

**THITIKORN PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**

**Financial Statements**

**For the Years Ended December 31, 2010 and 2009**

**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 sheets of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the balance sheets of Thitikorn Public Company Limited as at December 31, 2010 and 2009, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Thitikorn Public Company Limited and its subsidiaries and of Thitikorn Public Company Limited as at December 31, 2010, and 2009, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

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

Bangkok  
February 23, 2011

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**BALANCE SHEETS**

**AS AT DECEMBER 31, 2010 AND 2009**

**ASSETS**

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2010	2009	2010	2009
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	27,139	37,869	21,156	33,355
	Trade receivables				
	- Current portion of hire-purchase contract receivables - net	3,332,077	2,931,541	2,899,047	2,637,459
	- Other receivables - net	78,099	54,713	75,092	52,222
	Receivables from and short-term loan to related parties	1,448	5,151	1,074,600	438,004
	Current portion of long-term loans to other parties	10,560	13,405	10,560	13,405
	Asset foreclosed - net	150,823	144,225	150,410	142,982
	Other current assets	83,067	54,021	19,370	14,229
	<b>Total Current Assets</b>	<b>3,683,213</b>	<b>3,240,925</b>	<b>4,250,235</b>	<b>3,331,656</b>
<b>NON-CURRENT ASSETS</b>					
	Restricted deposits at financial institutions	25,000	25,000	-	-
	Hire-purchase contract receivables - net	3,629,946	3,079,062	2,608,370	2,334,146
	Investments in subsidiaries accounted for using the cost method	-	-	93,986	93,986
	Long-term loans to other parties - net	63,299	21,087	63,299	21,087
	Property, plant and equipment - net	120,213	126,652	112,559	117,083
	Intangible assets - net	3,124	4,103	3,038	3,934
	Deferred tax assets	111,939	106,419	97,607	89,739
	Assets not used in operations	35,157	35,157	5,708	5,708
	Other non-current assets	5,786	7,221	4,994	4,489
	<b>Total Non-Current Assets</b>	<b>3,994,464</b>	<b>3,404,701</b>	<b>2,989,561</b>	<b>2,670,172</b>
	<b>TOTAL ASSETS</b>	<b>7,677,677</b>	<b>6,645,626</b>	<b>7,239,796</b>	<b>6,001,828</b>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**BALANCE SHEETS**

**AS AT DECEMBER 31, 2010 AND 2009**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2010	2009	2010	2009
<b>CURRENT LIABILITIES</b>					
	Bank overdrafts and short-term loans from financial institutions	573,454	1,215,868	320,775	764,711
	Trade payables				
	- Related party	338	18,812	338	18,812
	- Other parties	90,735	78,770	90,735	78,770
	Current portion of long-term loans	900,000	600,000	900,000	600,000
	Payables to and short-term loans from related parties	1,283	2,585	221,047	199,420
	Income tax payable	116,721	61,225	116,721	61,101
	Deposits and advances from customers	157,266	106,178	151,283	100,023
	Accrued expenses and other current liabilities	102,935	78,794	95,624	72,264
	<b>Total Current Liabilities</b>	<u>1,942,732</u>	<u>2,162,232</u>	<u>1,896,523</u>	<u>1,895,101</u>
<b>NON-CURRENT LIABILITIES</b>					
	Long-term loans - net of current portion	1,400,000	1,600,000	1,400,000	1,600,000
	Debentures	1,100,000	-	1,100,000	-
	Other non-current liabilities	17,940	18,718	11,411	11,800
	<b>Total Non-Current Liabilities</b>	<u>2,517,940</u>	<u>1,618,718</u>	<u>2,511,411</u>	<u>1,611,800</u>
	<b>Total Liabilities</b>	<u>4,460,672</u>	<u>3,780,950</u>	<u>4,407,934</u>	<u>3,506,901</u>
<b>SHAREHOLDERS' EQUITY</b>					
	Share capital - common shares, Baht 1 par value				
	Authorized share capital - 500,000,000 shares, Baht 1 par value	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	Issued and fully paid-up share capital - 500,000,000 shares,				
	Baht 1 par value	500,000	500,000	500,000	500,000
	Premium on shares	972,987	972,987	972,987	972,987
	Retained earnings				
	- Appropriated for legal reserve	50,000	50,000	50,000	50,000
	- Unappropriated	1,694,018	1,341,689	1,308,875	971,940
	<b>Total Shareholders' Equity</b>	<u>3,217,005</u>	<u>2,864,676</u>	<u>2,831,862</u>	<u>2,494,927</u>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>7,677,677</u>	<u>6,645,626</u>	<u>7,239,796</u>	<u>6,001,828</u>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2010	2009	2010	2009
<b>REVENUES</b>					
	Hire-purchase income	2,194,214	1,959,496	2,113,620	1,905,694
	Other income	685,132	722,372	723,717	715,250
	<b>Total Revenues</b>	<u>2,879,346</u>	<u>2,681,868</u>	<u>2,837,337</u>	<u>2,620,944</u>
<b>EXPENSES</b>					
	Administrative expenses	1,416,941	1,520,253	1,394,749	1,477,604
	Bad debt and provision for doubtful accounts	576,267	573,035	571,567	579,007
	<b>Total Expenses</b>	<u>1,993,208</u>	<u>2,093,288</u>	<u>1,966,316</u>	<u>2,056,611</u>
	<b>PROFIT BEFORE FINANCE COSTS AND INCOME TAX</b>	886,138	588,580	871,021	564,333
	Finance costs	145,144	133,319	147,872	129,750
	Income tax	208,665	121,447	206,214	116,026
	<b>NET PROFIT</b>	<u>532,329</u>	<u>333,814</u>	<u>516,935</u>	<u>318,557</u>
	<b>Earnings per share (Baht)</b>	<u>1.06</u>	<u>0.67</u>	<u>1.03</u>	<u>0.64</u>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

		In Thousand Baht				
		Consolidated				
		Retained Earnings				
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	Total
	Note					
<b>Beginning Balance as at January 1, 2010</b>		500,000	972,987	50,000	1,341,689	2,864,676
Dividends paid	23	-	-	-	(180,000)	(180,000)
Net profit		-	-	-	532,329	532,329
<b>Ending Balance as at December 31, 2010</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,694,018</u>	<u>3,217,005</u>
<b>Beginning Balance as at January 1, 2009</b>		500,000	972,987	50,000	1,177,875	2,700,862
Dividends paid	23	-	-	-	(170,000)	(170,000)
Net profit		-	-	-	333,814	333,814
<b>Ending Balance as at December 31, 2009</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,341,689</u>	<u>2,864,676</u>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

		In Thousand Baht				
		The Company Only				
		Retained Earnings				
		Issued and	Appropriated			
		Fully Paid-up	Premium on	for Legal		
		Share Capital	Shares	Reserve	Unappropriated	Total
	Note	Share Capital	Shares	Reserve	Unappropriated	Total
<b>Beginning Balance as at January 1, 2010</b>		500,000	972,987	50,000	971,940	2,494,927
Dividends paid	23	-	-	-	(180,000)	(180,000)
Net profit		-	-	-	516,935	516,935
<b>Ending Balance as at December 31, 2010</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,308,875</u>	<u>2,831,862</u>
<b>Beginning Balance as at January 1, 2009</b>		500,000	972,987	50,000	823,383	2,346,370
Dividends paid	23	-	-	-	(170,000)	(170,000)
Net profit		-	-	-	318,557	318,557
<b>Ending Balance as at December 31, 2009</b>		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>971,940</u>	<u>2,494,927</u>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	740,994	455,261	723,149	434,583
Adjustments				
Depreciation and amortization	34,949	34,434	32,931	32,346
Unrealized gain on exchange rate	(713)	(255)	(713)	(255)
Bad debt and provision for doubtful accounts	576,267	573,035	571,567	579,007
Increase (Decrease) in allowance for diminution in value of asset foreclosed	4,048	(10,597)	4,524	(10,879)
Loss on written-off assets	4,321	4,020	-	-
Gain on sales of equipment	(2,030)	(3,118)	(1,973)	(2,986)
Interest income	(4,865)	(3,162)	(52,986)	(9,976)
Interest expense	145,144	133,319	147,872	129,750
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(1,517,750)	(1,351,663)	(1,097,777)	(740,603)
Trade receivables - other	(31,493)	(8,735)	(30,714)	(7,240)
Other receivables from related parties	3,703	6,518	3,495	6,263
Asset foreclosed	(11,488)	32,264	(12,719)	33,260
Other current assets	(28,723)	(4,109)	(4,821)	32,573
Other non-current assets	(2,886)	(2,130)	(505)	(119)
Increase (Decrease) in operating liabilities :				
Trade payables - related party	(18,474)	8,829	(18,474)	8,829
Trade payables - other parties	11,965	33,846	11,965	33,846
Other payables to related parties	(1,302)	(618)	360	(378)
Deposits and advances from customers	51,088	(8,389)	51,260	(7,514)
Accrued expenses and other current liabilities	13,636	21,834	12,855	19,568
Other non-current liabilities	(778)	(1,320)	(389)	(900)
	(34,387)	(90,736)	338,907	529,175
Income tax paid	(158,689)	(101,956)	(158,462)	(101,006)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(193,076)</b>	<b>(192,692)</b>	<b>180,445</b>	<b>428,169</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term loans to related party	-	-	(636,000)	(422,000)
Increase in long-term loans to other parties	(40,367)	(6,692)	(40,367)	(6,692)
Purchases of fixed assets	(28,352)	(53,608)	(27,959)	(53,607)
Proceeds from sales of equipment	4,051	7,834	3,621	7,702
Purchases of intangible assets	(1,200)	(235)	(1,200)	(235)
Interest received	4,554	3,296	48,584	7,959
<b>Net Cash Used in Investing Activities</b>	<b>(61,314)</b>	<b>(49,405)</b>	<b>(653,321)</b>	<b>(466,873)</b>



**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(641,701)	47,388	(443,223)	(171,189)
Proceeds from long-term loans	700,000	700,000	700,000	700,000
Repayment of long-term loan	(600,000)	-	(600,000)	-
Issuances of debentures	1,100,000	-	1,100,000	-
Redemption of debentures	-	(200,000)	-	(200,000)
Increase in short-term loans from related parties	-	-	21,120	10,580
Dividends paid	(180,000)	(170,000)	(180,000)	(170,000)
Interest paid	(134,639)	(136,334)	(137,220)	(132,872)
<b>Net Cash Provided by Financing Activities</b>	<b>243,660</b>	<b>241,054</b>	<b>460,677</b>	<b>36,519</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,730)</b>	<b>(1,043)</b>	<b>(12,199)</b>	<b>(2,185)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>37,869</b>	<b>38,912</b>	<b>33,355</b>	<b>35,540</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>27,139</b>	<b>37,869</b>	<b>21,156</b>	<b>33,355</b>
<b>Supplementary disclosures of cash flow information</b>				
<b>Cash and cash equivalents at end of year</b>				
Cash in hand	2,642	7,218	1,749	6,760
Current accounts at banks	16,998	26,198	11,908	22,142
Savings deposits at bank	7,499	4,453	7,499	4,453
Total	<b>27,139</b>	<b>37,869</b>	<b>21,156</b>	<b>33,355</b>

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**1. GENERAL INFORMATION**

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

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

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

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

Name of Subsidiary	Type of business	In Thousand Baht		Percentage of	
		Paid-up Share		Direct and Indirect	
		Capital		Holdings (%)	
		December	December	December	December
		31, 2010	31, 2009	31, 2010	31, 2009
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile business	40,000	40,000	99.99	99.99

**2. BASIS OF FINANCIAL STATEMENT PRESENTATION**

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

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

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

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

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

**3. RENUMBERING, REVISION, AND ISSUANCE OF NEW ACCOUNTING STANDARDS**

FAP has made the announcements No. 12/2552 dated May 15, 2009 and No. 49/2553 dated November 24, 2010 regarding the renumbering of TAS and financial reporting standards (“TFRS”).

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

In addition, FAP has made the announcements No. 17/2553 dated April 9, 2010 and Nos. 50/2553 - 55/2553 dated November 24, 2010 regarding the revision and issuance of new TAS, TFRS, and related interpretation (“TFRIC”) as follows:

	<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statement (Revised 2009)	May 26, 2010
TAS 1 (Revised 2009)	January 1, 2011
TAS 2 (Revised 2009)	January 1, 2011
TAS 7 (Revised 2009)	January 1, 2011
TAS 8 (Revised 2009)	January 1, 2011
TAS 10 (Revised 2009)	January 1, 2011
TAS 11 (Revised 2009)	January 1, 2011
TAS 12	January 1, 2013
TAS 16 (Revised 2009)	January 1, 2011
TAS 17 (Revised 2009)	January 1, 2011
TAS 18 (Revised 2009)	January 1, 2011
TAS 19	January 1, 2011
TAS 20 (Revised 2009)	January 1, 2013
TAS 21 (Revised 2009)	January 1, 2013
TAS 23 (Revised 2009)	January 1, 2011
TAS 24 (Revised 2009)	January 1, 2011
TAS 26	January 1, 2011
TAS 27 (Revised 2009)	January 1, 2011
TAS 28 (Revised 2009)	January 1, 2011
TAS 29	January 1, 2011
TAS 31 (Revised 2009)	January 1, 2011
TAS 33 (Revised 2009)	January 1, 2011
TAS 34 (Revised 2009)	January 1, 2011
TAS 36 (Revised 2009)	January 1, 2011
TAS 37 (Revised 2009)	January 1, 2011
TAS 38 (Revised 2009)	January 1, 2011
TAS 40 (Revised 2009)	January 1, 2011
TFRS 2	January 1, 2011
TFRS 3 (Revised 2009)	January 1, 2011
TFRS 5 (Revised 2009)	January 1, 2011
TFRS 6	January 1, 2011
TFRIC 15	January 1, 2011

The Company’s management has been assessing the effects of the above accounting standards, financial reporting standards, and related interpretation.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Consolidation**

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

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

*Subsidiaries*

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

**Foreign Currencies**

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

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

**Cash and Cash Equivalents**

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

**Trade Receivables**

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

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

Period	Allowance for doubtful accounts (%)	
	Automobile	Motorcycle
Not yet due	1	1
Past due 1 month	1	1
Past due 2 - 3 months	2	20
Past due 4 - 6 months	20	50
Past due 7 - 12 months	50	100
Past due over 12 months	100	100

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

**Asset Foreclosed**

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

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

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

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

**Investments**

**Investments in subsidiaries**

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

**Property, Plant and Equipment and Depreciation**

*Owned assets*

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

*Leased assets*

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

*Depreciation*

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

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

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

**Intangible Assets**

*Leasehold rights*

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

*Software licenses*

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

*Amortization*

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

**Impairment of Assets**

As at the balance date, the Group reviews the impairment of assets whether there are any events indicate that the carrying values of assets exceed their recoverable amounts (the higher of asset's net selling price or value in use). The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and by recording the devaluation in the statement of income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

**Trade and Other Payables**

Trade and other payables are stated at cost.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**Provisions**

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Revenue Recognition**

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

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

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

Interest is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income is recognized on an accrual basis.

**Operating Leases**

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

**Income Tax**

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

*Current tax*

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

*Deferred tax*

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

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

**Earnings per Share**

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

**5. INTEREST INCOME FROM HIRE-PURCHASE**

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

**6. TRANSACTIONS WITH RELATED PARTIES**

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

Types of relationship of related parties are as follows:

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

\* As at December 31, 2010, Zinphol Company Limited was not a related party.

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

<u>Type of Transaction</u>	<u>Pricing policies</u>
Service income	Mutual agreement
Interest income	MOR
Sales promotion income	Mutual agreement
Other income	Cost
Rental and services	Contract price
Management fee	Contract price
Utility expenses	Cost
Sales promotion expenses	Mutual agreement
Collection fee	Mutual agreement
Stationery expense	Cost
Other expenses	Mutual agreement
Service expenses	Mutual agreement
Interest expense	MOR



**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Type of Transaction	Pricing policies
Disposal of asset foreclosed / fixed asset	Market price
Purchase for hire-purchases	Market price
Purchase of fixed assets	Market price

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>Service income</b>				
Chayapak Company Limited	-	-	10,397	8,088
C.V.A. Company Limited	-	-	-	13
Total	-	-	10,397	8,101
<b>Interest income</b>				
Chayapak Company Limited	-	-	48,277	7,166
<b>Sales promotion income</b>				
S.P. Suzuki Public Company Limited	6,643	25,200	6,643	25,200
<b>Other income</b>				
Zinphol Company Limited	40	308	-	15
Chayapak Company Limited	-	-	107	118
S.P. Suzuki Public Company Limited	1	-	1	-
Total	41	308	108	133
<b>Rental and services</b>				
S.P. International Company Limited	17,520	16,090	15,068	13,638
<b>Management fee</b>				
S.P. International Company Limited	9,000	9,000	7,200	7,200
<b>Utility expenses</b>				
S.P. International Company Limited	3,564	3,384	3,294	3,154
<b>Sales promotion expenses</b>				
Zinphol Company Limited	16,712	15,064	16,712	15,064
<b>Collection fee</b>				
Zinphol Company Limited	436	857	436	857
<b>Stationery expense</b>				
S.P. International Company Limited	1,688	1,714	1,660	1,706
S.P. Suzuki Public Company Limited	318	211	318	211
Total	2,006	1,925	1,978	1,917
<b>Other expenses</b>				
S.P. International Company Limited	12,489	13,228	4,622	4,537
S.P. Suzuki Public Company Limited	2,319	3,018	2,319	3,018
Napas Co., Ltd.	1,510	29	1,510	29
Toyota Pathumthani Toyota's Dealer Co., Ltd.	570	838	15	10
Lexus Bangkok Co., Ltd.	126	54	-	-
Zinphol Company Limited	-	2	-	2
Total	17,014	17,169	8,466	7,596
<b>Service expenses</b>				
C.V.A. Company Limited	-	-	75,621	61,200

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>Interest expense</b>				
C.V.A. Company Limited	-	-	11,491	11,610
Chayapak Company Limited	-	-	-	14
<b>Total</b>	<u>-</u>	<u>-</u>	<u>11,491</u>	<u>11,624</u>
<b>Disposal of asset foreclosed</b>				
Zinphol Company Limited	14,137	53,946	14,137	53,946
Toyota Pathumthani Toyota's Dealer Co., Ltd.	1,439	-	-	-
<b>Total</b>	<u>15,576</u>	<u>53,946</u>	<u>14,137</u>	<u>53,946</u>
<b>Disposal of fixed asset</b>				
Toyota Pathumthani Toyota's Dealer Co., Ltd.	430	-	-	-
Chayapak Company Limited	-	-	168	-
<b>Total</b>	<u>430</u>	<u>-</u>	<u>168</u>	<u>-</u>
<b>Purchases for hire-purchases</b>				
S.P. International Company Limited	1,130,709	1,060,312	-	-
Zinphol Company Limited	310,956	472,380	310,956	471,716
Toyota Pathumthani Toyota's Dealer Co., Ltd.	79,298	98,883	-	-
S.P. Suzuki Public Company Limited	9,320	1,987	9,320	1,987
<b>Total</b>	<u>1,530,283</u>	<u>1,633,562</u>	<u>320,276</u>	<u>473,703</u>
<b>Purchases of fixed assets</b>				
S.P. International Company Limited	5,309	12,470	5,309	12,470
Zinphol Company Limited	769	654	769	654
Toyota Pathumthani Toyota's Dealer Co., Ltd.	-	1,589	-	1,589
<b>Total</b>	<u>6,078</u>	<u>14,713</u>	<u>6,078</u>	<u>14,713</u>

