

Independent Financial Advisor's Opinion
on the Tender Offer for Shares
of the Siam Industrial Credit Public Company Limited

(TRANSLATION)

present
Shareholders



Siam Industrial Credit Public Company Limited

Prepared by
Asset Pro Management Co.,Ltd.

Date 4 August, 2011

- (Translation) -

The English translation report has been prepared solely for the convenience of foreign shareholders only. If there is discrepancy between the English translation and Thai report, the Thai report shall be definitive and the official document and supersede the English translation report in all aspect of any inconsistency with this English translation report.

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No. APM 108/2554

August 4, 2011

Subject Independent Financial Advisor's Opinion on the Tender Offer for Shares of the Siam
Industrial Credit Public Company Limited

To Shareholders of the Siam Industrial Credit Public Company Limited

Pursuant to the Tender Offer to purchase the securities of The Siam Industrial Credit Public Company Limited (Form 247-4) date as of July 20, 2011, from Siam Commercial Bank Public Company Limited ("the Offeror") to The Siam Industrial Credit Public Limited ("SICCO" or "the Company" or "the Business"), in the capacity of SICCO's major shareholder who, as of July 11, 2011, the Offeror held 230,883,188 ordinary shares, or 38.65% of total paid-up capital of the Company. The Offeror has expressed its intention to make a tender offer to purchase 366,539,874 SICCO shares ("the Offer"), at the price of Baht 6.89 ("the Tender Offer Price"). in order to delist the Company's securities from the Stock Exchange of Thailand ("SET"). (As of July 11, 2011, SICCO had a total of 597,423,062 ordinary shares at the par value of Baht 5 per share). This is due to the financial liberalization policy and the Bank of Thailand's policy to allow commercial banks to engage in a broader scope of finance business coupled with the continuously increasing market competition. These factors will have a serious impact on the ability of the company to conduct its business in the future. As such, it will no longer be of benefit to the Offeror to continue to hold shares in the company. In addition, the Offeror has to comply with the One Presence Policy of the Financial Sector Master Plan imposed by the Bank of Thailand whereby each financial group is allowed to possess only one deposit taking entity. In the past, the Offeror had tried to divest its shareholding in SICCO for many years by seeking local and foreign investors and had received initial interests but no conclusive arrangement could be made. In the latest attempt, the Offeror had held a public auction of its shareholding in the Company but no investors submitted the bid resulting in the Offeror canceling the auction.

Therefore, the Offeror believes that the appropriate action with the least impact on the Company's shareholders is to make a tender offer to purchase all securities of the Company in order to delist the Company's securities from the SET at the tender offer price of Baht 6.89. After the delisting the Company's securities, the Offeror plans to dissolve the Company and return the finance

company license to the authority. However, the tender offer to purchase all securities of the Company will be conditional upon the followings.

1. The Offeror must obtain an approval from the Offeror's board of directors and the general shareholders meeting to proceed with the tender offer in general for the delisting of the Company's securities from the SET. The board of directors of the Offeror passed a resolution on May 24, 2011 for the Offeror to proceed with such actions and the Offeror's extraordinary general shareholders meeting subsequently approved on June 30, 2011 for the Offeror to proceed with such actions.
2. The Company must obtain an approval from the Company's general shareholders meeting to delist the Company's securities from the SET. The Company's extraordinary general shareholders meeting approved on June 30, 2011 for the Company to proceed with such actions. The approval for delist the Company's securities from the SET was 471,856,834 votes or 78.982% of paid-up capital, unapproval was 1,305,164 votes or 0.2184% of paid-up capital and none vote 400 votes or 0.0000 of paid-up capital.
3. The Offeror and the Company must obtain necessary approvals from the regulatory authorities and other relevant agencies, including the Office of the Securities and Exchange Commission (the "SEC") and the SET, to proceed with such actions. Subsequently on July 14, 2011, the Company obtained an approval from the SET on the delisting of the Company's securities from the SET.

The Bank will come up with appropriate measures and guidelines to protect the SICCO depositors against losses and will make its best effort to accommodate the SICCO employees and related parties who may be affected by the incident.

In this regard, the Company has appointed Asset Pro Management Co., Ltd. ("APM or Independent Financial Advisor or IFA") under the approval of Stock Exchange of Thailand and Securities Exchange Commission as the Independent Financial Advisor to render an opinion on this tender offer.

In preparing this opinion report, the Independent Financial Advisor has independently considered the reasonableness of the Transaction based on professional standards and has acted for the best interest of the shareholders. This report is prepared based on the assumption that information, assumptions and documents obtained from the Company and information provided by the Offeror in the Tender Offer Document (Form 247-4) including interviews with the Company's management and working team are reliable, accurate and complete and that there is no information

which can lead to any significant misunderstanding or any material change after the receipt of such information by the IFA. However, IFA cannot certify or warrant the accuracy or completeness of the information received from the Company and/or management and/or other sources.

In providing this opinion, the IFA has studied publicly available information and documents such as Quarterly Report (Form 56-1 as of March 31, 2011) and financial statements of the Company, etc., and information obtained from the Company, interviews with the Company's management and working team, as well as current economic situation and forecasts from other reliable information during the time of study. Therefore, if there is any material change in these factors and assumptions, it may have a significant impact on the IFA opinion including the share value and the appropriateness of the price in this report.

In considering whether to accept or decline the tender offer, the shareholders can study the information and the IFA's opinion on various issues as provided in this report as supplementary information. The decision to accept or decline the tender offer, however, rests primarily with the shareholders.

Independent Financial Advisor's Opinion on the Tender Offer for Shares of the Siam Industrial Credit Public Company Limited as follows:

1. Information on the Tender Offeror

1.1 General Information on the Tender Offeror

Name : Siam Commercial Bank Public Company Limited
Head Office : 9 Rachadapisek Road, Chatujak, Bangkok 10900
Telephone : 0-2544-2301-4
Fax : 0-2544-3317
Business : Commercial Bank
Registered as a juristic person in accordance with Public Company Limited Act , No. 0107536000102 dated February 19, 1993

1.2 Business descriptions and other details of the Offeror

1. Business descriptions of the Offeror (Source by: form 247-4 of Offeror)

The Offeror is a leading universal banking group in Thailand, providing a wide array of financial products and services to meet the diverse needs of its broad range of customers. Its major

financial services include retail, commercial, and investment banking as well as a host of other products and services offered through The Siam Commercial Bank Group.

In addition to core services such as deposit and credit services, the Offeror also provides tailored services to meet specific customer needs. Retail services include home loans, personal credit, car ,hire purchase, credit cards, ATM cards, debit cards, currency exchange facilities, and overseas remittances, as well as investment and assurance products. For corporate and business customers, the Offeror offers business cash-management related services, international trade financing, treasury products, debt and capital market products, financial advisory, investment banking and including other related financial services offered through the Offeror's subsidiaries and associated companies for both corporate and retail clients such as securities trading, asset management, hire purchase, leasing, and general insurance.

The Bank operates through four business groups, which are the Wholesale Banking Group, the Business Banking Group (serving SME clients), the Retail Banking Group (serving individuals and small businesses), and the Special Assets Group (mainly NPL management). In addition, the Bank has five major subsidiaries, which are SCB Securities Company Limited, SCB Asset Mangement Company Limited, Siam Commercial Leasing Public Company Limited, Siam Commercial Samaggi Insurance Public Company Limited, and SCB Life Assurance Public Company Limited. Each of these companies provides a range of financial services to meet the needs of the customers.

Units within the Bank responsible for supporting and managing the Offeror's operations comprise eight function-oriented groups. These are Risk Mangement, Finance, Human Resources, Information Technology, General Counsel, Economic Intelligence Center, Corporate Communications, and Audit and Compliance Groups. In addition, the Offeror has established a Change Program Management Office whose role is to facilitate of overall group strategy, develop short-term tactical plans, and monitor the implementation of critical initiatives.

2. Registered and paid-up capital of the Offeror (Source by Financial Statement as of June 30, 2011)

The Bank has registered capital of Baht 70,000 million and paid-up capital of Baht 33,991.92 million divided into 3,392,859,991 ordinary shares with the par value of Baht 10 per share and 6,332,207 preferred shares with the par value of Baht 10 per share

3. List of Shareholders of the Offeror

List of top 10 shareholders of the Offeror as of June 9, 2011 is as follows:

Shareholder	Ordinary Shares (Shares)	Preferred Shares (Shares)	Total Shares (Shares)	% of Shares Held
1. Bureau of The Crown Property and Group	805,309,758	-	805,309,758	23.69
2. Vayupak Mutual Fund 1	785,798,200	-	785,798,200	23.12
3. Chase Nominees Limited 42	174,042,700	-	174,042,700	5.12
4. The NVDR Company Limited	135,879,461	7,900	135,879,461	4.00
5. HSBC (Singapore) Nominees Pte Limited	121,169,663	-	121,169,663	3.56
6. State Street Bank and Trust Company	113,374,050	-	113,374,050	3.34
7. Nortrust Nominees Ltd.	107,513,803	-	107,513,803	3.16
8. State Street Bank Europe Limited	57,937,134	-	57,937,134	1.70
9. Social Security Office (2)	51,831,400	-	51,831,400	1.52
10. Government of Singapore Investment Corporation C	42,140,800	-	42,140,800	1.24

Source: Form 247-4 of the Offeror

Remark: Ministry of Finance holds 3,051,786 ordinary shares, 0.09% of total paid-up capital

4. List of board of directors of the Offeror

List of board of directors of the Offeror as of July 11,2011 as follows:

Name	Designation
1. Mr. Anand Panyarachun	Chairman of the Board, Independent Director, and Member of the Corporate Social Responsibility Committee
2. Dr. Vichit Suraphongchai	Director, Chairman of the Executive Committee, and Member of the Corporate Social Responsibility Committee
3. Mr. Maris Samram	Independent Director, and Chairman of the Audit Committee
4. Dr. Chirayu Isarangkun Na Ayuthaya	Director and Chairman of the Corporate Social Responsibility Committee
5. Mr. Chumpol Na Lamlieng	Independent Director and Chairman of the Nomination, Compensation and Corporate Governance Committee
6. Khunying Jada Wattanasiritham	Independent Director and Member of the Corporate Social Responsibility Committee
7. Mr. Sumate Tanthuwani	Independent Director, and Member of the Audit Committee
8. Assoc. Prof. Dr. Kulapatra Sirodom	Independent Director, and Member of the Audit Committee
9. M.R. Disnadda Diskul	Director and Member of the Corporate Social Responsibility Committee
10. Professor Vicharn Panich, M.D.	Independent Director and Member of the Corporate Social Responsibility Committee
11. Mr. Aekkamol Keereewat	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee
12. Ms. Supa Piyajiti	Director and Member of the Nomination, Compensation, and Corporate Governance Committee
13. Mr. Robert Ralph Parks	Independent Director and Member of the Nomination, Compensation, and Corporate Governance Committee
14. Mr. Thevan Vichitakul	Director and Member of Nomination, Compensation, and Corporate Governance Committee
15. Mrs. Kannikar Chalitaporn	President, Member of the Executive Committee, and Member of the Corporate Social Responsibility Committee
16. Mr. Bodin Asavanich	Director, Member of the Executive Committee, Senior Executive Vice President, and Group General Counsel

Source : Form 247-4 of the Offeror

Attachment : Independent Financial Advisor's Opinion on the Tender Offer for
Shares of The Siam Industrial Credit Public Company Limited

5. Summary of Operating and financial highlights of the Offeror

Operating and financial highlights of the Offeror

(Units: Million Baht, except per share amount)	Audited Financial Statements for The Year Ended December 31				Reviewed Financial Statement For the 6 Month Period Ended June 30					
	2008		2009		2010		March 2011		June 2011	
	Company	Consolidated	Company	Consolidated	Company	Consolidated	Company	Consolidated	Company	Consolidated
Total Asset	1,261,987	1,275,133	1,268,083	1,294,047	1,465,949	1,476,764	1,511,230	1,593,063	1,601,166	1,686,270
Total Liabilities	1,137,426	1,147,237	1,131,968	1,153,125	1,316,574	1,321,659	1,348,936	1,418,679	1,436,639	1,510,962
Shareholders' Equity	124,561	127,896	136,116	140,921	149,376	155,105	162,294	174,384	164,527	175,307
Total Equity Attributable to Equity Holders of the Bank	124,561	127,205	136,116	140,140	149,376	154,316	162,294	173,198	164,527	174,206
Minority Interests	-	691	-	782	-	789	-	1,186	-	1,101
Ordinary Shares	24,829	24,829	33,920	33,920	33,926	33,926	33,927	33,927	33,929	33,929
Preferred Shares	9,163	9,163	72	72	66	66	65	65	63	63
Issued and Paid-up Capital	33,992	33,992	33,992	33,992	33,992	33,992	33,992	33,992	33,992	33,992
Total Revenue*	81,495	88,472	75,715	81,712	81,544	86,334	23,741	33,522	51,259	67,035
Total Expenses**	47,460	53,339	44,066	48,180	44,643	47,781	13,329	16,710	27,939	38,135
Net Income	21,499	21,291	19,436	20,851	23,178	24,328	6,991	13,105	16,339	21,301
Attributable to Equity Holders of the Bank	21,499	21,414	19,436	20,758	23,178	24,206	6,991	13,051	16,339	21,184
Attributable to Minority Interests	-	(123)	-	93	-	122	-	54	-	117
# of Shares (Million Shares)	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399	3,399
Basic Earnings Per Share (Baht)	9.07	9.03	5.78	6.21	6.82	7.12	2.06	3.84	4.81	6.23
Diluted Earnings Per Share (Baht)	6.32	6.30	5.72	6.11	6.82	7.12	2.06	3.84	4.81	6.23
Dividend Per Share (Baht)	2.00	2.00	2.00	2.00	3.50	3.50	-	-	-	-
Book Value Per Share – Bank Only (Baht)	36.64	37.42	40.04	41.23	43.94	45.40	47.75	50.96	48.40	51.25
Book Value Per Share (Baht)	36.64	37.63	40.04	41.46	43.94	45.63	47.75	51.30	48.40	51.58

Source: Form 247-4 of the Offeror and Offeror's financial statement from SET and SEC

Note * Total Revenue includes Interest and Dividend and Non-Interest Income

Total Expenses include interest Expenses and Non-Interest Expenses while excluding allowance for doubtful account and loss from debt restructuring. Shareholders can see the details of the Offeror from Form 56-1 and its financial statements on the website of The Securities and Exchange Commission (www.sec.or.th) or The Stock Exchange of Thailand (www.set.or.th)

6. Significant encumbrances as per the notes to financial statements audited by the auditor

As of March 31, 2011, the Offeror had contingent liabilities which were avals to bills of Baht 3,161 million, guarantee of loans Baht 406 million, liability under immatured import bills Baht 6,226 million, letters of credit Baht 16,541 million, other guarantees Baht 94,238 million, derivatives Baht 3,762,874 million, unused bank overdraft amount Baht 92,639 million and other contingencies of Baht 702 million. It should be noted that these contingent liabilities are originated from normal banking operations. (Source: Form 247-4 of the Offeror)

7. Criminal records over the preceding five years of the Offeror and/or of a person authorized to bind the Offeror (in case the Offeror is a juristic person)

-None-

8. Pending litigation of the Offeror and/or their executives (Source: Form 247-4 of the Offeror)

The Offeror has an unsettled legal dispute which has the potential to negatively impact its assets, as the claimed amount is worth over 5% of net equity according to financial statements for the accounting period ending on March 31, 2011

Opposing Party: Thai Melon Polyester Public Company Limited

On 21 March 2007, Thai Melon Polyester Public Company Limited, as the plaintiff, filed a civil lawsuit against the Thai Asset Management Corporation (TAMC) and The Siam Commercial Bank Public Company Limited, including a number of individual person and juristic persons, collectively as the defendants, on the ground of tort, with a claimed amount of approximately Baht 24,500 million. The plaintiff claimed that the Bank transferred the non-performing assets of the plaintiff to TAMC not in compliance with law. On 30 May 2008, the Civil Court dismissed this case of the plaintiff. After that, the plaintiff filed an appeal on 10 September 2008. The case is currently under processing of the Appellate Court.

In relation to the effect on the Bank, the Bank is of a view that it had not committed any tort as claimed by the plaintiff because the transfer of non-performing assets by the Bank to TAMC was lawfully made pursuant to the provisions of the Emergency Decree of the Thai Asset Management Corporation B.E.2544 (2001). If the Appellate Court would concur the judgment of the Civil Court, this legal claim should not have any adverse effect on the Bank.

1.3 Objectives of making the Tender Offer

1. As of July 11, 2011, the Offeror holds 230,883,188 shares of the Company, equivalent to approximately 38.65% of the total paid-up capital.
2. The Offeror has to comply with the One Presence Policy of the Financial Sector Master Plan imposed by the Bank of Thailand where each financial group can only possess one deposit taking entity.
3. The Offeror has considered future business opportunities of the Company amidst the Financial Liberalization Policy and the policy of the Bank of Thailand to allow commercial banks to expand the scope of business including the continuously increasing market competition which affect future business competency of the Company. The holding of the Company's shares will no longer benefit the Offeror's business. Therefore, the Offeror viewed that the appropriate action with the least effect to the shareholders of the Company is the Offeror make a tender offer to purchase all securities of the Company in order to delist the Company's securities from the Stock Exchange of Thailand (the "SET"). Upon the delisting of the Company's securities from the SET, the Offeror will subsequently liquidate the Company and return the Company's finance business license to the authority.
4. Nonetheless, the commencement of the tender offer by the Offeror to purchase all securities of the Company in order to delist the Company's securities from the SET would be conditional upon the following 3 Conditions precedent:
 - 4.1 The Offeror must obtain an approval from the Offeror's board of directors and the general shareholders meeting to proceed with the tender offer in general for the delisting of the Company's securities from the SET. The board of directors of the Offeror passed a resolution on May 24, 2011 for the Offeror to proceed with such actions and the Offeror's extra general shareholders meeting subsequently approved on June 30, 2011 for the Offeror to proceed with such actions.
 - 4.2 The Company must obtain an approval from the Company's general shareholders meeting to delist the Company's securities from the SET. The Company's extra general shareholders meeting approved on June 30, 2011 for the Company to proceed with such actions. The approval for delist the Company's securities from the SET was 471,856,834 votes or 78.982% of paid-up capital, unapproval was 1,305,164 votes or 0.2184% of paid-up capital and none vote 400 votes or 0.0000 of paid-up capital.

4.3 The Offeror and the Company must obtain necessary approvals from the regulatory authorities and other relevant agencies, including the Office of the Securities and Exchange Commission (the "SEC") and the SET, to proceed with such actions. Subsequently on July 14, 2011, the Company obtained an approval from the SET on the delisting of the Company's securities from the SET.

5 Currently, all of such conditions precedent imposed by the Offeror are fulfilled. Thus, the Offeror is obliged to make a tender offer to purchase all securities of the Company in general for the delisting of the Company's securities from the SET

1.4 Category, type, class and amount of securities offered to be purchased, and the percentage of such securities to the total paid up securities

The Company has only one type of securities, which is the ordinary share.

On the tender offer date, the Offeror directly holds 230,883,188 ordinary shares of the Company or 38.65% of the Company's total issued and paid up shares and is equivalent to 38.65% of the Company's total voting rights. The Offeror is offering to purchase the remaining 366,539,874 ordinary shares of the Company from other shareholders, which is equivalent to 61.35% of the Company's total issued and paid up shares and is equivalent to 61.35% of the Company's total voting rights.

1.5 Funding Source of the Tender Offeror for the Share Acquisition

The total value of this Tender Offer is Baht 2,525,459,731.86. The funding source will be from the Tender Offeror's internal cash flow. Judging from the type and size of the commercial bank business that the Offeror engages in, the Tender Offer Preparer has an opinion that the Offeror has sufficient fund to finance the Tender Offer without significant impact on its normal business.

2. Information on the Company

2.1 Company Overview

Pre-Tender Offer

The Siam Industrial Credit Public Company Limited (“the Company”) was established as a limited company under Thai Law on March 17, 1966. The Company was listed on the Stock Exchange of Thailand (SET) on December 9, 1988 and was registered as a public company limited on November 22, 1993. The Company has been granted the approval from Ministry of Finance to operate a finance business. The major shareholder is Siam Commercial Bank Public Company Limited, a commercial bank registered in Thailand. The Company’s registered office is located at 130-132, Floor 3 – 5, Sindhorn Tower II, Wireless Road, Lumpini, Patumwan, Bangkok. The Siam Industrial Credit Public Company Limited was granted by the Ministry of Finance to undertake finance business such Business of Finance for Commerce, Business of Finance for Development, Business of Finance for Disposition and Consumption, Business of Finance for Housing

The company’s business is under the supervision of 3 regulating units, namely: the Bank of Thailand, as regulator of the finance business; the Stock Exchange of Thailand (“SET”) and the Securities Exchange Commission (“SEC”), as regulators of the companies listed on the SET.

Types of Services

The Siam Industrial Credit Public Company Limited provides the following financial services:

1. Saving Services

- Deposit Receipts-Non-Transferable. This is a type of deposits available to individuals, juristic persons, foundations and associations. The Company offers 2 types of deposit receipts, namely: call deposits and term deposits ranging in value from Baht 10,000 and over at the prevailing interest rates in line with the money market condition.
- Negotiable Certificates of Deposit : NCDs which are transferable
- Bills of exchange which enable the holders to transfer to another party

Saving in the form of deposits is protected by the Deposit Protection Agency

2. Lending Services

The services can be divided into:

(a) Hire-Purchase Loans

Currently, the Company's core business is hire-purchase loans, particularly automotive hire purchase. The Company provides hire purchase services on all types of automobile, including new and used cars such as passenger and commercial vehicles, vans, pick-up trucks, big trucks, buses, etc., with flexible terms and interest rates in order to accommodate the continuous increase in consumer demand. Despite intense competition for the business, the maximum loan repayment terms are subject to the regulation governed by the Bank of Thailand.

(b) Corporate Loans

Corporate loans are defined as lending for investment and working capital in industrial and manufacturing businesses including agriculture, construction and infrastructure. Commercial loans can also be for the purpose of investment and working capital in commercial trading businesses such as retail & wholesale, import & export, services. Currently the Company has not been active on this type of loan services in order to be in line with the change in business strategy. As of March 31, 2011, such loan outstanding accounted for 10.98% of the total loan portfolio.

Presently, the Company has 15 lending offices located in Chiang Mai, Khon Kaen, Nakhon Sawan, Nakhon Ratchasima, Ratchaburi, Chonburi, Sonkhla, Suratthani, Nakhonpathom Chian Rai, Lampang, Pitsanulok, Rayong, Pranakon Sriyudhya, and Nakhon Srithammarat.

The Company has a 70% owned subsidiary namely; SICCO Securities Public Company Limited (SSEC), which engages in securities business under the license number 001/2542. SSEC, in turn, has 2 subsidiaries, namely SICCO Advisory Co., Ltd. (99% owned), engaging in financial advisory business, and SSEC Asset Management Co., Ltd. (51% owned), engaging in private fund management and investment advisory business.

As of August 30, 2010, the board of directors of SSEC Asset Management Co., Ltd. resolved to dissolve the company and return the fund management and investment advisory licenses to the Ministry of Finance. On December 22, 2010, the Ministry of Finance approved such request effective from December 31, 2010. On January 31, 2011, the extraordinary meeting no 1/2554 was held to pass the resolution on the dissolution of the company by registration with the Ministry of Commerce. The registration took place on February 11, 2011. In addition, SICCO also had 3 special

purpose vehicles (SPVs), namely: SICCO Special Purpose Vehicle 1 Co., Ltd., SICCO Special Purpose Vehicle 2 Co., Ltd., and Special Purpose Vehicle 3. SICCO's SPV 1 and SPV 3 have been finished liquidation process on February 7, 2011 and August 1, 2011 and SPV 2 is in the process of liquidation

Post-Tender Offer.

Business Status

After successful completion of the tender offer, the Offeror will proceed to delist the shares of the Company from the Stock Exchange of Thailand (SET). The delisting issue was approved by the Company's shareholders at the Extraordinary Shareholders' Meeting 1/2554 on June 30, 2011 and by the SET on July 14, 2011. Upon completion of the tender offer and the delisting, the Company will lose its listing status but will remain a public company and will still have duties as stipulated in the Public Company Act. As such, the Company will not be required to update reports on the Company's performance in accordance with the Capital Market Committee's Notice no. Tor Jor. 11/2552. Nor will it be required to perform the role of the Company's management and auditor in filing disclosure reports on the shareholding as per SEC Notice no. Sor Jor. 12/2552 in the case where parties other than Offeror and related parties of the Offeror together holding not more than 5% in aggregate or less than 100 shareholders. This will result in the remaining shareholders obtaining less information on the Company.

Nevertheless, the Offeror still have no plan to sell any of the SICCO shares in its possession or additional shares to be obtained from the tender office to any outsider for the next 12 months period from the end of the tender offer period except when the Offeror has to comply to the law or regulation which takes effect during such time or in the case of shareholding restructure within the group and/or business restructure after this tender offer in order to maximize benefit to the the shareholders of the Offeror and the Company

Policies and plans of business operations

After delisting the Company from the SET, the Offeror has a policy to dissolve the Company and return the Company's finance business license to the authority.

Implementation approaches of the Offeror

In order to follow the mentioned policy, after the successful delisting of the Company from the SET, the Offer has a plan to slow down or cease the Company's business expansion whereas only the necessary operations of the Company will be maintained prior to proceeding with the dissolution of the Company.

The Offeror preliminarily has 4 approaches to dissolve the Company

1. Entire business transfer from SICCO to a transferee
2. Asset sale
3. Slow down the business of the Company by gradually and continuously winding down deposits and loans until there is no outstanding deposits and loans
4. Slow down the business of the Company by gradually and continuously winding down deposits and loans at the beginning (i.e. 1-3 years) until the outstanding deposits and loans reduce to the appropriate level to proceed further with the approach (1) or approach (2)

The details of each approach are as follows.

1. Entire business transfer from SICCO to a transferee

This approach is a transfer of the entire business, assets and liabilities of the Company to a transferee which may be the Offeror or any company in the Offeror group or any third party. The transfer may be made at the book value of the Company as at the transfer date or at any other price to be agreed with the transferee. Subsequently, the Offeror will proceed with the dissolution and liquidation of SICCO. However, to proceed with this approach, there will be a need to comply with the criteria and procedure set out by relevant tax laws or else the Company and/or the transferee may be unable to obtain tax benefits from such entire business transfer. In addition, there may be some difficulties in the implementation of the entire business transfer from SICCO to a transferee. Furthermore, the possibility that both the transferor and transferee may have to seek an approval from the respective general shareholders meeting to proceed with such action could be another impediment or limitation to proceed with this approach.

2. Asset sale

This approach is the selling of SICCO's assets to any person who has an interest to buy (including the Offeror and/or any company in the Offeror group), especially a portfolio of loans including hire purchase and non-hire purchase loans which may be sold through public auction or any other approach that is suitable with each type of assets of SICCO to be sold. Subsequently, the Offeror will dissolve the Company, return the Company's finance business license to the authority, and liquidate the Company. However, to proceed with this approach, there will be some uncertainties on the price that the Company will be able to sell its assets and there is a risk that the assets of the Company may be sold at discount in which that magnitude of the discount depends mainly on the quality of assets for sale. The Offeror and/or the Company may accept such discounted price if such, when compare with the book value of such assets, yields an appropriate ratio that is comparable to

the same ratio calculated from the sales of assets of financial institutions in accordance with the norm of the industry or business with the same characteristics.

3. Slow down the business of the Company by gradually and continuously winding down deposits and loans until there is no outstanding deposits and loans.

This approach will be the slowing down of the business of the Company to allow time for both the Company and debtors of the Company to manage the Company's existing debts. This will result in the winding down of the Company's business until the Company will no longer have any outstanding deposits and loans, except problematic loans and/or loans under litigation. Nevertheless, slow down the business of the Company in accordance with this approach may result in the delay of the dissolution, compared with the approach (1) and approach (2)

4. Slow down the business of the Company by gradually and continuously winding down deposits and loans at the beginning (i.e. 1-3 years) until the outstanding deposits and loans reduce to the appropriate level to proceed further with the approach (1) or approach (2)

This approach will be the slowing down of the business of the Company, similar to the approach (3), but will be only at the beginning (i.e. 1-3 years). Thereafter, rather than waiting until the Company no longer has any outstanding deposits and loans as in approach (3) which will take a long time, the Offeror may consider to proceed with the approach (1) or approach (2) (as appropriate at the time). When the outstanding deposits and loans reduce to the appropriate level, the Offeror may proceed with the entire business transfer from the Company to a transferee at that stage in which such transferee may be the Offeror or any company in the Offeror group or any third party. The transfer may be made at the book value of the Company as at the transfer date or at any other price to be agreed with the transferee as per the approach (1). Alternatively, the Offeror may consider selling the Company's assets outstanding at the time to any person who has an interest to buy (including the Offeror and/or any company in the Offeror group) as per the approach (2).

However, the above-mentioned implementation approaches are not yet definite. In order to select and proceed with any of such approaches, there will be a need to consider the result of the tender offer to purchase all securities of the Company and the situation after the Company has been successfully delisted from the SET, including the legal requirements and limitations and other relevant factors, Hence, at present, the Offeror has not yet considered to specifically proceed with any of the approaches. The Offeror will make a decision in the future to proceed with the appropriate approach and implementation procedures, taking into consideration the facts and circumstances at that time

In addition, the Offeror has considered the appropriate funding source for the Company to support the above policy. It is expected that, post-acquisition, the Company may source funding from taking short-term deposits or the Offeror may consider extending credit facility to the Company as needed. At the early stage, the Offeror has a plan to gradually reduce the proportion of deposits to be in line with the amount of outstanding loans in each period. The Company may take new short-term deposits at the reduced amount such that it is in congruent with the required funding to wind down the Company. However, the Offeror will consider extending temporary credit facility to the Company as needed when the Company cannot raise funds in a timely manner.

To ensure that the Company carries on its operation in accordance with the policies mentioned above, the Company will focus its effort on debt collection whereas the operation of the supporting divisions such as operation, human resource, and accounting will gradually reduce its size in accordance with the outstanding loans of the Company at any given period.

The Offeror will specify the measures and procedures to protect the Company's depositors from any demage resulting from the Offeror gaining more shareholding in the Company. The Offeror has a wide range of financial products that is expected to appropriately serve the needs of the Company's depositors.

In addition, after the end of the tender offer to purchase all securities of the Company in general, if the Offeror's shareholding percentage in the Company increases up to 50% or more of the total votes in the Company, the Offeror must have to make a tender offer in general to purchase all securities of SICCO Securities Public Company Limited ("SSEC") in general from other shareholders of SSEC in accordance with the chain principle rule. Presently, the Offeror is considering the appropriate approach for SSEC which is beneficial to all related parties. The policy for SSEC will be subject to the success of the tender offer to purchase all securities of the Company, circumstances at that time, and other related factors. The preliminary implementation plan for SSEC may be based on the following guidelines.

1. In the case that SSEC can maintain its status as a listed company on the SET, the Offeror and/or the Company may consider proceeding with the following actions
 - Merge SSEC, a listed company, with operation of any company in the Offeror group at a price based on market price or book value of SSEC at the time of the merger or

- Divest all shares of SSEC held by the Offeror and the Company to any investor with interest at the price acceptable to the Offeror or via a public auction in which the price will be subject to the auction result or
 - Divest all shares of SSEC held by the Offeror and the Company via any other methods as deemed appropriate by the Offeror and/or the Company.
2. In the case that SSEC can no longer maintain its status as a listed company (due to certain legal requirements or limitations such as maintenance of the minimum number of minority shareholders, or as deemed appropriate by the Offeror), the Offeror and/or the Company may consider proceeding with the following actions
- Merge SSEC, post delisting from the SET, with operation of any company in the Offeror group at a price based on market price or book value of SSEC at the time of the merger or
 - Divest all shares of SSEC held by the Offeror and the Company to any investor with interest at the price acceptable to the Offeror or via a public auction in which the price will be subject to the auction result or
 - Entire business transfer from SSEC to any company in the Offeror group at the book value of SSEC, then subsequently dissolve and liquidate SSEC or
 - Divest all shares of SSEC held by the Offeror and the Company via any other methods as deemed appropriate by the Offeror and/or the Company.

2.2 Revenue Structure of the Company and its Subsidiary

Revenue structures of the Company and its subsidiary classified by business during 2008 – 2010 and the first quarter ended March 31, 2011 are summarized as follows

	2008 (31/12/2008)		2009 (31/12/2009)		2010 (31/12/2010)		For three months period ended on March 31, 2011	
	Baht Mn.	%	Baht Mn.	%	Baht Mn.	%	Baht Mn.	%
<u>Revenue structure of finance business</u>								
Interest and dividend income								
Loans and deposits	123.02	9.80	114.83	10.15	35.48	3.21	8.77	2.04
Hire purchase income	1,738.74	138.45	1,480.29	130.82	1,143.66	103.47	258.60	60.09
Investments	225.70	17.97	116.32	10.28	116.77	10.56	13.58	3.16
Total interest and dividend income	2,087.46	166.21	1,711.44	151.25	1,295.91	117.24	280.95	65.29
<u>Less</u> Interest expenses	(915.24)	(72.88)	(523.79)	(46.29)	(253.41)	(22.93)	(71.11)	(16.52)
Bad debt and doubtful accounts	(504.22)	(40.15)	(649.09)	(57.19)	691.52	(62.56)	(9.42)	(2.19)
Net interest and dividend income	668.00	53.19	540.56	47.77	350.98	31.75	200.42	46.57
Non-interest income								
Gain (loss) on investments	(40.31)	(3.21)	(108.32)	(9.57)	38.86	3.52	6.52	1.52
Fees and service income	169.17	13.47	182.60	16.4	166.69	15.08	24.48	5.69
Other income	172.58	13.74	143.30	12.66	134.73	12.19	91.29	21.21
Total non-interest income	301.44	24.00	217.58	19.23	340.28	30.79	122.29	28.42
Total revenue from finance business	969.44	77.19	758.14	67.00	691.26	62.54	322.71	74.99
<u>Revenue structure of securities business</u>								
Interest and dividend income								
Interest and dividend	25.02	1.99	27.99	2.47	31.18	2.82	1.82	0.42
Interest income from margin	11.00	0.88	7.70	0.68	6.33	0.57	8.53	1.98
Total interest and dividend income	36.02	2.87	35.69	3.15	37.51	3.39	10.35	2.41
<u>Less</u> Interest expense	(6.08)	(0.48)	(2.60)	(0.23)	(2.83)	(0.26)	(0.77)	(0.18)
Bad debt and doubtful accounts	(67.51)	(5.38)	5.36	0.47	9.78	0.88	1.66	0.39
Net interest and dividend income	(37.57)	(2.99)	38.45	3.40	44.46	4.02	11.24	2.61
Non-interest income								
Brokerage fees	324.19	25.81	323.31	28.57	352.77	31.92	88.51	20.57
Fee and service income	12.32	0.98	10.07	0.89	15.03	1.36	6.35	1.48
Gain (loss) on investment	(15.70)	(1.25)	1.21	0.11	1.32	0.12	0.71	0.16
Other income	3.22	0.26	0.36	0.03	0.48	0.04	0.81	0.19
Total non-interest income	324.03	25.80	334.95	29.60	369.60	33.44	96.38	22.40
Total revenue from securities business	286.46	22.81	373.40	33.00	414.06	37.46	107.62	25.01
Total revenue from finance and securities business	1,255.90	100.00	1,131.54	100.00	1,105.32	100.00	430.33	100.00

Note : Revenue from securities business incorporates revenue from both SICCO Advisory Company Limited and SSEC Asset Management Securities Company Limited.

The Company had income from sales of rights to demand for payment from hire-purchase customers to SICCO Special Purpose Vehicle 2 Co., Ltd. And SICCO Special Purpose Vehicle 3 Co., Ltd. with details as follows;

2.3 Management Structure

Pre-Tender Offer

Members of the Board of Directors as of May 27, 2011 are as follows:

No.	Name	Position
1	Mr. Wirutt Ruttanaporn	Chairman and Independent Director
2	Assoc.Prof.Dr. Kamales Santivejkul	Chairman of the Audit Committee Independent Director and Nomination and Remuneration
3	Mr. Kavi Ansvananda	Director of the Audit Committee Independent Director and Nomination and Remuneration
4	Mr. Vachara Palakawong Na Ayudhaya	Director of the Audit Committee, Independent Director and Member of the Nomination and Compensation Committee
5	Ms. Kluaymai Devahastin	Director and Authorized person of the Company
6	Mrs. Apiphan Charoenanusorn	Director and Authorized person of the Company
7	Mr. Krieng Wongnongtaey	Director
8	Ms. Wanvimol Chotipuech	CEO & President

Post-Tender Offer

After completion of the tender offer, the Offeror may change certain directors of the company as appropriate such as upon resignation of directors who have completed their terms or new appointment of directors as proportionate to the shareholding ratio. Any such change will be made in accordance with the articles of association of the Company. Initially, the board of directors of the Company after the tender offer is expected to consist of the following:

No.	Name	Position
1	Mr. Wirutt Rattanaport	Chairman of the Board of Directors and Independent Director
2	Assoc. Prof. Kamales Santivejkul	Chairman of the Audit Committee, Independent Director, and Member of the Nomination and Compensation Committee
3	Mr. Kavi Ansvananda	Member of the Audit Committee, Independent Director, and Member of the Nomination and Compensation Committee
4	Mr. Vachara Palakawong Na Ayudhaya	Member of the Audit Committee, Independent Director, and Member of the Nomination and Compensation Committee
5	Mr. Chanmanu Sumawong	Director and Authorized Director
6	Mr. Apiphan Charoenanusorn	Director and Authorized Director
7	Mr. Krieng Wongnongtaey	Director
8	Miss Wanvimol Chotipuech	President and Chief Executive Office

2.4 Capital Structure and holding

2.4.1 Company's securities

A.) As of March 31, 2011, the Company had a registered capital of Baht 3,345 million divided into 669,000,000 ordinary shares at the par value of Baht 5 per share. Its paid-up capital was Baht 2,987.12 million divided into 597,423,062 ordinary shares at the par value of Baht 5 per share.

As of July 11, 2011 the Company's ordinary shares of 28,616,390 shares or 4.79% of total paid-up were in Non-voting Depository Receipt or NVDR which have an impact to voting rights since shares in NVDR have no voting rights in shareholders meeting. This resulted in increasing voting rights of other shareholders, thus the voting rights of each share will be increased 4.79%.

B.) The Company has other securities excluding ordinary shares as follows:

1. Subordinated Debentures

During 1999, the Company issued subordinated debentures totaling Baht 144 million at a par value of Baht 1,000,000. The subordinated debentures matured in 2009 with an interest rate of 7.5% p.a. During 2000, the Company issued another subordinated debentures in a total of Baht 9 million at a par value of Baht 1,000,000, of which, Baht 4

million with an interest rate of 3.75% and another Baht 5 million with an interest rate of 3.5%. Those debentures matured in 2010. All debentures were sold to the Ministry of Finance under the capital raising scheme of Tier-2. The proceeds were used to invest in government bonds as an agreement with the Ministry of Finance. As of December 31, 2010, those debentures were redeemed

2. Debenture – issued under the securitization of assets to securities

As of May 13, 2004, the Company's Extraordinary Shareholders Meeting resolved to approve the issuance of debentures and/or securitization in the amount not exceeding Baht 15,000 million. Details are as follows:

2.1) Issuance of debentures – it is an issuance of unsecured debentures or secured debentures or subordinated debentures or unsubordinated debentures in Thai Baht and/or any other currency in the amount not exceeding Baht 15,000 million or equivalent for the terms not exceeding 5 years for selling to the general public and/or special types of local or foreign investors and/or special types of institutional investors in accordance with the SEC notification in one issue or several issues as the case may be.

2.2) In case of securitization, the loan issuance will have to comply with SEC notification on: Rules, Conditions and Procedures Relating to Issuance of Securitization through Establishment of a Special Purpose Vehicle (SPV) and Transfer of Assets to SPV on a fee-based basis.

On October 26, 2004, the Board of Directors approved the securitization project in the amount of not exceeding Baht 4,000 million. The Company appointed a local commercial bank, its shareholder, and another foreign bank as the financial advisors and underwriters of the project.

On June 27, 2006, the Board of Directors approved the securitization project in the amount of not exceeding Baht 9,000 million. The Company appointed a local commercial bank, its shareholder, and another foreign bank as the financial advisors and underwriters of the project.

Summary of Debentures

Type of debentures: Installment payment debentures under the securitization law (installment payment type from cash flow of installment payments based on rights to demand payments on automotive hire-purchase loans)

	Securitization of SICCO Special Purpose Vehicle 1 Co., Ltd. SICCO SPV 1*	Securitization of SICCO Special Purpose Vehicle 2 Co., Ltd. SICCO SPV 2	Securitization of SICCO Special Purpose Vehicle 3 Co., Ltd. SICCO SPV 3**
Par value per share (Baht)	1,000	1,000	1,000
Subscription price per share (Baht)	1,000	1,000	1,000
Total No. of securitizations (unit)	4,000,000	3,000,000	3,000,000
Total value of securitizations (Baht)	4,000,000,000	3,000,000,000	3,000,000,000
Issuing date	May 30, 2005	August 17, 2006	April 25, 2007
Term	Approx. 6.5 years	Approx. 6.5 years	Not more than 5 years
Expected date of redemption for all issued securitizations	November 21, 2009	February 21, 2011	October 21, 2010
Date of the last redemption	November 21, 2011	February 21, 2013	April 21, 2012
Interest rate	4.21%	6.00%	4.24%
Type and value of collateral	none	none	none
Bond rating	AAA (tha)	AAA (tha)	AAA (tha)

Note : * On November 5, 2009, the company had bought back all the rights to demand payment on HP loans from SICCO SPV 1 Co.,Ltd. to comply with the Receivable Sale Agreement at book value before deduction of the respective allowances for bad debts.

** On February 7, 2011, the company had bought back all the rights to demand payment on HP loans from SICCO SPV 2 to comply with the Receivable Sale Agreement at book value before deduction of the respective allowances for bad debts.

*** On October 7, 2010, the company had bought back all the rights to demand payment on HP loans from SICCO SPV 3 to comply with the Receivable Sale Agreement at book value before deduction of the respective allowances for bad debts. SICCO SPV 1, 2 and 3 have registered to dissolve the companies with the Ministry of Commerce and currently the liquidation process for SPV 1 and 3 has been finished.

2.4.2 Shareholders**Pre-Tender Offer**

1) Top 10 major shareholders as of July 11, 2011

Rank	Name	No.of shares	% shareholding
1.	Siam Commercial Bank PCL.	230,883,188	38.65
2.	Bangkok Life Assurance Public Company Limited	54,416,900	9.11
3.	Thai NVDR Company Limited	28,616,390	4.79
4.	AIRA Securities Public Company Limited	19,900,000	3.33
5.	Goldman Sachs International	15,482,900	2.59
6.	Mr. Supachai Suthipongschai	14,014,600	2.35
7.	Aioi Bangkok Insurance Company Limited	10,500,000	1.76
8.	Mr. Choedchu Sophonpanich	7,890,500	1.32
9.	Mr. Visarn Kunvisarn	7,650,000	1.28
10.	Mr. Anon Kunvisarn	7,559,824	1.27
Total		396,914,302	66.44

Note: Registered Capital Baht 3,345,000,000 (669,000,000 shares)

Paid-up Capital Baht 2,987,115,310 (597,423,062 shares)

(1) Members of the Board of Directors from Siam Commercial Bank PCL., the Company's major shareholder, 3 people who are Ms. Kluaymai Devahasytin, Mrs. Apiphan Charoenanusorn and Mr. Krieng Wongnongtaey.

(2) Name of shareholders with undisclosed status

- None-

After Tender Offer

If all of the tendered ordinary shares are offered for sale by the Offeree, the Offeror will hold 100% of the Company issued shares

2.4.3 Dividend Policy**Pre-Tender Offer**

The Company and its subsidiaries have a policy to pay dividend of not less than 50% of the annual profit after taking into account the economic condition, size and stability of the capital fund. Such dividend payment requires shareholders' approval. The details of the announced dividends in 2009, 2010 and 2011 are as follows:

The Company

Attachment : Independent Financial Advisor's Opinion on the Tender Offer for
Shares of The Siam Industrial Credit Public Company Limited

	Approved by	Dividend (Baht)	Dividend per share (Baht)	Net profit (Loss) per share (Baht)	Dividend payment (%)
Dividend in 2008	General Shareholder Meeting as of April 21, 2009	119,484,612	0.20	0.03	634.50
Dividend in 2009	General Shareholder Meeting as of April 20, 2010	-	-	(0.007)	-
Dividend in 2010	General Shareholder Meeting as of April 19, 2011	155,329,996	0.26	0.51	50.49

Dividend received from investment in subsidiary

SICCO Securities Public Company Limited - Subsidiary

	Approved by	Dividend (Baht)	Dividend per share (Baht)	Net profit (Loss) per share (Baht)	Dividend payment (%)
Dividend in 2008	General Shareholder Meeting as of April 29, 2009	-	-	(0.048)	-
Dividend in 2009	General Shareholder Meeting as of April 28, 2010	19,116,238	0.03	0.040	75.54
Dividend in 2010	General Shareholder Meeting as of April 27, 2011	19,116,238	0.03	0.06	50

Post-Tender Offer

The Offeror still has no plan to make any change in the dividend policy of the Company

2.5 Related party transaction

Pre-Tender Offer

As of March 31, 2011 and March 31, 2010, the Company had related transactions with the Offeror as follows: Baht 24.81 million and Baht 41.64 million bank deposits. These were considered normal business transactions with reasonable cause and for the benefit of the Company.

Post-Tender Offer

Within the 12-month period after the end of the Tender Offer, the Offeror or any person in connection with the Offeror pursuant to Section 258 of the Securities and Exchange Act B.E. 2535

has no intention to materially change the Company's policy regarding the connected transactions in terms of both the type and the size of those transactions, except that the Offeror may consider extending temporary credit facility to the Company as mentioned in Implementation approaches of the Offeror whereas the size of such temporary credit facility will be subject primarily to the facts and circumstances at the time.

Any current and future related party transaction will be carefully considered and ensured that the terms and conditions of such transactions will be similar to those of arm's length transactions. There should not be any special terms or preference between the Company, its related companies and shareholders. The objective of these policies and procedures is to be in compliance with the rules and regulations of the SET as well as to ensure that all related party transactions are conducted on an arm's length basis.

2.6 Financial Highlights

The financial information in the stand-alone financial statements and consolidated financial statements of the Company and its subsidiaries for the first quarter as of March 31, 2011 was prepared based on the latest accounting standards set by the Federation of Accounting Professions which can be summarized below:

(unit: Baht thousands except where expressed as amount per share)	Audited Financial Statements						Pre-Audited Financial Statements	
	Yearend						Quarterly	
	For the Year Ended December 31						For the Quarter Ended March 31	
	2551		2552		2553		2554	
	Stand-Alone	Consol.	Stand-Alone	Consol.	Stand-Alone	Consol.	Stand-Alone	Consol.
Total Assets	27,039.36	28,352.92	20,828.47	21,766.70	16,111.66	17,192.95	15,046.10	16,312.93
Total Liabilities	23,490.07	24,339.43	17,236.40	17,720.36	12,146.86	12,776.67	10,907.86	117,568.94
Shareholders' Equity	3,549.30	4,013.49	3,592.08	4,046.34	3,964.80	4,416.28	4,138.23	4,556.04
Stand-Alone Shareholders' Equity	3,549.30	3,738.54	3,592.08	3,770.66	3,964.80	4,136.07	4,138.23	4,270.70
Minority Shareholders' Portion	-	274.95	-	275.68	-	280.21	-	285.34
Common Shares	597.42	597.42	597.42	597.42	597.42	597.42	597.42	597.42
Paid-up Capital	2,987.12	2,987.12	2,987.12	2,987.12	2,987.12	2,987.12	2,987.12	2,987.12
Total revenue	2,388.90	2,850.88	1,929.02	2,289.13	1,636.19	2,020.51	402.19	460.58
Interest and Dividend Income	2,087.46	2,081.24	1,711.44	1,696.19	1,295.91	1,297.68	280.94	292.09
Non-Interest Income	301.44	769.64	217.58	592.94	340.28	722.82	121.25	168.49
Total Expenses	1,879.20	2,263.89	1,301.25	1,664.31	587.44	952.26	162.98	250.10
Interest Expenses	915.24	921.32	523.79	524.64	253.41	255.45	71.11	74.20
Operating Expenses	963.96	1,342.57	777.46	1,139.67	334.03	696.81	91.87	175.90
Bad Debts and Doubtful Accounts	575.81	508.30	655.87	650.51	696.67	686.89	11.13	12.79
Net Profit	18.83	5.34	(4.43)	(14.37)	307.66	316.81	175.24	141.56
Portion of the Company	18.83	20.27	(4.43)	(15.10)	307.66	306.54	175.24	136.43
Minority Interest in Subsidiaries (Non-Controlling Interest)	-	(14.94)	-	0.73	-	10.28	-	5.13
Total Shares (million)	597.42	597.42	597.42	597.42	597.42	597.42	597.42	597.42
Profit per Share (Baht)	0.03	0.03	(0.01)	(0.03)	0.52	0.51	0.29	0.23
Dividend Per Share (Baht)	0.20	0.20	-	-	0.26	0.26	-	-
Stand-Alone Book Value (Baht)	5.94	6.26	6.01	6.31	6.64	6.92	6.93	7.15
Book Value (Baht)	5.94	6.72	6.01	6.77	6.64	7.39	6.93	7.63

Remark: The shareholders can obtain financial statements and other information on the Company from SET website at www.sec.or.th or the Stock Exchange of Thailand (SET) website at www.set.or.th

Management's Discussion and Analysis of Financial Status and operating results

(A) Overall of past operations

Operating results for year ended December 31, 2010 on the unconsolidated, net profit was Baht 307.66 million or equal to earnings per share of Baht 0.515, compared to net loss of Baht 4.43 million or equal to net loss per share of Baht 0.007 of the same period last year. The Company's book value at the end of December 31, 2010 was Baht 6.64 per share compared to Baht 6.01 per of the same period last year. For the first quarter ended March 31, 2011 on the unconsolidated, net profit was Baht 175.24 million, compared to Baht 46.27 million for the same period of 2010, increased by Baht 128.97 million or by 278.75%. The details are as follow:-

1. Income and expenses and expenses for separate financial statements (unconsolidated)

1.1 Interest Income

Interest and dividend income was Baht 1,295.91 million, 24.28% decreased from that of the previous year, due to declining business volume. Net interest and dividend income was Baht 1,042.50 million, 12.22% decreased from that of the previous year

For March 31, 2011, net interest income was Baht 209.83 million, decreased Baht 40.61 million or 16.22% from that of the same period of last year due to declining business volume and a declining net interest margin.

1.2 Non-Interest Income

Non-interest income included fee and services income, gain on investment, a reversal of bad debts, revenue from securitization, and other operating incomes. For 2010, non-interest income was Baht 340.28 million or 56.39% rise over comparing to previous year which had gain on investment for Baht 38.86 million comparing to the lost on investing for the amount of Baht 108.32 million in the previous year. For 1Q3011 non-interest income was Baht 121.25 million, Baht 43.34 million increase or 55.63% rise over the same period of last year. Others were revenue from securitization and reverses of bad debts.

For March 31, 2011, the Company had revenue from securitization in a total of Baht 49.91 million. The transaction was due to SICCO Special Purpose Vehicle 2 Company Limited (SPV2), the Company's subsidiary established under

the securitization law, paid all remaining back to the Company at the end of the project. The separate financial statement recorded as a revenue while SPV2 recorded such item as an expense. Such item was considered as a related transaction, therefore, it would not have any impact to net profit in the consolidated financial statement. Net profit in separate financial statement excluding the transaction was Baht 140.30 million.

1.3 Operating Expenses

Operating expenses was Baht 334.03 million, 57.04% decreased from that of the previous year; due to gain on sale on properties foreclosed worth Baht 57.09 million, and the personal expenses decreased by 31.31%. For March 31, 2011, operating expenses was Baht 91.87 million, increased Baht 86.38 million or 1,571% due to extraordinary items for March 31, 2011. Excluding this item, operating expenses decreased Baht 8.89 million or 8.82%.

1.4 Bad Debts, Doubtful Accounts, and Loss from Impairment

Bad debts and doubtful accounts were Baht 696.67 million compared to Baht 655.87 million of the same period last year. Average reserve per NPL or coverage ratio was 116.29% compared with 80.12% at the end of December 2009.

For March 31, 2011, Bad debts, doubtful accounts, reversal of loss on impairments were Baht 11.13 million, divided into bad debts and doubtful accounts of Baht 9.43 million and a reversal of loss on impairment of Baht 20.56 million, compared to the same period of last year, declined by Baht 276.97 million or 104.19%. Average NPL for Hire Purchase was 7.02% compared with 7.61% at the end of December 2009.

1.5 Interest Expenses

Interest expenses were Baht 253.41 million, declined by 51.62% compared to the same period of 2009 due to decreasing borrowings and deposits.

(2) Unconsolidated financial statement

2.1 Assets

As of March 31, 2011, total assets were Baht 15,046.10 million, decreased by Baht 1,065.56 million or by 6.61% from the same period of last year. Main assets included

- Interbank and money market transactions (Net) declined Baht 119.60 million or 15.85%
- Loans declined by Baht 761.11million or 6.72%
- Factoring receivables declined by Baht 195.21 million or 100%
- Subordinated deferred purchase price receivables declined by Baht 195.60 million or 100%

Allowance for Doubtful Debt

(Unit : Baht million)

	Separate Financial Statement						
	March 31, 2011						
	Normal	Special mentioned	Sub-standard	Doubtful	Doubtful loss	General reserve	Total
Beginning balance	252.33	240.07	128.35	354.10	975.12	429.71	2,379.68
Doubtful debt	-	-	9.42	-	-	-	9.42
Bad debt- written off	-	-	-	-	(59.28)	-	(59.28)
Others	(21.53)	(25.76)	(29.83)	(4.37)	82.30	57.33	58.14
Ending balance	230.8	214.31	107.94	349.72	998.14	487.04	2,387.96

2.2 Total Liabilities

Total Liabilities as of March 31, 2011 was Baht 10,907.86 million, decreased Baht 1,239.0 million from end of last year or by 10.20% which was consistent with the decrease in money deposit Baht 1,281.86 million or by 10.95% By having corporate income tax payable increasing by Baht 81.67 million or 55.8%.

2.3 Shareholders' Equity

As of March 31, 2011, Shareholders' Equity was Baht 4,138.23 million, or increased by Baht 173.44 million or 4.37%. Due to an increase in retained earnings for March 31, 2011, book value per share was Baht 6.93, increased from Baht 6.64 per share from end 2010.

3. Liabilities and Contingent Liabilities

As of March 31, 2011, unconsolidated financial statement stated a guarantee of construction in normal operations to customers of Baht 27,733,690. The company expected that there was no impact of this contingent liability as there was review and evaluation of customer status.

(Unit : Baht)

	Consolidated and Separate Financial Statements	
	March 31, 2010	March 31, 2011
Other contingencies - guarantees for construction	33,522,740	27,733,690
Other contingencie	33,522,740	27,733,690

The Company reported balance of non-performing loans which transferred to Thai Asset Management Corporation (TAMC) of Baht 134.2 million. The Company is still jointly liable for a share of the gains or losses arising from TAMC's management of the non-performing assets, at the end of every fifth and tenth years, counting from July 1, 2011. The ultimate result of gain or loss cannot be estimated at this time. The maximum loss for which the Company may be liable is equivalent to 30 percent of the transfer price.

However, as of March 31, 2011, the Company has set up allowance for possible losses amounting to Baht 40.3 million (As of December 31, 2010: Baht 40.3 million), which the management of the Company considered that the amount is sufficient to cover the losses which may arise.

4. Relationship of Sources of Fund and Uses of Fund

As of March 31, 2011, the Company and Subsidiaries had total borrowings and deposits of Baht 10,401.54 million, of which 99.88% were below 1 year. The Company and Subsidiaries had total loans, receivables and interest receivables of Baht 12,979.20 million, of which 91.76% were over 1 year.

2.7 Business Outlook

Banking Business Outlook in 2011

In 2011, although the Thai commercial bank business stood to benefit from continued improvement of the economy and domestic investment which helped support the demand for lending from private sector, high loan target set by each bank to maintain previous year market share had caused intense competition for the market share through pricing strategies for specific target customers, this will affect the effective lending yields. On the deposits side, intense price competition remains as a result of rising interest rate trend led by the increase in policy rates by the Bank of

Thailand and the needs of the commercial banks to retain customer base and to prepare to any psychological impact from the decline in the amount of deposit guarantee per depositor by the Deposit Protection Agency. Finally, it will be a great challenge to the Thai commercial banks to maintain interest spread at the same level as in 2010

This year will be a good year for both bank depositors and borrowers, especially for those who are potential targets for each commercial bank, as there are various products and services to choose from at an increasingly negotiable price. Such competition and emphasis on increasing the bargaining power and justice on services for the consumers will be more explicit under the pressure of several regulations such as, Financial Institution Development Plan No. 2., the new rule on commercial banks' ATM service fees, including the draft bill concerning fair practice on debt collection and draft bill on credit card business which have received strong support from the government and to be enacted in the near future.

Automobile Hire Purchase Business Outlook in 2011

Despite a promising growth in the new-car sales market, several negative factors started to kick in including Japan Earthquake and Tsunami and electricity shutdown in Japan. These factors severely impacted to sales of new cars in quarter 2, 2011. In addition, a declining purchasing power of consumers due to rising interest rates, inflation, and oil prices are also impacting the business. It is expected that growth in new-car sales will slow down to single digit growth this year.

With such uncertainties, hire purchase lenders have to adapt their policies not only to increase the proportion of pick-up trucks and used cars in their hire purchase loan portfolio but also to penetrate more in the car-to-cash markets. Apart from cost controls, improvement on hire purchase approval time together with cross selling other financial products will help reduce severe impacts from those negative factors. Automotive hire purchase outstanding in the banking system in 2011 is expected to grow by 19-22% compared to 31.8% in the first quarter. It is anticipated that growth in hire purchase will decline in line with the decline in economic growth and car sale for the remainder of the year and in comparison with the high base in the previous year.

Despite increasing market size and slower growth rate of new car sales, revenue of hire purchase lenders remains promising. Slower competition will help lenders to slight increase interest rate so as to be in line with increasing costs. In addition, hire purchase lenders are able to adjust loan portfolio to other markets which have higher margin than the primary market. At the same time, there are no signs of significant increase of bad debts. These will help relieve increasing operating cost per net revenue of hire purchase lenders in 2011.

Hire Purchasing rate for new car

%	Dec. 2010	Jan. 2011	Feb. 2011	Mar. 2011	Apr. 2011	May 2011
Interest Rate	2.00	2.10	2.15	2.25	2.35	2.45
Effective Rate	3.70	3.80	3.90	4.05	4.25	4.40

Note : Kasikorn Research Center

Securities Business Outlook in 2011

It is expected that the Thai Stock market in 2011 will improve due primarily to fund inflow to Asia. However, the major risk factors are economy and politics. Average trading volume per day is estimated to be approximately 28-30 billion Baht. Commission rates remain in a sliding scale similar to last year. Merger and acquisition or diversification of revenues is more expected as brokerage companies prepare for the liberalization of business in 2012. It is believed that after the liberalization, commission revenues will certainly decline.

3. Appropriateness of the Tender Offer Price

According to the SEC Notification on the Holding of securities for Acquisition Purpose Section 58 which stipulates that the tender price for delisting of securities must not be lower than the highest of the prices calculated based on the following criteria:

Criteria	Price (Baht per share)
1. The highest price of which the tender offeror or the related party according to Section 258 has acquired the common shares or the preferred shares during the period of 90 days before submission of the tender offer to the SEC*	-
2. The weighted average market price during the last 5 days before the board of directors of the company resolves to propose to the shareholders' meeting to consider the withdrawal of the securities, or before the date on which the shareholders resolve to withdraw the securities from the SET, whichever is earlier.	4.4
3. The net asset value of the company calculating from the book value adjusted to reflect the latest market price of the assets and liabilities of the company**	6.62
4. Fair value of the company's shares appraised by an Independent Financial Advisor (IFA)	4.44 - 6.62

Remark: * The tender offeror does not acquire any common share or the preferred share of the company during the 90-day period before the date of submission of the tender offer to the SEC.

**The net asset value is derived based on the assumption that the company will be able to sell its loan portfolio at such price.

In considering the appropriateness of tender offer price, IFA has considered the appropriateness of the tender price based on two key assumptions, namely: on going concern basis and on dissolution of the company basis with details as follows:

3.1 Analysis based on the assumption of dissolution of the Company

At the extraordinary shareholders' meeting no. 1/2554 on June 30, 2011, the shareholders resolved to delist the shares of the Company from the Stock Exchange of Thailand (SET). The SET

approved the Company's delisting request on July 14, 2011 and the Company received the tender offer (Form 247-4) from the Offeror on July 20, 2011 at the price of Baht 6.89 per share. The Offeror had stipulated in the tender offer that after completion of the tender offer process, the Offeror will proceed to dissolve the Company and return the finance license to the authority as per details under the clause Objective of the Tender Offer in Form 247-4

With regards to the valuation of the securities in the case of corporate dissolution, the IFA is of the opinion that the Market Value Approach and the Adjusted Book Value Approach are the most appropriate valuation methods with results as follows:

1. Market Value Approach

Share valuation based on the Market Value Approach is the method that reflects the market value according to the demand and supply of real trade transactions in the Stock Exchange of Thailand whereby the investors are deemed to be aware of all information concerning the company, overall market conditions, and anticipation of various situations which could have an impact on the company's performance and overall trade transactions or the economy.

The IFA has applied the Market Value Approach by using the "market price" as defined by the SEC office as the weighted average of the closing price of the common shares in the SET going back not less than 7 consecutive working days but not more than 15 consecutive working days before the determination of the tender price. Under this method, the IFA applied the price data retroactive from May 13, 2011 which was the last working day before the notification by board of directors of its decision to call a shareholders' meeting to present the offer and that the Company became aware of the tender offeror's intention to make a tender offer for all securities of the company for delisting of the securities from the SET at the tender price of Baht 6.89 or the price which is in line with the criteria stipulated in the notification of the SEC.

As such, the market value of the common shares of the company based on the Market Value Approach could be calculated as follows:

The case where the weighted average closing price retroactive from May 13, 2011 was applied

Time period used in the calculation		Weighted average closing price per share (Baht)	% compared to tender offer price
Applicable number of retroactive working days	Time period		
7 days	May 4, 2011-May 13, 2011	4.44	-35.56%
15 days	April 21, 2011-May 13, 2011	4.55	-33.96%

Source: www.setsmart.com

Share valuation based on this method resulted in the share value of Baht 4.44-4.55 per share, which is Baht 2.34-2.45 lower than the tender offer price or 33.96-35.56% of the tender price.

2. Adjusted Book Value Approach

Securities valuation based on the Adjusted Book Value Approach can minimize the shortcoming of the Book Value Approach as the company's total assets and total liabilities recorded in the financial statements are adjusted to reflect the current market value. As such, this method could give a better result than the Book Value Approach by using true market value of total assets deducted by total liabilities as shown in the March 31, 2011 financial statements audited by an auditor on the SEC approved list, and adjusted by various transactions which took place after the financial closing date or by the transactions which could have an impact on the true book value of the company. The result obtained from this method was then divided by the number of total issued and paid-up shares.

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Valuation based on the Adjusted Book Value Approach in the case of discontinuation of business has detailed adjustments of the book value below:

	Amount (Baht)	
Paid-up capital	2,987,115,310	
Capital surplus	79,491,129	
Capital surplus on investment in subsidiaries	86,573,630	
Other shareholders' equity	32,641,732	
Retained earnings		
Legal reserve	118,398,332	
Unappropriated retained earnings	966,480,546	
Shareholders' equity	4,270,700,679	
<u>Less: Dividends payable</u>	(155,329,996)	<u>Adjusted</u> for dividends approved by the shareholders' meeting 2011 on April 19, 2011 at the rate of Baht 0.26 per share and payable on May 12, 2011
<u>Less: Discount on foreclosed assets based on appraised value</u>	(11,853,654)	<u>Adjusted</u> for the fair value of the foreclosed assets to be in line with the value appraised by an independent valuer during 2010-2011 which is equal to Baht 180,682,500 and based on the allowance for impairment criteria set by the Bank of Thailand. The fair value is 62.50% of the appraised value of disposable assets.
<u>Less: Liabilities on Severance pay</u>	(110,167,136)	<u>Adjusted</u> for severance pay in the case of business discontinuation as required by labor law. The management has estimated the amount to be Baht 150 million (the amount shown is net after the reserve amount of Baht 39,832,864 as of March 31, 2011)
<u>Less: Intangible assets</u>	(14,204,643)	<u>Adjusted</u> for the intangible assets namely, software licenses, at book value as of March 31, 2011
<u>Less: Buildings and improvements</u>	(23,114,625)	<u>Adjusted</u> for buildings and improvements – net at book value as of March 31, 2011
Shareholders' equity post adjustments	3,956,030,625	
Number of shares	597,423,062	
Adjusted book value (Baht/share)	6.62	

This valuation method resulted in the share value of Baht 6.62 per share which is Baht 0.27 or 3.92% lower than the tender price.

The IFA has the opinion that the appropriate method applied in the case of discontinuation of business should be the Market Value Approach and the Adjusted Book Value Approach in which the appropriate share value should be in the range of Baht 4.44-6.62 per share which is Baht 0.27-2.45 or 3.92-35.56% lower than the tender price (of Baht 6.89 per share).

3.2 Analysis based on the assumption of a going concern

In considering the appropriateness of the tender price under the assumption that the company will continue business, the IFA has calculated the fair value of the shares by applying various methods as follows:

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Market Value Approach
- 4) Price to Book Value Approach: P/BV Ratio
- 5) Price to Earnings Ratio Approach: P/E Ratio
- 6) Dividend Discount Model: DDM
- 7) Discounted Cash Flow Method: DCF

After the review of information and documents of SICCO Finance Public Company Limited and other related information, the IFA can summarize the opinion on the appropriateness of the transaction as follows:

1. Book Value Approach

The Book Value Approach is the valuation of the book value of the net assets obtained from the financial statements of the Company at any one point in time by subtracting the total liabilities and treasury shares from the total assets to obtain the owners' equity, and divided the amount by the total number of issued and paid-up common shares. However, the share price obtained from this method may not reflect the current market value of the Company's assets nor does it reflect the ability of the Company to make future profit or indication of the overall economic and industry trend.

Based on the Company's consolidated financial statements as of March 31, 2011 audited by an auditor accredited by the SEC, the book value of the Company can be calculated as follows:

	Amount (Baht)
Paid-up capital	2,987,115,310
Capital surplus	79,491,129
Capital Surplus from investment in subsidiary	86,573,630
Other components of shareholders' equity	32,641,732
Retained earnings	
Legal reserve	118,398,332
Unappropriated retained earnings	966,480,546
Total equity attributable to the Company's shareholders	4,270,700,679
Shareholders' equity after dividends	4,270,700,679
Number of shares	597,423,062
Book value per share (Baht/share)	7.15

Remark: The annual shareholders' meeting on April 19, 2011 resolved to approve the dividend payment of Baht 0.26 per share totaling Baht 155.33 million and stipulated the payment date on May 12, 2011

Under this valuation method, the book value of the company is Baht 7.15 per share which is Baht 0.26 or 3.77% higher than the tender price.

2. Adjusted Book Value Approach

The IFA has reviewed the key transactions in the financial statements of the company as of March 31, 2011 and deemed it necessary to make certain adjustments to arrive at the fair value. The adjustments were: dividends payable, severance pay, and foreclosed assets with details as follows:

	Amount (Baht)	
Paid-up capital	2,987,115,310	
Capital surplus	79,491,129	
Surplus from investment in subsidiary	86,573,630	
Other component of the shareholders' equity	32,641,732	
Retained earnings		
Legal reserve	118,398,332	
Unappropriated retained earnings	966,480,546	
Total equity attributable to the Company's shareholders	4,270,700,679	
<u>Less:</u> Dividends	(155,329,996)	<u>Adjusted</u> for dividends approved by the shareholders' meeting 2011 on April 19, 2011 at the rate of Baht 0.26 per share and payable on May 12, 2011
<u>Less:</u> Discount on foreclosed assets based on appraised value	(11,853,654)	<u>Adjusted</u> for the fair value of the foreclosed assets to be in line with the value appraised by an independent valuer during 2010-2011 which is equal to Baht 180,682,500 and based on the allowances for impairment criteria set by the Bank of Thailand. The fair value is 62.50% of the appraised value of disposable assets.
<u>Less:</u> severance pay liabilities	(22,931,522)	<u>Adjusted</u> for buildings and improvements –net using book value as of March 31, 2011
Shareholders' equity after adjustments	4,080,585,507	
Number of shares	597,423,062	
Adjusted book value per share (Baht/ share)	6.83	

Under this valuation method, the book value of the company is Baht 6.83 per share which is Baht 0.06 or 3.77% lower than the tender price.

3. Market Value Approach

The IFA has applied the Market Value Approach by using the "market price" as defined by the SEC office as the weighted average of the closing price of the common shares in the SET going back not less than 7 consecutive working days but not more than 15 consecutive working days before the determination of the tender price. Under this method, the IFA applied the price data retroactive from May 13, 2011 which was the last working day before the notification by board of directors of its decision to call a shareholders' meeting to present the offer and that the company became aware of the tender offeror's intention to make a tender offer for all securities of the company for withdrawal of the securities from the SET at the tender price of Baht 6.89 or the price which is in line with the criteria stipulated in the notification of the SEC.

The value of the common shares of the company based on the Market Value Approach could be calculated as follows:

The case where the weighted average closing price retroactive from May 13, 2011 was applied

Time period used in the calculation		Weighted average closing price per share (Baht)	% compared to tender offer price
Applicable number of retroactive working days	Time period		
7 days	May 4, 2011-May 13, 2011	4.44	- 35.56%
15 days	April 21, 2011-May 13, 2011	4.55	- 33.96%

Source: www.setsmart.com

Share valuation based on this method resulted in the share value of Baht 4.44-4.55 per share, which is Baht 2.34-2.45 or 33.96-35.56% lower than the tender offer.

4. Price to Book Value Approach :P/BV Ratio

The share valuation based on the Price to Book Value Approach was obtained by multiplying the book value per share of the company as show in the consolidated financial

statements as of March 31, 2011 audited by an auditor accredited by the SEC, with the average of the price to book value ratio of 5 companies in similar business.

The IFA has applied the Price to Book Value Approach by using the average of the price to book value ratio retroactive from May 13, 2011 which was the last working day before the notification by board of directors of its decision to call a shareholders' meeting to present the offer and that the company became aware of the Offeror's intention to make a tender offer for all securities of the company for withdrawal of the securities from the SET at the tender price of Baht 6.89 or the price which is in line with the criteria stipulated in the notification of the SEC.

The IFA have chosen 5 companies for comparison namely: Bangkok First Investment & Trust Public Co., Ltd. (BFIT), Eastern Commercial Leasing Public Co., Ltd. (ECL), Asia Sermkij Leasing Public Co., Ltd. (ASK), Mida Leasing Public Co., Ltd.(ML), and Ratchthani Leasing Public Co., Ltd.(THANI). These 5 companies engaged in similar business and/or had similar market capitalization as compared to SICCO and/or had core revenue from hire-purchase business. The share value based on the Price to Book Value Ratio Approach could be calculated as follows:

Comparable Company	Company Abbreviation	Total Assets (Baht mil.)	Shareholders' Equity (Baht mil.)	Total Revenue (Baht mil.)	Turnover Ratio Yearly Average (%)
1. Bangkok First Investment and Trust Pcl.	BFIT	8,293.93	2,173.53	301.20	89.21
2. Eastern Commercial Leasing Pcl.	ECL	976.03	472.15	118.15	160.12
3. Asia Sermkij Leasing Pcl.	ASK	15,394.85	1,952.34	1,363.50	9.44
4. Mida Leasing Pcl.	ML	2,614.65	1,008.04	443.37	181.55
5. Ratchathani Leasing Pcl.	THANI	9,549.46	1,279.67	890.47	95.57

Remark: - Information on total assets, shareholders' equity and total revenue at shown in the table was based on audited financial statements as of December 31, 2010

- The Turnover Ratio is used to measure the trading volume of a stock when compared to the number of registered shares by calculating as a percentage of total trading volume divided by the total paid-up shares of each stock over the past 1 years (May 14, 2010 -May 13, 2011)

Comparative Company	Historical Average P/BV Ratio (times)							
	7 days	15 days	30 days	60 days	90 days	days 120	180 days	360 days
1. Bangkok First Investment and Trust Pcl.	0.57	0.58	0.59	0.57	0.55	0.52	0.49	0.43
2. Eastern Commercial Leasing Pcl.	0.63	0.65	0.67	0.69	0.71	0.73	0.76	0.75
3. Asia Sermkij Leasing Pcl.	1.07	1.06	1.08	1.09	1.10	1.10	1.06	0.89
4. Mida Leasing Pcl.	0.72	0.72	0.70	0.71	0.71	0.71	0.72	0.67
5. Ratchathani Leasing Pcl.	1.20	1.19	1.13	1.08	1.09	1.05	0.99	0.94
Average of 5 companies	0.84	0.84	0.83	0.83	0.83	0.82	0.80	0.74
Price per share (Baht)	5.77	5.79	5.74	5.69	5.73	5.66	5.54	5.08

Source : www.setsmart.com

The consolidated financial statements of the company as of March 31, 2011 stated that the book value per share was Baht 7.15. Therefore, the valuation could be done by multiplying the book value per share by the average P/BV of the 5 comparative companies in the SET. The result is the value of Baht 5.08-5.79 per share which is Baht 1.10-1.81 or 15.97-26.27% lower than the tender price.

5. Price to Earnings Ratio Approach :P/E Ratio

The P/E Ratio Approach applies the earnings per share as shown in the consolidated financial statements of the Company of the past 12 months ended March 31, 2011, audited or reviewed by an auditor accredited by the SEC, multiplied by average P/E ratio of 5 listed companies with similar business.

The IFA has applied the average P/E ratio retroactive from May 13, 2011 which was the last working day before the notification by board of directors of its decision to call a shareholders' meeting to present the offer and that the Company became aware of the tender offeror's intention to make a tender offer for all securities of the Company for withdrawal of the securities from the SET at the tender price of Baht 6.89 or the price which is in line with the criteria stipulated in the notification of the SEC.

The IFA has chosen 5 companies for comparison namely: Bangkok First Investment & Trust Public Co., Ltd. (BFIT), Eastern Commercial Leasing Public Co., Ltd. (ECL), Asia Sermkij

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Leasing Public Co., Ltd. (ASK), Mida Leasing Public Co., Ltd.(ML), and Ratchthani Leasing Public Co., Ltd.(THANI). These 5 companies engaged in similar business and/or had similar market capitalization as compared to SICCO and/or had core revenue from hire-purchase business. The share value based on the P/E Ratio Approach could be calculated as follows

Comparable Company	Company Abbreviation	Total Assets (Baht mil.)	Shareholders' Equity (Baht mil.)	Total Revenue (Baht mil.)	Turnover Ratio Yearly Average (%)
1. Bangkok First Investment and Trust Pcl.	BFIT	8,293.93	2,173.53	301.20	89.21
2. Eastern Commercial Leasing Pcl.	ECL	976.03	472.15	118.15	160.12
3. Asia Sermkij Leasing Pcl.	ASK	15,394.85	1,952.34	1,363.50	9.44
4. Mida Leasing Pcl.	ML	2,614.65	1,008.04	443.37	181.55
5. Ratchathani Leasing Pcl.	THANI	9,549.46	1,279.67	890.47	95.57

- Remark:** - Information on total assets, shareholders' equity and total revenue at shown in the table was based on audited financial statements as of December 31, 2010
- The Turnover Ratio is used to measure the trading volume of a stock when compared to the number of registered shares by calculating as a percentage of total trading volume divided by the total paid-up shares of each stock over the past 1 years (May 14, 2010 -May 13, 2011)

Comparative Company	Historical Average P/E Ratio (times)							
	7 days	15 days	30 days	60 days	90 days	days 120	180 days	360 days
1. Bangkok First Investment and Trust Pcl.	17.60	17.81	18.15	16.65	15.65	14.46	13.47	16.73
2. Eastern Commercial Leasing Pcl.	10.90	11.27	11.60	11.97	12.16	12.40	12.45	12.65
3. Asia Sermkij Leasing Pcl.	7.17	7.13	7.27	7.34	7.53	7.60	7.47	7.12
4. Mida Leasing Pcl.	5.71	5.72	5.62	5.77	5.91	5.97	6.26	6.99
5. Ratchathani Leasing Pcl.	7.52	7.49	7.06	6.88	7.03	6.88	6.73	7.74
Average of 5 companies	9.78	9.88	9.94	9.72	9.66	9.46	9.28	10.24
Price per share (Baht)	6.78	6.85	6.89	6.74	6.69	6.56	6.43	7.10

Source : www.setsmart.com

The consolidated financial statements of the Company as of March 31, 2011 stated that the earning per share was Baht 0.692. Therefore, the valuation could be done by multiplying the earning per share by the average P/E ratio of the 5 comparative companies on the SET. The result is the value range of Baht 6.43-7.10 per share which is Baht 0.46 or 6.67% lower than the tender price and Baht 0.21 or 3.05% higher than the tender price.

6. Dividend Discount Model : DDM

The DDM method takes into account the ability to conduct business in the future by calculating the present value of the dividends expected by the investors each year from the Company's financial projection over the next 5 years (2011-2015) based on the going concern assumption, no material adverse change and until normal economic and current condition and that the terminal value of dividend is projected and using appropriate return on equity (Ke) as the discount rate.

The Discount rate

The discount rate used in the determining the net present value of the cash flow from dividend to be received by the investors in the future is equal to cost of equity or required return by shareholders (Ke) which can be calculated by applying the Capital Asset Pricing Model (CAPM) formula below:

Return on equity (Ke)	=	$R_f + \beta (R_m - R_f)$ whereby
Risk free Rate (Rf)	=	Return on a 30-year government bond which as 4.30% as of May 13, 2011
Beta (β)	=	Average volatility of the shares traded on SET over the last 3 years (daily basis) from May 14, 2008-May 13, 2011 (Source: E-financeThail) which yields Beta=0.89
Market Return (Rm)	=	Rate of return on investment in the SET over the last 30 years from 1980-2010 at 14.9% p.a.
By substituting all the above variables in the formula, we obtained the Ke of 13.73% per annum		

Terminal value of dividends

Below is the formula for calculating the terminal value of dividend

Terminal Value whereby	=	$((D_5 \times (1 + G)) / (Ke - G))$
D ