September 16, 2011

To The Secretary-General of the Office of the Securities and Exchange Commission
The President of the Stock Exchange of Thailand
The Directors and the Shareholders of The Siam Industrial Credit Public Company Limited

Re: Disclosure of Amendments to the Tender Offer Form for the Securities of The Siam Industrial Credit Public Company Limited

Reference is made to The Siam Commercial Bank Public Company Limited, as the Offeror and the Tender Offer Preparer, submitting the Tender Offer Form (Form 247-4) to tender for the securities of The Siam Industrial Credit Public Company Limited (the "Company") to the Office of the Securities and Exchange Commission on July 20, 2011, and the Disclosure of Amendments to the Tender offer Form for the Securities of The Siam Industrial Credit Public Company Limited dated August 22, 2011.

The Offeror and the Tender Offer Preparer would like to disclose additional amendments to the Tender Offer Form and the Disclosure of Amendments to the Tender Offer Form for the Securities of The Siam Industrial Credit Public Company Limited dated August 22, 2011 to reflect the adjustment in the basis of for the valuation under Dividend Discount Model from separate financial statements basis to consolidated financial statements basis of the Company. Such adjustment results in the change of the fair value determined by the Financial Advisory to THB 3.82 – THB 5.25 per share, which does not affect the tender offer price of THB 6.89 per share. The details of the additional amendments are as follows:

1. **Cancellation of point 3, 4, 8, 9, 10, and 11 of the Disclosure of Amendments to the Tender Offer Form the Securities of The Siam Industrial Credit Public Company Limited dated August 22, 2011**

2. **Amendment and insertions to Part 4, Subsection 7.1.1, Page 26**

From

"…

4.	The fair value of ordinary or preference shares of the Company as appraised by a financial advisor."	3.68 – 5.65

To

"…

4.	The fair value of ordinary or preference shares of the Company as appraised by a financial advisor. As such, the financial advisor viewed that the appropriate methods to determine the value of the ordinary shares of the Company were Price to earnings ratio: P/E and Dividend discount model"	3.82 – 5.25

3. **<u>Amendment and Insertions to Part 4, Subsection 7.1.2, First Paragraph, Page 26</u>**

<u>From</u>

"In assessing the fair value of the Company's ordinary share, The Siam Commercial Bank Public Company Limited, as a financial advisor, employed several appraisal methodologies with details as follows."

<u>To</u>

"In assessing the fair value of the Company's ordinary share, The Siam Commercial Bank Public Company Limited, as a financial advisor, employed several appraisal methodologies <u>by considering the appropriateness of each method under the policies regarding the dissolution of the Company and the return of the Company's finance business license to the authority as mentioned in the aforementioned Part 3, Subsection 2.2, while SSEC will be operating under a going concern basis in a more competitive market environment as a result of securities business liberalization,</u> with details as follows."

4. **<u>Amendment and Insertions to Part 4, Subsection 7.1.2, Method 5 re Dividend Discount Model Method, Page 29 – 33 by replacing the original statement in the Tender Offer Form with the following statement</u>**

<u>New statement</u>

"5. Dividend discount model

The dividend discount model approach is based on the projected performance of the Company and its ability to pay dividend in the future with consideration of the Company's operating fundamentals based on the assumptions provided by the Company and historical data. The financial advisor views that this method can reflect the fact that the Company can create value from the liability side of the balance sheet since the main source of financing is from customer deposits raised, not borrowing in capital market. Thus, liabilities management is not only for seeking the funding source for the Company, but also for the purpose of operating the commercial bank or credit company businesses. Dividends of the Company, in return, reflect the aforementioned factors.

The valuation appraised through this method is derived from the net present value of the projected dividend payout that investors expect to receive over the next 5 years, discounted by the rate of return on equity (Ke). The financial advisor assumes the terminal value of the Company as if the Company will be dissolved and liquidated at the end of the projected period with details as follows:

<u>Discount rate</u>

The discount rate used to calculate the present value of the projected cash flows from dividends is the rate of return on equity (Ke) calculated from the Capital Asset Pricing Model (CAPM) with detailed calculation as follows:

Rate of return on equity (Ke)	=	Rf + β(Rm – Rf)
Risk free rate (Rf)	=	Yields on 10-year government bond as of May 24, 2011 which

		equals to 3.77 % (source: Bloomberg)
Beta (β)	=	A measure of the volatility of the closing price of the Company's shares in comparison to the market with referenced to the SET 50 Index from the daily data over the past 2 years as of May 24, 2011 which equals to 0.81 (Source: Bloomberg).
Expected Market Return (Rm - Rf)	=	The expected market rate of return based on the accumulated risks by investing in the stock market for the selected country or region as of May 24, 2011, which equals to 11.37% (Source: Bloomberg).[1]
Based on the underlying assumptions above, Ke derived from CAPM is approximately 12.98 %		

Remarks: May 24, 2011 is one business day prior to the day that the board of directors of the Offeror issued the resolution to proposed to the general meeting of the shareholders to consider the tender offer of the Company for the delisting of the Company's shares from being the listed securities in the SET

[1] Field used to seek the information from Bloomberg is Country Risk Premium in Excel or through the Function CRP TH from Bloomberg terminal.

Terminal Value

Terminal value is the net present value calculated from the multiplication of book value of the last year of the projected period and price to book value ratio derived from the calculation as per method (4.2) which equals to 0.82 – 0.89, and discounted by Ke to derive the present value.

The explanation of key assumptions used in the financial projections

The Company's financial projections was made for a period of 5 years from 2011 to 2015 with reference to the Company's internal budgets that was updated with actual performance up to April 2011 including the industry and economic trends with the following key assumptions:

Projection of the Company's key revenues

1. Interest income

   The projected interest income substantially comprise of interest income from commercial loans, interest income from hire purchase loan, and interest income from investment. The financial advisor referred to the internal budgets of the Company whereby the Company attributed to the actual income and interest rate obtained during January 2011 to April 2011 to be incorporated with the projections.

   Interest income from commercial loan: As a result of the analysis made including a discussion with the Company's management, the financial advisor deemed appropriate to use the projected interest rate based on the Company's internal budget, which assume a growing interest rate trend over the next 2 years with reference to the upward adjustment of the policy rate announced by the Monetary Policy Committee and assume a constant rate years after. The average monthly interest rates for commercial loans are approximately 6.68% to 8.15% over the projected period. Nonetheless, the size of the commercial loan portfolio is declining annually, assuming the Company does not provide any new commercial loan over the projected period since commercial loan is not the core business of the Company. The interest income from commercial loan contributes approximately 0.1% - 0.4% of the total interest income.

Interest income from hire purchase loan: Hire purchase portfolio is the Company's core business with focus on car loan (approximately 99% of the total hire purchase loan). Based on the analysis and discussion with the Company's management, the financial advisor deemed appropriate to use the projected interest rate based on the Company's internal budget. The Company has a plan to adjust the hire purchase portfolio by reducing the portion of the personal car loan since it yields a low return, resulting in the declining portfolio and interest rate over the first 2 years of the projected period. The loan portfolio will be reduced by approximately 20% and 4% respectively during the first 2 years of the projected period. Subsequently after the portfolio adjustment, the Company believes that they are capable of increasing the portfolio size and interest rate subsequently after the aforementioned adjustment in order to align with the increasing deposit rate whereby the portfolio size will gradually increase by approximately 0.3% at the 3rd year of the projected period, approximately 8% during the 4th year, and approximately 4% for the last year. As such, the average monthly interest rate for hire purchase loan ranges from 8.40% - 9.00% over the projected period.

Interest income from Investment: The Company's management issued a policy to invest in government bonds and BOT Fixed Deposit by assuming an increasing interest rate trend over the first 2 years of the projected period to align with the increasing interest rate trend imposed by the Monetary Policy Committee. It is assumed to remain constant years after. Nonetheless, the amount of investment will be declining over the projected period since the number of deposit decreases, and hence, reducing the needs for the Company to invest in government bonds to maintain its liquidity. The interest income from investment contributes, in proportion to the total interest income, of approximately 6% for the first year of the projected period, approximately 5% for the next year, and approximately 2% over the remaining years of the projected period.

2. Fees and service incomes

   Fees and service incomes substantially comprise of fees from hire purchase loans and income from suggestion of insurance company for customers. Based on the discussion with the management of the Company, the financial advisor deemed appropriate to use the projection as per the Company's internal budget with reference to historical data. The fees is approximately 0.10% - 0.11% of the hire purchase portfolio and income from suggestion of insurance company for customer is approximately 0.03% - 0.04% of the hire purchase portfolio.

3. Other income

   The projection for other income substantially comprise of reversal on bad debt expense, which is estimated based on the discussion with the Company's management at approximately 5% of the projected interest income.

Projection of the Company's interest expense and operating expense

1. Interest expense

   Based on the analysis and discussion with the management of the Company, the financial advisor deemed appropriate to use the interest rate as per the internal budget, which assumes an increasing average monthly deposit rate over the projected period at approximately 2.88% - 4.56%. Such adjustment impacts the first 2 years of the projected period and is assumed constant over the remaining projected period. The increasing interest rates align with the changes in government policy such as the increasing interest rate trend imposed by the Monetary Policy Committee and the Company's capabilities in obtaining deposits as a result of the change in deposit protection coverage including the impact from the intensified competition from domiciled commercial banks.

   However, due to the contraction of the Company's deposit taking capability as per the aforementioned reason including the Offeror's policies to dissolve the Company and return the finance business license to the authority, the Company's needs to acquire new source of fund to replace the deposit shrinkage. The financial advisor had discussed with the Company's management with reference to the internal budget and viewed that the Company may need to find a new source of funding from the 2nd year of the projected period, which may be in the form of borrowings from other financial institutions at the interest rate of approximately 5.41% - 5.48% and remains constant at the rate of 5.47% from the 4th year of the projected period onward.

2. Provision for doubtful account

   Provision for doubtful account is projected as a percentage of non-performing loans (hire purchase loan) at the rate of approximately 120% in order to provide a preventive measure for any unexpected circumstances. The discussion with the Company's management revealed that the provision rate to non-performing loans as per the industry standard practice is approximately 68% - 170%. Therefore, the Company's management viewed that the assumed rate of 120% is appropriate.

3. Operating expense

   Operating expense comprises of personnel expense and selling and administrative expense (SG&A) with details as follows:

   Personnel expense: personnel expense is derived as a percentage of the Company's total revenue of the Company at the rate of 14% - 21%. The increasing rate over the projected period is due to the declining income while maintaining the personnel along with the increasing inflation rate trend. The incremental percentage is projected over the first 3 years of the projection and remains constant years after. The aforementioned projection is based on the discussion with the Company's management regarding its human resources policy.

Selling and administrative expense: Selling and administrative expense in the Company comprises of various items such as property rents, travel expenses, utilities expenses, and stamp duty. It is calculated in proportion to the main income of the Company at approximately 22% per year. Such proportion is adjusted upward as compare to the historical data due to the increasing competition in the hire purchase business together with declining projected income in addition to an increase of 10% per annum as per the historical information.

4. Dividend payment

The financial advisor assumes the projected dividend at the payout ratio of 50% of the net income, which aligns with the dividend payout policy of the Company. Nonetheless, the appropriateness of the dividend payout depends on the industry competitiveness, which the management of the Company has estimated. Dividend will be paid when there is a positive retained earnings and sufficient cash flow.

Projection of the key revenue and expense of SSEC

1. Income from securities and derivative business

The financial advisor had discussed with the management of the Company whereby the financial advisor has evaluated the daily traded value in the SET and SSEC's market share. It is assumed for SSEC to maintain its current market share at approximately 1.4% and the daily traded value in the SET of THB 26,000 mm based on the historical daily traded value and the current market condition. In addition, the commission for the first year of the projected period is assumed to be relatively the same rate as currently charged to its client. However, it is assumed that the commission rate will be reduced by 10% for the next projected period and remain constant thereafter. The financial advisory has a view that the liberalization of the securities business will require the securities company to reduce its commission rate to maintain its competitiveness in the market. The income from securities and derivative business is approximately THB 300 – 350 mm or an approximately contribution of 80% to SSEC's total revenue.

2. Employee Expenses

Employee expenses comprise mainly of 1) employees' salary, 2) variable compensation to sales and marketing team, and 3) employees' benefits. The employees' salary is projected, based on the discussion with the management of the Company, to increase approximately 5% per annum to align with SSEC's policy from the base of THB 90 mm in 2011 as per the information obtained from the Company. The variable compensation to sales and marketing team is projected based on the current rate and remains constant throughout the projected period. The employees' benefit is based on the historical data and the Company's internal budget planning.

3. Premises and Equipment Expenses

Premises and equipment expenses comprise mainly of the office rental expenses and other office expenses. The financial advisor has evaluated such expenses based on the internal projection and the current contracts SSEC has with the landlords. Other expenses are projected based on historical information and increased at the projected inflation rate of approximately 3% per annum from approximately expense provided by the Company of THB 40 mm for the first year of the projected period.

