)	(112,242)	(16,457)	(113,313)
Other current assets	(22,948)	(13,641)	(20,130)	(14,188)
Other non-current assets	(1,229)	(297)	1,861	(281)
Increase (Decrease) in operating liabilities :				
Trade accounts payable- related party	(1,983)	11,966	(1,983)	11,966
Trade accounts payable- other companies	(14,622)	59,546	(14,622)	59,546
Payables to related parties	1,208	1,243	4,083	1,504
Deposits and advances from customers	(60,987)	63,265	(61,191)	70,668
Other current liabilities	(1,292)	9,567	455	11,019
Other non-current liabilities	(1,862)	(3,257)	(1,060)	(1,808)
Cash generated from operation	58,181	727,432	21,614	517,862
Interest paid	(113,606)	(132,722)	(118,161)	(132,527)
Income tax paid	(99,832)	(107,689)	(95,986)	(100,430)
Net Cash Provided by (Used in) Operating Activities	(155,257)	487,021	(192,533)	284,905
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term loans to others	1,000	500	-	-
Decrease (Increase) in short-term loans to related party	-	-	(8,000)	105,000
Increase in long-term loans to others	(5,160)	(7,750)	(5,160)	(7,750)
Increase in deposits pledged as collateral	-	(1,000)	-	-
Purchases of fixed assets	(38,895)	(29,733)	(37,123)	(29,733)
Proceeds from sales of fixed assets	4,780	2,507	4,273	2,347
Purchases of intangible assets	(1,459)	(3,606)	(1,460)	(3,605)
Net Cash Provided by (Used in) Investing Activities	(39,734)	(39,082)	(47,470)	66,259

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term loans from financial institutions	(251,958)	(247,430)	(206,276)	(143,758)
Proceeds from long-term loans	600,000	600,000	600,000	600,000
Repayments of long-term loans	-	(100,000)	-	(100,000)
Redemption of debentures	-	(545,000)	-	(545,000)
Increase (Decrease) in short-term loans from related parties	-	-	2,200	(7,000)
Dividends paid	(160,000)	(150,000)	(160,000)	(150,000)
Net Cash Provided by (Used in) Financing Activities	188,042	(442,430)	235,924	(345,758)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,949)	5,509	(4,079)	5,406
Cash and Cash Equivalents-Beginning of Year	45,861	40,352	39,619	34,213
CASH AND CASH EQUIVALENTS-END OF YEAR	38,912	45,861	35,540	39,619

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2008 and 2007

The financial statements were authorized for issue by the directors on February 25, 2009.

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, 2008	December 31, 2007	December 31, 2008	December 31, 2007
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, 2008 and 2007

3. ADOPTION OF NEW ACCOUNTING STANDARDS

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 regarding accounting standards. The notifications mandate the use of the following new accounting standards.

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after January 1, 2008. The Managements of the Company and its subsidiaries have assessed that the effect of these revised accounting standards have not any significant impact on the financial statements of the Company and its subsidiaries.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 regarding Accounting Standards. 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

These accounting standards will become effective for the financial statements for fiscal years beginning on or after January 1, 2009. The management of the Company and its subsidiaries have assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

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 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, 2008 and 2007**

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).

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, 2008 and 2007

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 amortisation and impairment losses, which are amortised 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, 2008 and 2007

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, 2008 and 2007

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 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 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.

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Notes to Financial Statements (Continued)

December 31, 2008 and 2007

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)

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 by the change of Thai Accounting Standard No. 29- Accounting for Lease (revised 2007). Such change in accounting has no effect to the 2007 financial statements presented herewith for comparative purpose.

6. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the 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 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 Bangkok Co., Ltd.	Sale automobile	Co directors & shareholders
Toyota Pathumthani Toyota's Dealer Co.,Ltd.	Sale automobile and management service	Co directors & shareholders
Napas Co.,Ltd.	Transportation service	Co directors & shareholders in Subsidiary

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Pricing policies for each transactions are described as follows:

Type of Transaction	Pricing policies
Service income	Negotiated price
Interest income	MOR
Sales promotion income	Negotiated price
Other income	Cost
Rental and service	Contract price
Management fee	Contract price
Utility expenses	Cost
Sales promotion expense	Negotiated price
Collection fee	Negotiated price
Stationery fee	Cost
Other expenses	Negotiated price
Service expense	Negotiated price
Interest expense	MOR
Loss on disposal of assets	Market price
Purchases for hire-purchase	Market price
Purchases of fixed assets	Market price

