

**THITIKORN PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Financial Statements

For the Years Ended December 31, 2011 and 2010

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 statements of financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the statements of financial position of Thitikorn Public Company Limited as at December 31, 2011 and 2010, and the related statements of comprehensive 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, 2011, and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

As explained by the Company in Note 1 to financial statements, starting from January 1, 2011, the Company and its subsidiaries have adopted the new and revised accounting standards and financial reporting standards, issued by the Federation of Accounting Professions, in the preparation and presentation of the accompanying financial statements.

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

Bangkok
February 22, 2012

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011 AND 2010

ASSETS

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2011	2010	2011	2010
CURRENT ASSETS					
Cash and cash equivalents	6	185,388	27,139	124,027	21,156
Trade receivables					
- Current portion of hire-purchase contract receivables - net	7	3,728,877	3,332,077	3,234,502	2,899,047
- Other receivables	8	54,974	78,099	51,545	75,092
Receivables from and short-term loan to related parties	5	-	1,448	1,266,168	1,074,600
Current portion of long-term loans to other parties	12	14,548	10,560	14,548	10,560
Merchandises		73,997	-	73,997	-
Asset foreclosed - net	9	280,792	150,823	279,925	150,410
Other current assets		39,114	83,067	38,766	19,370
Total Current Assets		4,377,690	3,683,213	5,083,478	4,250,235
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	10	25,000	25,000	-	-
Hire-purchase contract receivables - net	7	3,847,393	3,629,946	2,922,865	2,608,370
Investments in subsidiaries accounted for using the cost method	2, 11	-	-	283,212	93,986
Long-term loans to other parties - net	12	58,470	63,299	58,470	63,299
Property, plant and equipment - net	5, 13	126,985	120,213	110,107	112,559
Goodwill	2	83,640	-	-	-
Intangible assets - net	14	3,197	3,124	2,932	3,038
Deferred tax assets	2, 22	106,982	111,939	96,947	97,607
Assets not used in operations	15	35,157	35,157	5,708	5,708
Other non-current assets		16,123	5,786	5,329	4,994
Total Non-Current Assets		4,302,947	3,994,464	3,485,570	2,989,561
TOTAL ASSETS		8,680,637	7,677,677	8,569,048	7,239,796

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2011 AND 2010

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2011	2010	2011	2010
CURRENT LIABILITIES					
	Bank overdrafts and short-term borrowings from financial institutions	81,604	573,454	79,472	320,775
	Trade payables				
	- Related party	-	338	-	338
	- Other parties	44,508	90,735	44,508	90,735
	Current portion of long-term loans	700,000	900,000	700,000	900,000
	Payables to and short-term loans from related parties	1,230	1,283	468,167	221,047
	Income tax payable	26,922	116,721	23,945	116,721
	Deposits and advances from customers	141,394	157,266	135,063	151,283
	Accrued expenses and other current liabilities	128,445	102,935	88,842	95,624
	Total Current Liabilities	1,124,103	1,942,732	1,539,997	1,896,523
NON-CURRENT LIABILITIES					
	Long-term loans - net of current portion	1,800,000	1,400,000	1,800,000	1,400,000
	Debentures	2,150,000	1,100,000	2,150,000	1,100,000
	Liability for post-employment benefits	26,382	-	20,664	-
	Other non-current liabilities	17,028	17,940	10,976	11,411
	Total Non-Current Liabilities	3,993,410	2,517,940	3,981,640	2,511,411
	Total Liabilities	5,117,513	4,460,672	5,521,637	4,407,934
SHAREHOLDERS' EQUITY					
	Share capital - common shares, Baht 1 par value				
	Authorized share capital - 500,000,000 shares, Baht 1 par value	500,000	500,000	500,000	500,000
	Issued and fully paid-up share capital - 500,000,000 shares, Baht 1 par value	500,000	500,000	500,000	500,000
	Premium on shares	972,987	972,987	972,987	972,987
	Retained earnings				
	- Appropriated for legal reserve	50,000	50,000	50,000	50,000
	- Unappropriated	2,040,137	1,694,018	1,524,424	1,308,875
	Total Shareholders' Equity	3,563,124	3,217,005	3,047,411	2,831,862
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,680,637	7,677,677	8,569,048	7,239,796

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2011	2010	2011	2010
REVENUES					
	Hire-purchase income	2,528,345	2,194,214	2,444,921	2,113,620
	Sales of merchandises	123,138	-	123,138	-
	Other income	718,143	685,132	1,126,040	723,717
	Total Revenues	<u>3,369,626</u>	<u>2,879,346</u>	<u>3,694,099</u>	<u>2,837,337</u>
EXPENSES					
	Cost of sales	111,599	-	111,599	-
	Selling expenses	7,178	-	7,178	-
	Administrative expenses	1,549,206	1,416,941	2,016,065	1,394,749
	Bad debt and provision for doubtful accounts	767,644	576,267	759,093	571,567
	Finance costs	181,701	145,144	194,107	147,872
	Total Expenses	<u>2,617,328</u>	<u>2,138,352</u>	<u>3,088,042</u>	<u>2,114,188</u>
	PROFIT BEFORE INCOME TAX	752,298	740,994	606,057	723,149
	Income Tax Expense	127,561	208,665	114,833	206,214
	PROFIT FOR THE YEAR	624,737	532,329	491,224	516,935
	Other Comprehensive Income	-	-	-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>624,737</u>	<u>532,329</u>	<u>491,224</u>	<u>516,935</u>
	Basic Earnings per share (Baht)	<u>1.25</u>	<u>1.06</u>	<u>0.98</u>	<u>1.03</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, 2011 AND 2010