From the aforementioned assumption, the key consolidated financial information over the projected period on the consolidated financial statements basis can be concluded as follows:

Unit: Baht million)	**2011**	**2012**	**2013**	**2014**	**2015**
Cash	518.2	440.2	382.6	403.8	418.7
Investment – Net	2,202.1	1,822.8	802.8	712.8	632.8
Loans and receivables - Net	8,643.6	8,164.2	8,110.3	8,816.5	9,206.0
Securities and derivatives business receivables	802.8	876.3	949.1	949.1	949.1
Total asset	12,958.3	11,948.9	10,881.2	11,510.8	11,830.8
Deposits	7,290.7	2,552.4	2,552.4	2,552.4	2,552.4
Borrowings	-	3,795.0	2,700.0	3,260.0	3,475.0
Securities and derivatives business payables	291.2	291.2	291.2	291.2	291.2
Total liabilities	8,205.2	7,257.2	6,134.3	6,683.5	6,921.9
Total equity (Including minority interests)	4,753.0	4,691.7	4,745.9	4,842.5	4,903.8
Interest income	1,004.3	832.5	806.6	873.9	937.0
Income from securities and derivatives business	358.3	323.9	323.9	323.9	323.9
Income from fees and services	180.4	175.9	171.8	173.0	174.2
Total revenue	1,728.5	1,431.5	1,395.5	1,464.1	1,528.4
Interest expense	(315.6)	(293.3)	(283.4)	(303.6)	(323.7)
Operating expense	(718.2)	(755.6)	(763.3)	(793.8)	(828.1)
Total expense	(1,105.0)	(1,119.3)	(1,116.2)	(1,166.0)	(1,219.7)
Provision for doubtful account	(3.7)	(99.3)	(100.0)	(100.0)	(100.0)
Net income – Consolidated (Before minority interest)	433.8	149.0	125.5	138.6	146.0

Details of the valuation in the financial model as per the dividend discount model are as follows:

Items (Baht million)	**2011**	**2012**	**2013**	**2014**	**2015**
Net Profit (After minority interest)	420.7	142.7	119.9	133.7	141.9
Dividend	155.3	210.4	71.4	59.9	66.8
Present Value of Dividend	137.5	164.8	49.5	36.8	36.3
Present Value of the Terminal Value at the last year of the projected period (under the assumed P/BV ratio of 0.86x)	2,144.1				

Net present value	**2,569.0**
Total shares outstanding (Million shares)	597.2
Value per share (Baht per share)	**4.30**

Remarks: The payment of dividend payment is calculated based on the year of actual cash outflow. The dividend payment for the year 2011 is based on the resolution of the 2011 Annual General Meeting of the Shareholders dated April 19, 2011 which declared the dividend of THB 0.26 per share, paid on May 12, 2011

The dividend discount model relies on different assumptions obtained from the Company, which any changes in the future may materially impact the aforementioned assumptions. Thus, the financial advisor has performed a sensitivity analysis on the value of the Company's shares based on the discount rate at the rate of return on equity ranges from 11 % to 15 %, which reflects the risks of the business and aligns with the rate of return on equity calculated from the aforementioned Capital Asset Pricing Model, and price to book value ratio (P/BV) based on the calculations in method (4.2) at 0.82x to 0.89x, which reflects the terminal value at the last year of the projected period under the assumption that the Company will be dissolved. The details are as follows:

.		**Discount Rate**				
		11%	**12%**	**13%**	**14%**	**15%**
P/BV	**0.89**	4.80	4.61	4.43	4.25	4.09
	0.88	4.76	4.57	4.39	4.21	4.05
	0.87	4.71	4.52	4.34	4.17	4.01
	0.86	4.67	4.48	4.30	4.13	3.97
	0.85	4.62	4.44	4.26	4.09	3.94
	0.84	4.58	4.39	4.22	4.05	3.90
	0.83	4.53	4.35	4.18	4.01	3.86
	0.82	4.48	4.30	4.14	3.97	3.82

The aforementioned sensitivity analysis yields the share value of Baht 3.82 to 4.80 per share. The financial advisor considers this approach as one of the appropriate methods since it reflects the current market value of the assets that may have changed at different time period including the earning capabilities of the Company to generate return for the shareholders prior to the dissolution.

The financial advisor views that the appropriate method to value the Company's share price are the Price to Earnings ratio approach and dividend discount model approach, which yields the value of shares at 3.82 – 5.25 baht per share"

Please be informed accordingly,

Mrs. Kannikar Chalitaporn

(Mrs. Kannikar Chalitaporn)

President

The Siam Commercial Bank Public Company Limited

Offeror

Mr. Sopon Asawanuchit

(Mr. Sopon Asawanuchit)

Executive Vice President

The Siam Commercial Bank Public Company Limited

Tender Offer Preparer