Significant outstanding balances with related parties as at December 31, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>Receivables and short-term loan</b>				
<b>Accrued income</b>				
S.P. Suzuki Public Company Limited	1,446	4,548	1,446	4,548
Zinphol Company Limited	2	603	-	586
Chayapak Company Limited	-	-	7,154	2,870
<b>Total</b>	<u>1,448</u>	<u>5,151</u>	<u>8,600</u>	<u>8,004</u>
<b>Short-term loan</b>				
Chayapak Company Limited (Interest rate at 6.125% - 6.375% p.a. in 2010 and 6.125% - 7% p.a. in 2009)	-	-	1,066,000	430,000
<b>Total</b>	<u>1,448</u>	<u>5,151</u>	<u>1,074,600</u>	<u>438,004</u>

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**December 31, 2010 and 2009**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
<b>Trade payables</b>				
S.P. Suzuki Public Company Limited	338	-	338	-
Zinphol Company Limited	-	18,812	-	18,812
Total	<u>338</u>	<u>18,812</u>	<u>338</u>	<u>18,812</u>
<b>Payables and short-term loan</b>				
<b>Accrued expenses</b>				
S.P. International Company Limited	1,030	857	995	830
Napas Co., Ltd.	159	60	159	60
S.P. Suzuki Public Company Limited	81	180	81	180
Lexus Bangkok Co., Ltd.	8	-	-	-
Toyota Pathumthani Toyota's Dealer Co., Ltd.	5	-	5	-
Zinphol Company Limited	-	1,488	-	1,488
C.V.A. Company Limited	-	-	7,907	6,082
Total	<u>1,283</u>	<u>2,585</u>	<u>9,147</u>	<u>8,640</u>
<b>Short-term loan</b>				
C.V.A. Company Limited				
(Interest rate at 6.125% - 6.375% p.a. in 2010 and 6.125% - 7% p.a. in 2009)	-	-	211,900	190,780
Total	<u>1,283</u>	<u>2,585</u>	<u>221,047</u>	<u>199,420</u>

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

	The Company Only (In Thousand Baht)			
	December 31, 2009	Increase	Decrease	December 31, 2010
<b>Short-term loan to subsidiary</b>				
Chayapak Company Limited	<u>430,000</u>	<u>1,366,000</u>	<u>730,000</u>	<u>1,066,000</u>
<b>Short-term loan from subsidiary</b>				
C.V.A. Company Limited	<u>190,780</u>	<u>90,060</u>	<u>68,940</u>	<u>211,900</u>

As at December 31, 2010 and 2009, the Company has been guarantor for the short-term loan credit facilities granted by a local bank to Chayapak Co., Ltd. amounting to Baht 600 million.

## 7. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Cash	2,642	7,218	1,749	6,760
Deposits at financial institutions	24,497	30,651	19,407	26,595
Total	<u>27,139</u>	<u>37,869</u>	<u>21,156</u>	<u>33,355</u>

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**8. HIRE-PURCHASE CONTRACT RECEIVABLES - NET**

	Consolidated (In Thousand Baht)					
	2010			2009		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	10,173,439	5,511,779	4,661,660	8,892,766	4,906,902	3,985,864
Less Unearned income	(2,845,784)	(1,899,981)	( 945,803)	(2,536,275)	(1,703,685)	( 832,590)
Net	7,327,655	3,611,798	3,715,857	6,356,491	3,203,217	3,153,274
Less Allowance for doubtful accounts	( 365,632)	( 279,721)	( 85,911)	( 345,888)	( 271,676)	( 74,212)
Net	<u>6,962,023</u>	<u>3,332,077</u>	<u>3,629,946</u>	<u>6,010,603</u>	<u>2,931,541</u>	<u>3,079,062</u>

  

	The Company Only (In Thousand Baht)					
	2010			2009		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	8,508,968	4,962,700	3,546,268	7,652,473	4,495,872	3,156,601
Less Unearned income	(2,682,769)	(1,822,629)	( 860,140)	(2,389,129)	(1,636,375)	( 752,754)
Net	5,826,199	3,140,071	2,686,128	5,263,344	2,859,497	2,403,847
Less Allowance for doubtful accounts	( 318,782)	( 241,024)	( 77,758)	( 291,739)	( 222,038)	( 69,701)
Net	<u>5,507,417</u>	<u>2,899,047</u>	<u>2,608,370</u>	<u>4,971,605</u>	<u>2,637,459</u>	<u>2,334,146</u>

Hire-purchase contract receivables at December 31, 2010 and 2009 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Current	5,224,365	4,480,285	4,009,140	3,612,883
Overdue 1 month	984,944	867,096	878,682	798,638
Overdue 2 - 3 months	860,884	761,082	765,745	688,901
Overdue 4 - 6 months	140,952	125,053	110,722	100,145
Overdue 7 - 12 months	35,455	28,826	19,478	16,552
Overdue longer than 12 months	81,055	94,149	42,432	46,225
Total	<u>7,327,655</u>	<u>6,356,491</u>	<u>5,826,199</u>	<u>5,263,344</u>

The Company and its subsidiaries determine their provision for doubtful accounts in line with the policy adopted in 2008. Such policy is not in compliance with the accounting guidance for making of provision of doubtful accounts for consumer finance business as mutually defined by the Securities and Exchange Commission (“SEC”) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”). However, based on the statistic information for the past 3 years (2007 - 2009), the Company and its subsidiaries had an average actual bad debt lower than the doubtful accounts based on such basis defined by the SEC and ICAAT. As at December 31, 2010, the Company and its subsidiaries had allowance for doubtful accounts at 4.99% of hire-purchase contract receivables - net.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
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As at December 31, 2010, the Company and its subsidiaries have the outstanding hire-purchase contract receivables, classified by recognition method, as follows:

	Consolidated (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	126,845	10,046,594	10,173,439
Less Unearned income	(14,791)	(2,830,993)	(2,845,784)
Net	112,054	7,215,601	7,327,655

  

	The Company Only (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	49,912	8,459,056	8,508,968
Less Unearned income	(6,993)	(2,675,776)	(2,682,769)
Net	42,919	5,783,280	5,826,199

**9. OTHER TRADE RECEIVABLE - NET**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Other trade receivables	78,099	54,849	75,092	52,306
Less Allowance for doubtful accounts	-	( 136)	-	( 84)
Net	78,099	54,713	75,092	52,222

Other trade receivables are aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Current	57,199	41,916	54,192	39,425
Overdue within 3 months	20,900	12,797	20,900	12,797
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue longer than 12 months	-	136	-	84
Total	78,099	54,849	75,092	52,306
Less Allowance for doubtful accounts	-	( 136)	-	( 84)
Net	78,099	54,713	75,092	52,222

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**December 31, 2010 and 2009**

**10. ASSET FORECLOSED - NET**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Outstanding within one year	215,462	206,036	214,872	204,260
Outstanding longer than one year	7,894	6,674	7,150	5,810
Total	223,356	212,710	222,022	210,070
Less Allowance for diminution in value	( 72,533)	( 68,485)	( 71,612)	( 67,088)
Net	150,823	144,225	150,410	142,982

**11. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS**

As at December 31, 2010 and 2009, the subsidiaries have collateralized their fixed deposits with a local bank totalling Baht 25 million as guarantees for their overdraft lines with such bank.

**12. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD**

	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Holdings		Cost of Investments (In Thousand Baht)	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
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
Total					93,986	93,986

**13. LONG-TERM LOANS TO OTHER PARTIES**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Long-term loans to other parties	73,859	34,492	73,859	34,492
Less Current portion	(10,560)	(13,405)	(10,560)	(13,405)
Net	63,299	21,087	63,299	21,087

This account represents the unsecured loans to 96 agents in 2010 and 49 agents in 2009, bearing interest rate at 9% p.a. in 2010 and ranging between 8% - 12% p.a. in 2009. These loans mature during the years 2011 to 2016.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**14. PROPERTY, PLANT AND EQUIPMENT- NET**

	Consolidated (In Thousand Baht)						
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<b>Cost</b>							
Balance as at December 31, 2008	12,617	24,221	67,740	54,913	71,413	4,853	235,757
Acquisitions	-	-	4,621	8,229	17,512	23,245	53,607
Disposals	-	-	-	( 2,658)	(12,425)	-	( 15,083)
Transfers in (out)	-	-	25,684	957	-	(26,641)	-
Balance as at December 31, 2009	12,617	24,221	98,045	61,441	76,500	1,457	274,281
Acquisitions	-	-	1,140	7,465	8,603	11,144	28,352
Disposals	-	-	-	( 1,499)	( 5,894)	-	( 7,393)
Transfers in (out)	-	-	8,131	244	-	( 8,375)	-
Balance as at December 31, 2010	12,617	24,221	107,316	67,651	79,209	4,226	295,240
<b>Accumulated depreciation</b>							
Balance as at December 31, 2008	-	16,525	35,173	34,793	39,552	-	126,043
Depreciation for the year	-	1,193	12,137	7,886	10,737	-	31,953
Depreciation for assets disposed	-	-	-	( 864)	( 9,503)	-	( 10,367)
Balance as at December 31, 2009	-	17,718	47,310	41,815	40,786	-	147,629
Depreciation for the year	-	1,193	12,390	7,811	11,376	-	32,770
Depreciation for assets disposed	-	-	-	( 242)	( 5,130)	-	( 5,372)
Balance as at December 31, 2010	-	18,911	59,700	49,384	47,032	-	175,027
<b>Net book value</b>							
December 31, 2009	12,617	6,503	50,735	19,626	35,714	1,457	126,652
December 31, 2010	12,617	5,310	47,616	18,267	32,177	4,226	120,213

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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The Company Only (In Thousand Baht)

	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<b>Cost</b>							
Balance as at December 31, 2008	7,802	15,291	66,731	49,814	63,346	4,853	207,837
Acquisitions	-	-	4,621	8,229	17,512	23,245	53,607
Disposals	-	-	-	( 2,658)	(12,190)	-	( 14,848)
Transfers in (out)	-	-	25,684	957	-	(26,641)	-
Balance as at December 31, 2009	7,802	15,291	97,036	56,342	68,668	1,457	246,596
Acquisitions	-	-	1,140	7,465	8,210	11,144	27,959
Disposals	-	-	-	( 1,499)	( 5,501)	-	( 7,000)
Transfers in (out)	-	-	8,131	244	-	( 8,375)	-
Balance as at December 31, 2010	7,802	15,291	106,307	62,552	71,377	4,226	267,555
<b>Accumulated depreciation</b>							
Balance as at December 31, 2008	-	10,039	34,241	29,780	35,557	-	109,617
Depreciation for the year	-	746	12,115	7,877	9,290	-	30,028
Depreciation for assets disposed	-	-	-	( 864)	( 9,268)	-	( 10,132)
Balance as at December 31, 2009	-	10,785	46,356	36,793	35,579	-	129,513
Depreciation for the year	-	746	12,369	7,811	9,909	-	30,835
Depreciation for assets disposed	-	-	-	( 242)	( 5,110)	-	( 5,352)
Balance as at December 31, 2010	-	11,531	58,725	44,362	40,378	-	154,996
<b>Net book value</b>							
December 31, 2009	7,802	4,506	50,680	19,549	33,089	1,457	117,083
December 31, 2010	7,802	3,760	47,582	18,190	30,999	4,226	112,559

As at December 31, 2010 and 2009, 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 86.4 million and Baht 68.4 million, respectively (Baht 79.9 million and Baht 62.0 million, respectively, for the Company only).



**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**15. ASSETS NOT USED IN OPERATIONS**

This account consists of land and commercial buildings of the Company and a subsidiary which are temporarily not used in operations. The latest appraisal value of such assets, appraised by Bangkok Property Appraisal Co., Ltd. using comparative market price method (market approach) per reports in February and March 2010, amounted to approximately Baht 91.7 million (Baht 29.4 million for the Company only).

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Bank overdrafts	56,191	24,112	48,511	2,955
Short-term loans	517,263	1,191,756	272,264	761,756
Total	573,454	1,215,868	320,775	764,711

As at December 31, 2010, the Company and its subsidiaries had credit facilities with several financial institutions which consisted of overdrafts lines of Baht 196 million and short-term loans in Thai Baht 4,545 million and USD 1.39 million. Such loans bear interest rates ranging between 0.31% - 2.50% p.a.

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

Overdraft lines of subsidiaries have been secured by the fixed deposits as discussed in Note 11.

**17. LONG -TERM LOANS - NET**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Long-term loans	2,300,000	2,200,000	2,300,000	2,200,000
Less Current portion	( 900,000)	( 600,000)	( 900,000)	( 600,000)
Net	1,400,000	1,600,000	1,400,000	1,600,000

As at December 31, 2010, the Company obtained the unsecured long-term loans from four local financial institutions totalling Baht 2,300 million. These loans bear interest at fixed rates and interest is repayable monthly whereas loan principals are repayable during the years 2011 to 2014.

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

- To maintain debt to equity ratio at the rate not exceeding 7:1
- To maintain dividend payment ratio not exceeding 60% of net profit
- To maintain ratio of hire-purchase contract receivables overdue longer than 3 months not exceeding 5% of total hire-purchase contract receivables

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**18. DEBENTURES**

On February 25, 2010, the Company issued a series of debentures to specific investors amounting to Baht 200 million (divided into 200,000 units at Baht 1,000 per unit) and bears interest at 4.2% p.a. with maturity in 2013. Interest is payable quarterly.

On May 14, 2010, the Company issued another series of debentures to specific investors amounting to Baht 100 million (divided into 100,000 units at Baht 1,000 per unit) and bears interest at 3.4% p.a. with maturity in 2013. Interest is payable quarterly.

On July 8, 2010, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 500 million (divided into 500,000 units at Baht 1,000 per unit) and bears interest at 3.2% p.a. with maturity in 2013. Interest is payable semi-annually.

On August 27, 2010, the Company issued another series of debentures to specific investors amounting to Baht 300 million (divided into 300,000 units at Baht 1,000 per unit) and bears interest at 3.9% p.a. with maturity in 2015. Interest is payable semi-annually.

Under the conditions of the issuances of debentures, the Company has to comply with the specified conditions as shown below:

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

**19. PREMIUM ON SHARES AND LEGAL RESERVE**

*Premium on shares*

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

*Legal reserve*

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

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

**20. OTHER INCOME**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Bad debts recovery	309,915	290,862	304,169	285,500
Service income	168,346	207,163	174,722	212,017
Engagement fee income	59,599	53,005	59,564	52,992
Collection income	43,851	42,127	41,346	39,116
Delay payment fee income	30,642	28,102	27,816	24,662
Service charge income	21,270	17,504	20,663	17,101
Sales promotion income	6,644	25,201	6,644	25,201
Interest income	4,865	3,162	52,986	9,976
Income from insurance claims	3,939	17,728	3,846	17,131
Others	36,061	37,518	31,961	31,554
<b>Total</b>	<b>685,132</b>	<b>722,372</b>	<b>723,717</b>	<b>715,250</b>

**21. EXPENSES BY NATURE**

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Bad debt and provision for doubtful accounts	576,267	573,035	571,567	579,007
Employee expenses	427,886	411,953	360,281	345,939
Management's remunerations	23,680	18,615	23,680	18,615
Depreciation and amortization	34,949	34,434	32,931	32,346
Others	930,426	1,055,251	977,857	1,080,704
<b>Total</b>	<b>1,993,208</b>	<b>2,093,288</b>	<b>1,966,316</b>	<b>2,056,611</b>

**22. INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES**

The Company used income tax rate of 25% on net profit not exceeding Baht 300 million and 30% on net profit exceeding Baht 300 million for the calculation of corporate income tax for the years ended December 31, 2010 and 2009 based on Section 3 and Section 4 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 475) B.E. 2551 (2008).

Subsidiaries used income tax rate of 30% for the calculation of corporate income tax for the years ended December 31, 2010 and 2009.

Corporate income tax recorded as (income) expense for the years ended December 31, 2010 and 2009 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Income tax on taxable profit	214,185	112,050	214,082	110,976
Decrease (increase) in deferred tax assets	( 5,520)	9,397	( 7,868)	5,050
<b>Income tax presented in statements of income</b>	<b>208,665</b>	<b>121,447</b>	<b>206,214</b>	<b>116,026</b>

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

Deferred tax assets and liabilities presented in balance sheets as at December 31, 2010 and 2009 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Deferred tax assets:				
Effects from non-deductible items from:				
- Allowance for doubtful accounts	93,760	89,228	79,704	72,967
- Allowance for decline in value of asset foreclosed	18,179	17,191	17,903	16,772
Total	111,939	106,419	97,607	89,739
Deferred tax liabilities	-	-	-	-
Net	111,939	106,419	97,607	89,739

**23. DIVIDENDS**

At the shareholders' meeting held on April 20, 2010, the shareholders unanimously approved the Company to pay dividends for the 2009 operations at Baht 0.36 per share totalling Baht 180 million. The Company has paid dividends to the shareholders on May 14, 2010.

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

**24. SEGMENT INFORMATION**

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

**25. FINANCIAL INSTRUMENTS**

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company and subsidiaries. To control the risk, the Company and subsidiaries have a prudent credit control policy, constant follow up of account receivables, various numbers of customer base, as well as deposits, advances, and leased vehicles as collateral. Therefore, the management of the Company and subsidiaries do not anticipate losses from debt collection in excess of the allowance for doubtful debts which is already accounted for in the financial statements.

*Interest rate risk*

Interest rate risk arises from the potential change in interest rates. However, the Company and subsidiaries expect that the interest rate risk is not significant since deposits at banks are current and loans carry interest at rates approximate the current market rates. Information regarding interest rates and due dates are disclosed in the financial statements.

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

*Foreign currency risk*

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

*Fair value of financial instruments*

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

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

Long-term hire-purchase contract receivables, long-term loans, and debentures are not practicable to estimate the proper fair values without incurring excessive costs.

**26. COMMITMENTS**

- 1) As at December 31, 2010, the Company and subsidiaries had commitments on lease and service agreements for office premises and branches for periods of 1 to 10 years. Under the terms of such agreements, the Company and subsidiaries are committed to pay annual rental and service fees amounting to approximately Baht 29.8 million.
- 2) As at December 31, 2010, the Company had commitments on improvement and maintenance of buildings on rented land amounting to approximately Baht 5.5 million.

**27. CAPITAL MANAGEMENT**

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

As at December 31, 2010 and 2009, the Group's Debt-to-Equity ratio was 1.39:1.00 and 1.32:1.00, respectively (1.56:1.00 and 1.41:1.00 for the Company only).

**28. CORRECTION OF ERROR**

During 2010, the Company's management found and corrected an error from misclassification of loan from bank in the consolidated and separate balance sheets as at December 31, 2009 without effect to the previously reported net profit and shareholders' equity. Such correction of error had effects to the presentations in the consolidated and separate balance sheets as at December 31, 2009 as follows:

**THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2010 and 2009**

	In Thousand Baht			
	Consolidated Balance Sheet		Separate Balance Sheet	
	Reclassified Balance	Previously Reported Balance	Reclassified Balance	Previously Reported Balance
Bank overdrafts and short-term loans from financial institutions	1,215,868	1,515,868	764,711	1,064,711
Long-term loans - net of current portion	1,600,000	1,300,000	1,600,000	1,300,000

**29. EVENT AFTER THE BALANCE SHEET DATE**

On January 28, 2011, the Company issued a series of debentures to specific investors amounting to Baht 250 million (divided into 250,000 units at Baht 1,000 per unit) and bears interest at 4.04% p.a. with maturity in 2016. Interest is payable semi-annually. These debentures have the same issuance conditions to the debentures discussed in Note 18.

**30. REGISTERED EMPLOYEES' PROVIDENT FUND**

The Company and a subsidiary have contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Under the plan, the Company, subsidiary, and employees contribute an amount equivalent to 3% of the employees' basic salaries depending on the length of employment.

The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company's and subsidiary's contributions which were charged to operations for the years ended December 31, 2010 and 2009 were totalling approximately Baht 0.9 million and Baht 1.0 million, respectively (Baht 0.8 million and Baht 0.9 million, respectively, for the Company only).

**31. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved to be issued by the Company's directors on February 23, 2011.