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2008 and 2007 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Service income				
Chayapak Company Limited	-	-	8,680	-
C.V.A. Company Limited	-	-	21	593
	-	-	8,701	593
Interest income				
Chayapak Company Limited	-	-	150	4,867
Sales promotion income				
S.P. Suzuki Public Company Limited	27,579	16,896	27,579	16,896
Other income				
Zinphol Company Limited	1,134	291	188	291
Chayapak Company Limited	-	-	113	5
C.V.A. Company Limited	-	-	1	-
	1,134	291	302	296
Rental and service				
S.P. International Company Limited	16,029	14,995	13,578	12,543
Management fee				
S.P. International Company Limited	9,000	9,000	6,000	3,600

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Utility expenses				
S.P. International Company Limited	3,216	2,344	3,006	2,140
Sales promotion expenses				
Zinphol Company Limited	16,532	1,182	16,532	1,182
Collection fee				
Zinphol Company Limited	524	-	524	-
Stationery fee				
S.P. International Company Limited	1,726	1,895	1,714	1,887
S.P. Suzuki Public Company Limited	408	511	408	511
	2,134	2,406	2,122	2,398
Other expenses				
S.P. International Company Limited	5,387	3,786	4,002	3,210
S.P. Suzuki Public Company Limited	4,459	1,742	4,459	1,742
Napas Co.,Ltd.	120	18	120	18
Lexus Bangkok Co.,Ltd.	30	29	-	-
Toyota Pathumthani Toyota's Dealer Co.,Ltd.	-	21	-	21
	9,996	5,596	8,581	4,991
Service expense				
C.V.A. Company Limited	-	-	52,426	23,269
Interest expense				
C.V.A. Company Limited	-	-	12,848	13,694
Chayapak Company Limited	-	-	333	18
	-	-	13,181	13,712
Loss on disposal of assets foreclosed				
Zinphol Company Limited	2,775	1,742	2,775	1,742
Purchases for hire-purchase				
Zinphol Company Limited	494,338	44,081	494,338	44,081
S.P. International Company Limited	157,348	57,046	-	-
S.P. Suzuki Public Company Limited	8,486	3,412	8,486	3,412
Lexus Bangkok Co.,Ltd.	-	9,931	-	9,931
	660,172	114,470	502,824	57,424
Purchases of fixed assets				
S.P. International Company Limited	11,943	-	11,943	-
Toyota Pathumthani Toyota's Dealer Co.,Ltd.	-	3,171	-	3,171
	11,943	3,171	11,943	3,171

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

Significant outstanding balances with its related parties as at December 31, 2008 and 2007 are summarized 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	9,089	3,829	9,089	3,829
Zinphol Company Limited	2,580	322	2,459	322
Chayapak Company Limited	-	-	738	2
C.V.A. Company Limited	-	-	2	4
	<u>11,669</u>	<u>4,151</u>	<u>12,288</u>	<u>4,157</u>
Short – term loan				
Chayapak Company Limited (Interest rate at 7.125 – 7.50% p.a in 2008 and 7.125 – 7.75% p.a in 2007)	-	-	8,000	-
	<u>11,669</u>	<u>4,151</u>	<u>20,288</u>	<u>4,157</u>
Trade accounts payable				
Zinphol Company Limited	<u>9,983</u>	<u>11,966</u>	<u>9,983</u>	<u>11,966</u>
Payables and short-term loan				
Accrued expenses				
Zinphol Company Limited	1,669	1,265	1,669	1,265
S.P. International Company Limited	1,237	639	1,191	612
S.P. Suzuki Public Company Limited	284	91	284	91
Napas Co.,Ltd.	13	-	13	-
C.V.A. Company Limited	-	-	5,964	3,069
Chayapak Company Limited	-	-	4	10
	<u>3,203</u>	<u>1,995</u>	<u>9,125</u>	<u>5,047</u>
Short – term loan				
C.V.A. Company Limited (Interest rate at 7.125 – 7.50% p.a in 2008 and 7.125 – 7.75% p.a in 2007)	-	-	180,200	178,000
	<u>3,203</u>	<u>1,995</u>	<u>189,325</u>	<u>183,047</u>

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

	In Thousand Baht			
	The Company Only			
	December 31,2007	Increase	Decrease	December 31,2008
Short-term loan to subsidiary				
Chayapak Company Limited	-	206,000	198,000	8,000
Short-term loan from subsidiary				
C.V.A. Company Limited	<u>178,000</u>	<u>69,000</u>	<u>66,800</u>	<u>180,200</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

7. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Cash	7,127	9,078	6,935	7,790
Deposits at financial institutions	31,785	36,783	28,605	31,829
Total	38,912	45,861	35,540	39,619