		In Thousand Baht				
		Consolidated				
		Retained Earnings				
		Issued and	Appropriated			
		Fully Paid-up	Premium on	for Legal		
		Share Capital	Shares	Reserve	Unappropriated	Total
	Note					
Beginning Balance as at January 1, 2010		500,000	972,987	50,000	1,341,689	2,864,676
Dividends paid	23	-	-	-	(180,000)	(180,000)
Total comprehensive income for the year		-	-	-	532,329	532,329
Ending Balance as at December 31, 2010		500,000	972,987	50,000	1,694,018	3,217,005
- Adjustment for liability for post-employment benefits	2	-	-	-	(18,624)	(18,624)
- Balance as adjusted		500,000	972,987	50,000	1,675,394	3,198,381
Dividends paid	23	-	-	-	(259,994)	(259,994)
Total comprehensive income for the year		-	-	-	624,737	624,737
Ending Balance as at December 31, 2011		500,000	972,987	50,000	2,040,137	3,563,124

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, 2011 AND 2010

		In Thousand Baht				
		The Company Only				
		Retained Earnings				
		Issued and Fully Paid-up Share Capital	Premium on Shares	Appropriated for Legal Reserve	Unappropriated	Total
	Note					
Beginning Balance as at January 1, 2010		500,000	972,987	50,000	971,940	2,494,927
Dividends paid	23	-	-	-	(180,000)	(180,000)
Total comprehensive income for the year		-	-	-	516,935	516,935
Ending Balance as at December 31, 2010		500,000	972,987	50,000	1,308,875	2,831,862
- Adjustment for liability for post-employment benefits	2	-	-	-	(15,681)	(15,681)
- Balance as adjusted		500,000	972,987	50,000	1,293,194	2,816,181
Dividends paid	23	-	-	-	(259,994)	(259,994)
Total comprehensive income for the year		-	-	-	491,224	491,224
Ending Balance as at December 31, 2011		<u>500,000</u>	<u>972,987</u>	<u>50,000</u>	<u>1,524,424</u>	<u>3,047,411</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, 2011 AND 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	752,298	740,994	606,057	723,149
Adjustments				
Depreciation and amortization	34,559	34,949	33,059	32,931
Expenses for post-employment benefits	2,766	-	2,215	-
Unrealized loss (gain) on exchange rate	1,429	(713)	1,429	(713)
Bad debt and provision for doubtful accounts	767,644	576,267	759,093	571,567
Increase in allowance for diminution in value of asset foreclosed	55,161	4,048	55,173	4,524
Loss on written-off assets	-	4,321	-	-
Gain on sales of equipment	(1,769)	(2,030)	(2,129)	(1,973)
Dividend income	-	-	(329,791)	-
Interest income	(8,257)	(4,865)	(93,079)	(52,986)
Interest expense	181,701	145,144	194,107	147,872
(Increase) Decrease in operating assets :				
Trade receivables - hire-purchase contract receivables	(1,374,080)	(1,517,750)	(1,401,458)	(1,097,777)
Trade receivables - other	15,300	(31,493)	15,948	(30,714)
Other receivables from related parties	1,448	3,703	1,381	3,495
Merchandises	(73,997)	-	(73,997)	-
Asset foreclosed	(185,130)	(11,488)	(184,688)	(12,719)
Other current assets	55,078	(28,723)	(19,239)	(4,821)
Other non-current assets	(905)	(2,886)	(335)	(505)
Increase (Decrease) in operating liabilities :				
Trade payables - related party	(338)	(18,474)	(338)	(18,474)
Trade payables - other parties	(46,227)	11,965	(46,227)	11,965
Other payables to related parties	(53)	(1,302)	227,243	360
Deposits and advances from customers	(15,872)	51,088	(16,220)	51,260
Accrued expenses and other current liabilities	17,952	13,636	(12,124)	12,855
Liability for post-employment benefits	(1,496)	-	(2,458)	-
Other non-current liabilities	(912)	(778)	(435)	(389)
	176,300	(34,387)	(286,813)	338,907
Income tax paid	(215,347)	(158,689)	(201,723)	(158,462)
Net Cash Provided by (Used in) Operating Activities	(39,047)	(193,076)	(488,536)	180,445
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment in subsidiary - net of cash received	(92,275)	-	(189,226)	-
Increase in short-term loans to related party	-	-	(777,500)	(1,366,000)
Collections from short-term loans to related party	-	-	586,500	730,000
Decrease (Increase) in long-term loans to other parties	841	(40,367)	841	(40,367)
Purchases of fixed assets	(42,909)	(28,352)	(31,374)	(27,959)
Proceeds from sales of equipment	4,728	4,051	4,207	3,621
Purchases of intangible assets	(1,454)	(1,200)	(1,205)	(1,200)
Dividends received	-	-	329,791	-
Interest received	7,997	4,554	90,987	48,584

Net Cash Provided by (Used in) Investing Activities

<u>(123,072)</u>	<u>(61,314)</u>	<u>13,021</u>	<u>(653,321)</u>
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THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term borrowings from financial institutions	(493,279)	(641,701)	(242,732)	(443,223)
Increase in short-term loans from related party	-	-	96,300	90,060
Repayments of short-term loans from related party	-	-	(76,750)	(68,940)
Proceeds from long-term loans	500,000	700,000	500,000	700,000
Repayment of long-term loan	(300,000)	(600,000)	(300,000)	(600,000)
Issuances of debentures	1,050,000	1,100,000	1,050,000	1,100,000
Dividends paid	(259,994)	(180,000)	(259,994)	(180,000)
Interest paid	(176,359)	(134,639)	(188,438)	(137,220)
Net Cash Provided by Financing Activities	320,368	243,660	578,386	460,677
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	158,249	(10,730)	102,871	(12,199)
Cash and Cash Equivalents at Beginning of Year	27,139	37,869	21,156	33,355
CASH AND CASH EQUIVALENTS AT END OF YEAR	185,388	27,139	124,027	21,156
Supplementary disclosures of cash flow information				
a. Cash and cash equivalents at end of year				
Cash in hand	2,084	2,642	1,436	1,749
Current accounts at banks	20,424	16,998	15,082	11,908
Savings deposits at bank	162,880	7,499	107,509	7,499
Total	185,388	27,139	124,027	21,156
b. Purchase of investment in subsidiary - net of cash received				
Fair values of assets and liabilities received				
- Cash and cash equivalents	96,951	-	96,951	-
- Other current assets	10,851	-	10,851	-
- Accrued expenses and other current liabilities	(2,216)	-	(2,216)	-
Net	105,586	-	105,586	-
Goodwill of subsidiary	83,640	-	83,640	-
Purchase price of investment	189,226	-	189,226	-
Less Cash and cash equivalents of subsidiary	(96,951)	-	-	-
Purchase price of investment - net	92,275	-	189,226	-

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, 2011 and 2010

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 vehicle hire-purchase business. Details of the Company’s subsidiaries are as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
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
TK Debt Services Co., Ltd.	Debt collection and forfeiture services	223,375	-	99.99	-

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission, and with generally accepted accounting principles in Thailand.

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with generally accepted accounting principles in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

At the Board of Directors' meeting held on March 16, 2011 and the shareholders' meeting held on April 20, 2011, the Board of Directors and the shareholders unanimously approved the Company to invest in common shares of Cetelem (Thailand) Co., Ltd. ("Cetelem") in order to support business expansion of the Company with investment budget not exceeding Baht 200 million. Later on April 29, 2011, the Company entered into the share purchase agreement with the former shareholders of Cetelem for 35,740,000 common shares which equal to 100% of paid-up share capital of such company in total price of approximately Baht 189.2 million. As at that date which was the settlement date of acquisition, the fair values of particular assets and liabilities of Cetelem amounted to approximately Baht 105.6 million (equal to carrying values of assets and liabilities). The Company accounted for the excess of business combination cost over the aforesaid fair values of assets and liabilities as goodwill from business combination in the consolidated financial statements. Goodwill is presented as non-current asset in the consolidated statement of financial position at cost net of allowance for impairment (if any). After the purchase of common shares of Cetelem, the Company has the percentage of shareholding in such company at 99.99% with the controlling power through shareholding and management. Accordingly, Cetelem has been a subsidiary of the Company since that date.

Later on May 26, 2011, the management of Cetelem registered the change in company name with the Ministry of Commerce whereby the company's name was changed to "TK Debt Services Co., Ltd."

Starting from January 1, 2011, the Company and subsidiaries have adopted the new and revised accounting standards and financial reporting standards, issued by FAP, in the preparation and presentation of the accompanying financial statements which include TAS 1 (revised 2009) "Presentation of Financial Statements", TAS 16 (revised 2009) "Property, Plant and Equipment, and TAS 19 "Employee Benefits" which are effective for the accounting period beginning on or after January 1, 2011. The effects of adoption of the aforementioned revised and new TAS are as follows:

a) TAS 1 (revised 2009) "Presentation of Financial Statements"

Under this revised accounting standard, a set of financial statements consists of:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in shareholders' equity;
- Statement of cash flows; and
- Notes to the financial statements.

The Company and its subsidiaries present all owner changes in shareholders' equity in the statement of changes in shareholders' equity and all non-owner changes in shareholders' equity in the statement of comprehensive income. Previously, all such changes were presented in the statement of changes in shareholders' equity.