8. HIRE - PURCHASE CONTRACT RECEIVABLES - NET

As at December 31, 2008 and 2007, the Company and subsidiaries have outstanding balances of hire-purchase contract receivables as follows :

	In Thousand Baht					
	Consolidated					
	2008			2007		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,890,775	4,574,833	3,315,942	7,110,731	4,283,213	2,827,518
Less Unearned income	(2,304,638)	(1,564,446)	(740,192)	(1,914,991)	(1,388,264)	(526,727)
	5,586,137	3,010,387	2,575,750	5,195,740	2,894,949	2,300,791
Less Allowance for doubtful accounts	(367,318)	(291,215)	(76,103)	(377,090)	(303,316)	(73,774)
Net	5,218,819	2,719,172	2,499,647	4,818,650	2,591,633	2,227,017

	In Thousand Baht					
	The Company Only					
	2008			2007		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	7,327,261	4,313,255	3,014,006	6,489,584	3,937,180	2,552,404
Less Unearned income	(2,229,824)	(1,523,744)	(706,080)	(1,833,858)	(1,337,184)	(496,674)
	5,097,437	2,789,511	2,307,926	4,655,726	2,599,996	2,055,730
Less Allowance for doubtful accounts	(299,970)	(228,268)	(71,702)	(287,082)	(220,466)	(66,616)
Net	4,797,467	2,561,243	2,236,224	4,368,644	2,379,530	1,989,114

Hire-purchase contract receivables at December 31, 2008 and 2007 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Not yet due	3,752,944	3,362,127	3,452,891	3,106,959
Past due 1 month	836,014	766,218	794,147	708,857
Past due 2-3 months	701,780	693,495	660,702	622,253
Past due 4-6 months	133,809	167,029	107,397	124,353
Past due 7-12 months	39,385	69,498	20,922	34,593
Past due over 12 months	122,205	137,373	61,378	58,711
Total	5,586,137	5,195,740	5,097,437	4,655,726

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Notes to Financial Statements (Continued)

December 31, 2008 and 2007

The Company and its subsidiaries determine their provision for doubtful accounts in line with the 2007 policy. Such policy is not 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 (2005 – 2007), the Company and its subsidiaries had an average actual bad debt less than doubtful accounts based on such basis while its allowance for doubtful accounts was made at 7.56% of hire-purchase contract receivables – net. As at December 31, 2008, the Company and its subsidiaries had allowance for doubtful accounts at 6.58% of hire-purchase contract receivables – net.

As at December 31, 2008, the Company and its subsidiaries have the outstanding hire-purchase contract receivables as follows :

	In Thousand Baht		
	Consolidated		
	Unearned income realized by the sum-of-digits method	Unearned income realized by the effective interest rate method	Total
Hire-purchase contract receivables	2,174,990	5,715,785	7,890,775
Less Unearned income	(344,066)	(1,960,572)	(2,304,638)
Net	<u>1,830,924</u>	<u>3,755,213</u>	<u>5,586,137</u>

	In Thousand Baht		
	The Company Only		
	Unearned income realized by the sum-of-digits method	Unearned income realized by the effective interest rate method	Total
Hire-purchase contract receivables	1,856,902	5,470,359	7,327,261
Less Unearned income	(307,984)	(1,921,840)	(2,229,824)
Net	<u>1,548,918</u>	<u>3,548,519</u>	<u>5,097,437</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

9. OTHER TRADE ACCOUNTS RECEIVABLE-NET

As at December 31, 2008 and 2007, the Company and its subsidiaries have outstanding balances of other trade account receivables as follows :

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Other trade accounts receivable	60,650	53,898	58,282	51,276
Less Allowance for doubtful accounts	(1,416)	(1,423)	(758)	(765)
Net	<u>59,234</u>	<u>52,475</u>	<u>57,524</u>	<u>50,511</u>

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Outstanding				
Not more than 3 months	59,234	52,475	57,524	50,511
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	1,416	1,423	758	765
Total	60,650	53,898	58,282	51,276
Less: Allowance for doubtful accounts	(1,416)	(1,423)	(758)	(765)
Other trade accounts receivable - net	<u>59,234</u>	<u>52,475</u>	<u>57,524</u>	<u>50,511</u>

10. ASSETS FORECLOSED - NET

As at December 31, 2008 and 2007, the outstanding balance of assets foreclosed of the Company and its subsidiaries are as follows :

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Portion due within one year	236,989	222,263	236,233	221,442
Over one year	7,985	6,052	7,098	5,432
	244,974	228,315	243,331	226,874
Less Allowance for declining in value	(79,082)	(72,731)	(77,968)	(71,865)
Net	<u>165,892</u>	<u>155,584</u>	<u>165,363</u>	<u>155,009</u>

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

11. DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2008 and 2007, the subsidiaries used their fixed deposits of Baht 25 million to secure their overdrafts lines.

12. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

	In Thousand Baht					
	The Company Only					
	Paid-up share capital		Percentage of holdings		Investments	
	2008	2007	2008	2007	2008	2007
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
					<u>93,986</u>	<u>93,986</u>

13. LONG-TERM LOANS TO OTHERS

Long-term loans to others as at December 31, 2008 and 2007, consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Long-term loans to others	27,800	22,640	27,800	22,640
Less Current portion of long-term loans to others	(1,080)	-	(1,080)	-
net	<u>26,720</u>	<u>22,640</u>	<u>26,720</u>	<u>22,640</u>

This account is loans without collateral to 40 agents in 2008 and 37 agents in 2007, bearing interest between 8-9% and MLR+2% per annum. The maturity of such loans is in years 2009 to 2012.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements
December 31,2008 and 2007

14. PROPERTY , PLANT AND EQUIPMENT- NET

	In Thousand Baht							Total
	Consolidated							
	Land	Buildings	Building improvements	Buildings on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Construction in progress	
<u>Cost</u>								
Balance as at December 31, 2006	12,617	23,818	403	41,084	41,413	59,050	-	178,385
Adjustments/Reclassifications	-	-	-	-	-	-	2,592	2,592
Acquisitions	-	-	-	-	10,242	3,892	15,599	29,733
Disposals	-	-	-	-	(2,131)	(3,672)	-	(5,803)
Transfers in (out)	-	-	-	14,105	1,267	-	(15,372)	-
Balance as at December 31, 2007	12,617	23,818	403	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	23,818	403	67,740	54,913	71,413	4,853	235,757

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

In Thousand Baht

	Consolidated							
	Land	Buildings	Building improvements	Buildings on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<u>Accumulated depreciation</u>								
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	-	-	-	-	(654)	(3,356)	-	(4,010)
Balance as at December 31, 2007	-	15,227	107	24,615	27,278	33,807	-	101,034
Depreciation for the year	-	1,172	19	10,558	8,512	9,105	-	29,366
Depreciation for assets disposed	-	-	-	-	(997)	(3,360)	-	(4,357)
Balance as at December 31, 2008	-	16,399	126	35,173	34,793	39,552	-	126,043
<u>Net book value</u>								
December 31, 2007	12,617	8,591	296	30,574	23,513	25,463	2,819	103,873
December 31, 2008	12,617	7,419	277	32,567	20,120	31,861	4,853	109,714
<u>Depreciations included in the statement of income for the year</u>								
2007								26,765
2008								29,366

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2008 and 2007

	In Thousand Baht						
	The Company Only						
	Land	Buildings	Buildings on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>							
Balance as at December 31, 2006	7,802	15,291	40,075	36,314	51,525	-	151,007
Adjustments/Reclassifications	-	-	-	-	-	2,592	2,592
Acquisitions	-	-	-	10,242	3,892	15,599	29,733
Disposals	-	-	-	(2,131)	(3,458)	-	(5,589)
Transfers in (out)	-	-	14,105	1,267	-	(15,372)	-
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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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	In Thousand Baht						
	The Company Only						
	Land	Buildings	Buildings on rented land and Leasehold building improvements	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<u>Accumulated depreciation</u>							
Balance as at December 31, 2006	-	8,547	14,595	15,113	25,937	-	64,192
Depreciation for the year	-	746	9,111	7,883	7,229	-	24,969
Depreciation for assets disposed	-	-	-	(654)	(3,143)	-	(3,797)
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
<u>Net book value</u>							
December 31, 2007	7,802	5,998	30,474	23,350	21,936	2,819	92,379
December 31, 2008	7,802	5,252	32,490	20,034	27,789	4,853	98,220
<u>Depreciations included in the statement of income for the year</u>							
2007							24,969
2008							27,594

As at December 31, 2008 and 2007, 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 52.4 million and Baht 35.7 million (The Company only: Baht 45.8 million and Baht 29.1 million, respectively).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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15. ASSETS NOT USED IN OPERATION

This account consists of land and commercial buildings 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).

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Bank overdrafts	39,795	75,438	27,215	73,176
Short – term loans	1,428,940	1,643,270	1,208,940	1,367,270
Total	<u>1,468,735</u>	<u>1,718,708</u>	<u>1,236,155</u>	<u>1,440,446</u>

As at December 31,2008, the Company and its subsidiaries had credit facilities with several financial institutions which consisted of overdrafts lines of Baht 196 million, short – term loans are in Thai Baht of Baht 3,955 million and foreign currency of USD 1.39 million, bearing interest at 3.43% - 5.10% per annum.

The credit facilities obtained from financial institutions are secured by fixed deposits of the related persons of the Company.

Bank overdrafts of subsidiaries were guaranteed by fixed deposits.(see Note 11)

17. LONG TERM LOANS - NET

Long-term loans as at December 31, 2008 and 2007, consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2008	2007	2008	2007
Loans	<u>1,200,000</u>	<u>600,000</u>	<u>1,200,000</u>	<u>600,000</u>

As at December 31, 2008, the Company obtained long-term loans from three local financial institutions totaling Baht 1,200 million. These loans bear interest at fixed rate and the interest is repayable monthly while the loans principal are repayable Baht 300 million in July 2010, Baht 300 million in December 2010 and Baht 600 million in May 2011.

The above long-term loans have no collaterals.

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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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18. DEBENTURES

	In Thousand Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Debentures	200,000	200,000	200,000	200,000
Less Current portion of long-term debentures	(200,000)	-	(200,000)	-
net	-	200,000	-	200,000

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 the 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 the 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 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.

19. 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.

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20. OTHER INCOME

Other income for the years ended December 31, 2008 and 2007, consisted of :

	In Thousand Baht			
	Consolidated		The Company only	
	2008	2007	2008	2007
Bad debts recovery	286,573	271,192	282,099	265,102
Service income	206,576	172,984	212,174	169,342
Upfront fee income	51,273	16,919	51,259	16,892
Collection income	45,566	44,551	41,462	37,095
Income from late payment penalty	32,449	37,789	27,356	26,113
Sales promotion income	27,390	16,896	27,390	16,896
Services charge income	14,377	13,640	13,994	13,027
Deposit for loss income	12,812	13,129	12,809	13,016
Others	40,805	40,939	32,602	33,212
Total	717,821	628,039	701,145	590,695

21. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht			
	Consolidated		The Company only	
	2008	2007	2008	2007
Bad debt and provision for doubtful accounts	530,903	444,632	530,212	438,668
Employee benefits expense	380,182	322,628	319,637	271,180
Management benefits expense	17,866	15,092	17,866	15,092
Depreciation and amortisation	32,009	29,112	30,064	26,939
Other expenses	994,106	998,162	1,017,877	987,067
Total	1,955,066	1,809,626	1,915,656	1,738,946

22. CORPORATE INCOME TAX / DEFERRED TAX ASSETS AND LIABILITIES

Corporate income tax recorded as (income) expenses for the years ended December 31, 2008 and 2007, consists of:

	In Thousand Baht			
	Consolidated		The Company only	
	2008	2007	2008	2007
Income tax on taxable income	113,012	96,916	111,130	88,979
Decrease (Increase) in deferred income tax	2,036	7,817	(4,720)	5,476
Income tax as presented in the statements of income	115,048	104,733	106,410	94,455

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Deferred tax assets and liabilities presented in balance sheets as at December 31, 2008 and 2007, consist of:-

	In Thousand Baht			
	Consolidated		The Company only	
	2008	2007	2008	2007
Deferred tax assets:				
Effects from non-deductible items from				
- Allowance for doubtful accounts	95,990	99,626	75,297	72,103
- Allowance for decline in value of assets foreclosed	19,826	18,226	19,492	17,966
	<u>115,816</u>	<u>117,852</u>	<u>94,789</u>	<u>90,069</u>
Deferred tax liabilities:				
Net	<u>115,816</u>	<u>117,852</u>	<u>94,789</u>	<u>90,069</u>

23. DIVIDENDS PAID

At the Shareholders' Meeting held on April 23, 2008, the shareholders approved the dividend payment for the year 2007 for 500 million shares at Baht 0.32 per share, amounting to Baht 160 million. The payment was made on May 15, 2008.

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.

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 presented.

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, 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.

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Notes to Financial Statements (Continued)

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Fair value of financial instruments

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

Cash and cash equivalent, trade 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.

26. COMMITMENT

As of December 31, 2008, the Company and subsidiaries had lease and service agreements covering their office premises and branches for a period of 3 to 11 years. Under the agreements, the Company and subsidiaries are committed to pay yearly rental and service fees of Baht 27 million.

27. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2007 were reclassified to conform with those in the 2008 financial statements.