Comparative information has been re-presented in order to be in conformity with the revised accounting standard. Such changes in comparative information and related accounting policies only impact the presentation of financial statements without effect to the previously reported profit or earnings per share.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

b) TAS 16 (revised 2009) “Property, Plant and Equipment”

Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation. Depreciation is determined separately for each significant part of asset. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life. Depreciation method, residual value, and useful life of the asset are reviewed at year-end. The changes have been applied prospectively in accordance with the transitional provisions of such TAS, except that consideration of costs of asset dismantlement, removal, and restoration has been applied retrospectively.

c) TAS 19 “Employee Benefits”

Under this new accounting standard, the Company’s and subsidiaries’ obligations in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated annually, using the projected unit credit method by a qualified actuary. Previously, these obligations were recognized upon payments. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost, and actuarial gain/loss. This employee benefit plan is unfunded and has no any incurred plan asset.

Such liability for post-employment benefits, net of deferred tax asset, as at January 1, 2011 for consolidated and separate financial statements amounted to approximately Baht 18,624 thousand and Baht 15,681 thousand (related deferred tax asset was approximately Baht 6,488 thousand and Baht 5,226 thousand), respectively. The Company and subsidiaries have used option to recognize the entire amount of such liability and related deferred tax asset by adjusting beginning unappropriated retained earnings as at January 1, 2011 which is in accordance with transitional provisions of this accounting standard.

Movements of liability for post-employment benefits for the year ended December 31, 2011 are as follows:

	In Thousand Baht	
	Consolidated	The Company Only
Liability for post-employment benefits as at January 1, 2011	25,112	20,907
Transfer of partial liability for post-employment benefits to TK Debt Services Co., Ltd. *	-	(1,105)
Current service cost	1,588	1,272
Interest cost	1,178	943
Past service cost	-	-
Actuarial loss (gain)	-	-
Expense recognized in statement of comprehensive income	2,766	2,215
Employee benefits paid during the year	(1,496)	(1,353)
Liability for post-employment benefits as at December 31, 2011	26,382	20,664

* During the 2nd quarter, the Company transferred its partial employees to TK Debt Services Co., Ltd.

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 4.41% p.a.
- Salary escalation rate 4.13% p.a.
- Employee turnover rate 4% - 16% p.a.
- Mortality rate 50% of Thai Mortality Table
- Disability rate 10% of Thai Mortality Table

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

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

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

Subsidiaries

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

Goodwill

The excess of business combination cost over the fair values of assets and liabilities of the acquired subsidiary is accounted for as goodwill from business combination in the consolidated financial statements. Goodwill is presented as non-current asset in the consolidated statement of financial position at cost net of allowance for impairment (if any)

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 statement of financial position 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 comprehensive 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, 2011 and 2010

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.

Other Receivables

Other receivables are stated at their invoice values less allowance for doubtful accounts.

Allowance for doubtful accounts equals to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

Merchandises

Merchandises are stated at the lower of cost (specific method) or net realizable value. 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.

Allowance for losses (if any) is made for all deteriorated, damaged, obsolete, and slow-moving merchandises.

Asset Foreclosed

Asset foreclosed is stated at the lower of net receivable balance and 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 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).

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

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 comprehensive income.

Depreciation

Depreciation is charged to the statement of comprehensive 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 charged for land and construction in process.

Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible Assets

Leasehold rights

Leasehold rights 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 which are the periods 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 comprehensive income on a straight-line method over the estimated useful lives of particular intangible assets. Intangible assets with an indefinite useful life are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Impairment of Assets

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

Post-Employment Benefits

Obligations on defined contribution plan which is provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund is made.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost, and actuarial gain/loss.

Provisions

A provision is recognized in the statement of financial position 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.

Sales are recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Rental income is recognized on a straight-line basis over the lease term.

Dividend income is recognized 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.

Expense Recognition

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

Other expenses are recognized on an accrual basis.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current and deferred tax.

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 statement of financial position date, and any adjustment to tax payable in respect of previous years (if any).

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, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position 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 (see Note 22).

Use of Estimates

In order to prepare financial statements in conformity with generally accepted accounting principals in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements 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, 2011 and 2010

Basic Earnings per Share

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

4. 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 2009)”.

5. 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:

Name of Companies	Type of business	Type of relationship
C. V. A. Company Limited	Hire-purchase motorcycle and related services	Subsidiary
Chayapak Company Limited	Hire-purchase automobile	Subsidiary
TK Debt Services Co., Ltd.	Debt collection and forfeiture services	Subsidiary
S. P. International Co., Ltd.	Sale automobile and related services	Co-directors & shareholders
SPSU Public Co., Ltd. *	Sale motorcycle	Co-directors & shareholders
Zinphol Company Limited **	Dealer of motorcycle sale and hire-purchase	Used to subsidiary of SPSU 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
Thitiphol Co., Ltd.	Sale spare parts of motorcycle	Co-shareholders

* S. P. Suzuki Public Co., Ltd. was registered the change in company name to “SPSU Public Company Limited” on May 18, 2011.

** As at December 31, 2011, Zinphol Company Limited was not a related party.

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

Type of Transaction	Pricing policies
Service income	Mutual agreement
Interest income	MOR
Dividend income	At amount approved for declaration
Sales promotion income	Mutual agreement
Other income	Cost
Rental and services	Contract price
Management fee	Contract price
Utility expenses	Cost

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Type of Transaction	Pricing policies
Sales promotion expenses	Mutual agreement
Collection fee	Mutual agreement
Stationery expense	Cost
Other expenses	Mutual agreement
Service expenses	Mutual agreement
Interest expense	MOR
Key management's remunerations	Mutual agreement
Disposal of asset foreclosed	Market price
Disposal of fixed assets	Market price
Purchase for hire-purchases	Market price
Purchase of fixed assets	Market price

Significant transactions with related parties for the years ended December 31, 2011 and 2010 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Service income				
Chayapak Company Limited	-	-	11,623	10,397
Interest income				
Chayapak Company Limited	-	-	86,354	48,277
Dividend income				
TK Debt Services Co., Ltd.	-	-	329,791	-
Sales promotion income				
SPSU Public Company Limited	1,210	6,643	1,210	6,643
Other income				
Zinphol Company Limited	-	40	-	-
SPSU Public Company Limited	-	1	-	1
Chayapak Company Limited	-	-	95	107
Total	-	41	95	108
Rental and services				
S.P. International Company Limited	17,843	17,520	15,392	15,068
SPSU Public Company Limited	2,048	-	512	-
Total	19,891	17,520	15,904	15,068
Management fee				
S.P. International Company Limited	9,000	9,000	7,200	7,200
Utility expenses				
S.P. International Company Limited	3,524	3,564	3,237	3,294
Sales promotion expenses				
Zinphol Company Limited	-	16,712	-	16,712
Collection fee				
Zinphol Company Limited	-	436	-	436
Stationery expense				
S.P. International Company Limited	1,863	1,688	1,844	1,660
SPSU Public Company Limited	261	318	254	318
Total	2,124	2,006	2,098	1,978

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Other expenses				
S.P. International Company Limited	21,553	12,489	14,784	4,622
Thitiphol Co., Ltd.	8,511	-	8,511	-
Napas Co., Ltd.	1,995	1,510	1,130	1,510
Toyota Pathumthani Toyota's Dealer Co., Ltd.	550	570	43	15
Lexus Bangkok Co., Ltd.	194	126	-	-
SPSU Public Company Limited	66	2,319	66	2,319
Total	32,869	17,014	24,534	8,466
Service expenses				
TK Debt Services Co., Ltd.	-	-	518,651	-
C.V.A. Company Limited	-	-	78,441	75,621
Total	-	-	597,092	75,621
Interest expense				
C.V.A. Company Limited	-	-	15,725	11,491
Key management's remunerations				
Short-term benefits	23,658	23,680	23,658	23,680
Post-employment benefits	575	-	575	-
Total	24,233	23,680	24,233	23,680
Disposal of asset foreclosed				
Zinphol Company Limited	-	14,137	-	14,137
Toyota Pathumthani Toyota's Dealer Co., Ltd.	-	1,439	-	-
Total	-	15,576	-	14,137
Disposal of fixed asset				
Toyota Pathumthani Toyota's Dealer Co., Ltd.	421	430	-	-
S.P. International Company Limited	299	-	299	-
Chayapak Company Limited	-	-	-	168
Total	720	430	299	168
Purchases for hire-purchases				
S.P. International Company Limited	679,183	1,130,709	-	-
Toyota Pathumthani Toyota's Dealer Co., Ltd.	51,467	79,298	-	-
SPSU Public Company Limited	5,377	9,320	5,377	9,320
Zinphol Company Limited	-	310,956	-	310,956
Total	736,027	1,530,283	5,377	320,276
Purchases of fixed assets				
SPSU Public Company Limited	101	-	101	-
S.P. International Company Limited	-	5,309	-	5,309
Zinphol Company Limited	-	769	-	769
Total	101	6,078	101	6,078

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

Significant outstanding balances with related parties as at December 31, 2011 and 2010 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Receivables and short-term loan				
Accrued income				
SPSU Public Company Limited	-	1,446	-	1,446
Zinphol Company Limited	-	2	-	-
Chayapak Company Limited	-	-	9,168	7,154
Total	-	1,448	9,168	8,600
Short-term loan				
Chayapak Company Limited (Interest rate at 6.375% - 7.5% p.a. in 2011 and 6.125% - 6.375% p.a. in 2010)	-	-	1,257,000	1,066,000
Total	-	1,448	1,266,168	1,074,600
Trade payables				
SPSU Public Company Limited	-	338	-	338
Payables and short-term loan				
Accrued expenses				
S.P. International Company Limited	943	1,030	788	995
Thitiphol Co., Ltd.	280	-	280	-
Toyota Pathumthani Toyota's Dealer Co., Ltd.	7	5	7	5
Napas Co., Ltd.	-	159	-	159
SPSU Public Company Limited	-	81	-	81
Lexus Bangkok Co., Ltd.	-	8	-	-
TK Debt Services Co., Ltd.	-	-	227,957	-
C.V.A. Company Limited	-	-	7,685	7,907
Total	1,230	1,283	236,717	9,147
Short-term loan				
C.V.A. Company Limited (Interest rate at 6.375% - 7.5% p.a. in 2011 and 6.125% - 6.375% p.a. in 2010)	-	-	231,450	211,900
Total	1,230	1,283	468,167	221,047

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, 2011
	December 31, 2010	Increase	Decrease	
Short-term loans to subsidiary				
Chayapak Company Limited	1,066,000	777,500	586,500	1,257,000
Short-term loans from subsidiary				
C.V.A. Company Limited	211,900	96,300	76,750	231,450

As at December 31, 2011 and 2010, 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.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Cash	2,084	2,642	1,436	1,749
Deposits at financial institutions	183,304	24,497	122,591	19,407
Total	185,388	27,139	124,027	21,156

7. HIRE-PURCHASE CONTRACT RECEIVABLES - NET

	Consolidated (In Thousand Baht)					
	2011			2010		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	11,071,324	6,095,140	4,976,184	10,173,439	5,511,779	4,661,660
Less Unearned income	(3,114,242)	(2,092,079)	(1,022,163)	(2,845,784)	(1,899,981)	(945,803)
Net	7,957,082	4,003,061	3,954,021	7,327,655	3,611,798	3,715,857
Less Allowance for doubtful accounts	(380,812)	(274,184)	(106,628)	(365,632)	(279,721)	(85,911)
Net	7,576,270	3,728,877	3,847,393	6,962,023	3,332,077	3,629,946

	The Company Only (In Thousand Baht)					
	December 31, 2011			December 31, 2010		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	9,474,552	5,496,273	3,978,279	8,508,968	4,962,700	3,546,268
Less Unearned income	(2,979,917)	(2,021,817)	(958,100)	(2,682,769)	(1,822,629)	(860,140)
Net	6,494,635	3,474,456	3,020,179	5,826,199	3,140,071	2,686,128
Less Allowance for doubtful accounts	(337,268)	(239,954)	(97,314)	(318,782)	(241,024)	(77,758)
Net	6,157,367	3,234,502	2,922,865	5,507,417	2,899,047	2,608,370

Hire-purchase contract receivables at December 31, 2011 and 2010 are aged by outstanding installment payments of each contract as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Current	5,064,504	5,224,365	3,969,916	4,009,140
Overdue 1 month	1,709,378	984,944	1,555,864	878,682
Overdue 2 - 3 months	839,916	860,884	716,159	765,745
Overdue 4 - 6 months	265,680	140,952	227,822	110,722
Overdue 7 - 12 months	30,138	35,455	11,883	19,478
Overdue longer than 12 months	47,466	81,055	12,991	42,432
Total	7,957,082	7,327,655	6,494,635	5,826,199
Less Allowance for doubtful accounts	(380,812)	(365,632)	(337,268)	(318,782)
Net	7,576,270	6,962,023	6,157,367	5,507,417

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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The Company and subsidiaries determine its allowance for doubtful accounts in line with the 2010 policy. Such policy is not compliance with the accounting guidance for making of allowance of doubtful accounts for consumer finance business which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”). However, based on the statistic information for the past three years (2008 - 2010), the Company and its subsidiaries had an average actual bad debt less than doubtful accounts based on such basis defined by the SEC and ICAAT. As at December 31, 2011, the Company and its subsidiaries had allowance for doubtful accounts at 4.79% of hire-purchase contract receivables - net.

As at December 31, 2011, the Company and its subsidiaries have the outstanding hire-purchase contract receivables, classified by income recognition method, as follows:

	Consolidated (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	50,837	11,020,487	11,071,324
Less Unearned income	(7,634)	(3,106,608)	(3,114,242)
Net	43,203	7,913,879	7,957,082

	The Company Only (In Thousand Baht)		
	Sum-of-digits	Effective interest	Total
	method	rate method	
Hire-purchase contract receivables	14,516	9,460,036	9,474,552
Less Unearned income	(2,791)	(2,977,126)	(2,979,917)
Net	11,725	6,482,910	6,494,635

8. OTHER TRADE RECEIVABLE - NET

Other trade receivables are aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Current	54,974	57,199	51,545	54,192
Overdue within 3 months	-	20,900	-	20,900
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue longer than 12 months	-	-	-	-
Total	54,974	78,099	51,545	75,092

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

9. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Balance outstanding within one year	401,131	215,462	399,894	214,872
Balance outstanding longer than one year	7,355	7,894	6,816	7,150
Total	408,486	223,356	406,710	222,022
Less Allowance for diminution in value	(127,694)	(72,533)	(126,785)	(71,612)
Net	280,792	150,823	279,925	150,410

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2011 and 2010, the subsidiaries have collateralized their fixed deposits with a local bank totalling Baht 25 million as guarantees for their overdraft lines with such bank.

11. 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, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
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
TK Debt Services Co., Ltd.	223,375	-	99.99	-	189,226	-
Total					283,212	93,986

On October 3, 2011, TK Debt Services Company Limited, as approved by the extraordinary shareholders' meeting held on August 31, 2011, registered the first decrease in its share capital from Baht 3,574 million (divided into 35,740,000 common shares at Baht 100 par value) to Baht 893.5 million (divided into 35,740,000 common shares at Baht 25 par value) with the Ministry of Commerce. In addition, at the extraordinary shareholders' meeting held on October 19, 2011, the shareholders unanimously approve the second decrease in share capital of such subsidiary from Baht 893.5 million (divided into 35,740,000 common shares at Baht 25 par value) to Baht 223.4 million (divided into 8,935,000 common shares at Baht 25 par value). This second decrease in share capital was registered with the Ministry of Commerce on November 21, 2011.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

12. LONG-TERM LOANS TO OTHER PARTIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Long-term loans to other parties	73,018	73,859	73,018	73,859
Less Current portion	(14,548)	(10,560)	(14,548)	(10,560)
Net	<u>58,470</u>	<u>63,299</u>	<u>58,470</u>	<u>63,299</u>

This account represents the unsecured loans to 91 agents in 2011 and 96 agents in 2010, bearing interest rate at 9% p.a. in 2011 and 2010. These loans mature during the years 2012 to 2015.

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

13. PROPERTY, PLANT AND EQUIPMENT- NET

	Consolidated (In Thousand Baht)						
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost							
Balance as at December 31, 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
Acquisitions	-	-	2,209	6,665	23,311	10,724	42,909
Disposals	-	-	-	(2,204)	(6,598)	-	(8,802)
Transfers in (out)	-	-	8,588	202	-	(8,790)	-
Balance as at December 31, 2011	12,617	24,221	118,113	72,314	95,922	6,160	329,347
Accumulated depreciation							
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	11,375	-	32,769
Depreciation for assets disposed	-	-	-	(242)	(5,129)	-	(5,371)
Balance as at December 31, 2010	-	18,911	59,700	49,384	47,032	-	175,027
Depreciation for the year	-	1,191	13,353	7,197	11,437	-	33,178
Depreciation for assets disposed	-	-	-	(510)	(5,333)	-	(5,843)
Balance as at December 31, 2011	-	20,102	73,053	56,071	53,136	-	202,362
Net book value							
December 31, 2010	12,617	5,310	47,616	18,267	32,177	4,226	120,213
December 31, 2011	12,617	4,119	45,060	16,243	42,786	6,160	126,985

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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
Cost							
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
Acquisitions	-	-	2,209	6,665	11,776	10,724	31,374
Disposals	-	-	-	(2,204)	(5,202)	-	(7,406)
Transfers in (out)	-	-	8,588	202	-	(8,790)	-
Balance as at December 31, 2011	7,802	15,291	117,104	67,215	77,951	6,160	291,523
Accumulated depreciation							
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
Depreciation for the year	-	746	13,331	7,197	10,474	-	31,748
Depreciation for assets disposed	-	-	-	(510)	(4,818)	-	(5,328)
Balance as at December 31, 2011	-	12,277	72,056	51,049	46,034	-	181,416
Net book value							
December 31, 2010	7,802	3,760	47,582	18,190	30,999	4,226	112,559
December 31, 2011	7,802	3,014	45,048	16,166	31,917	6,160	110,107

As at December 31, 2011 and 2010, certain plant and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The carrying value of these assets amounted to approximately Baht 2.9 million (approximately Baht 2.8 million for the Company only).

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14. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2009	25,719	40,366	66,085
Acquisitions	1,200	-	1,200
Balance as at December 31, 2010	26,919	40,366	67,285
Acquisitions	520	935	1,454
Balance as at December 31, 2011	27,439	41,301	68,739
Accumulated amortization			
Balance as at December 31, 2009	24,474	37,507	61,981
Amortization for the year	621	1,559	2,180
Balance as at December 31, 2010	25,095	39,066	64,161
Amortization for the year	583	799	1,381
Balance as at December 31, 2011	25,678	39,865	65,542
Net book value			
December 31, 2010	1,824	1,300	3,124
December 31, 2011	1,761	1,436	3,197

	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2009	3,698	40,366	44,064
Acquisitions	1,200	-	1,200
Balance as at December 31, 2010	4,898	40,366	45,264
Acquisitions	520	685	1,205
Balance as at December 31, 2011	5,418	41,051	46,469
Accumulated amortization			
Balance as at December 31, 2009	2,623	37,507	40,130
Amortization for the year	537	1,559	2,096
Balance as at December 31, 2010	3,160	39,066	42,226
Amortization for the year	539	772	1,311
Balance as at December 31, 2011	3,699	39,838	43,537
Net book value			
December 31, 2010	1,738	1,300	3,038
December 31, 2011	1,719	1,213	2,932

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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 BORROWINGS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Bank overdrafts	37,198	56,191	35,066	48,511
Short-term loans	44,406	517,263	44,406	272,264
Total	81,604	573,454	79,472	320,775

As at December 31, 2011 and 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 0.66% - 3.75% in 2011 and 0.31% - 2.50% p.a. in 2010.

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

Overdraft lines of subsidiaries have been secured by the fixed deposits as discussed in Note 10.

17. LONG -TERM LOANS - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Long-term loans	2,500,000	2,300,000	2,500,000	2,300,000
Less Current portion	(700,000)	(900,000)	(700,000)	(900,000)
Net	1,800,000	1,400,000	1,800,000	1,400,000

As at December 31, 2011 and 2010, the Company obtained the unsecured long-term loans from four local financial institutions totalling Baht 2,500 million and Baht 2,300 million, respectively. These loans bear interest at fixed rates and interest is repayable monthly whereas loan principals are repayable during the years 2012 to 2014.

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

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

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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.

On January 28, 2011, the Company issued another 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.

On May 27, 2011, the Company issued another series of debentures to institutional investors and/or large investors amounting to Baht 300 million (divided into 300,000 units at Baht 1,000 per unit) and bears interest at 3.92% p.a. in 1-3 year and interest at 5.00% p.a. in 4-5 year with maturity in 2016. Interest is payable quarterly.

On June 30, 2011, 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 4.35% p.a. with maturity in 2014. 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.

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20. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Bad debt recovery	326,826	309,915	322,204	304,169
Service income	157,997	168,346	153,614	174,722
Engagement fee income	63,731	59,599	63,705	59,564
Collection income	49,216	43,851	46,660	41,346
Delay payment fee income	35,479	30,642	32,727	27,816
Service charge income	25,288	21,270	24,564	20,663
Interest income	8,147	4,865	93,079	52,986
Dividend income	-	-	329,791	-
Others	51,459	46,644	59,696	42,451
Total	718,143	685,132	1,126,040	723,717

21. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Bad debt and provision for doubtful accounts	767,644	576,267	759,093	571,567
Employee expenses	453,114	427,886	355,864	360,281
Finance costs	181,701	145,144	194,107	147,872
Cost of sales	111,599	-	111,599	-
Depreciation and amortization	34,559	34,949	33,059	32,931
Key management's remunerations	24,233	23,680	24,233	23,680
Others	1,044,478	930,426	1,610,087	977,857
Total	2,617,328	2,138,352	3,088,042	2,114,188

22. INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES

The Company used income tax rate of 30% for the calculation of corporate income tax for the year ended December 31, 2011 and used income tax rate of 25% on the profit not exceeding Baht 300 million and 30% on the profit exceeding Baht 300 million for the calculation of corporate income tax for the year ended December 31, 2010 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, 2011 and 2010.

Corporate income tax recorded as (income) expense for the years ended December 31, 2011 and 2010 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Income tax on taxable profit	116,116	214,185	108,947	214,082
Decrease (increase) in deferred income tax	11,445	(5,520)	5,886	(7,868)
Income tax presented in statement of comprehensive income	127,561	208,665	114,833	206,214

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Deferred tax assets and liabilities presented in statement of financial positions as at December 31, 2011 and 2010 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2011	2010	2011	2010
Deferred tax assets				
Effects from non-deductible items from				
- Allowance for doubtful accounts	76,167	93,760	67,457	79,704
- Allowance for diminution in value of asset foreclosed	25,539	18,179	25,357	17,903
- Liability for post-employment benefits (See Note 2 c)	5,276	-	4,133	-
Total	106,982	111,939	96,947	97,607
Deferred tax liabilities	-	-	-	-
Net	106,982	111,939	96,947	97,607

The Royal Decree Issued Under the Revenue Code Regarding Reduction and Exemption in Tax Rate (No. 530) B.E. 2554 (2011) dated December 21, 2011 has provided the temporary reduction in income tax rate applied to juristic company or partnership for a three consecutive accounting periods from 30% to 23% for the first accounting period and from 30% to 20% for the following two accounting periods. Such reduction in tax rate is effective from the accounting period starting on or after January 1, 2012

23. DIVIDENDS

At the shareholders' meeting held on April 20, 2011, the shareholders unanimously approved the Company to pay dividends for the 2010 operations at Baht 0.52 per share totalling Baht 260 million. The Company has paid dividends to the shareholders on May 10, 2011.

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.

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 its subsidiaries. To control the risk, the Company and its 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 accounts which is already accounted for in the financial statements.

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Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Company and its 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.

Foreign currency risk

The Company and its 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 its 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, restricted deposits at financial institutions, trade and other receivables, short-term loans to related party, bank overdrafts, short-term borrowings 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

As at December 31, 2011, 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 its subsidiaries are committed to pay annual rental and service fees amounting to approximately Baht 43.9 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, 2011 and 2010, the Group's Debt-to-Equity ratio was 1.43:1.00 and 1.39:1.00, respectively (1.79:1.00 and 1.56:1.00 for the Company only).

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28. 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). Membership to the fund is on a voluntary basis. Under the plan, the Company, subsidiaries, 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, 2011 and 2010 were totalling approximately Baht 1.0 million and Baht 0.9 million, respectively (Baht 0.9 million and Baht 0.8 million, respectively, for the Company only).

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Company's directors on February 22, 2012.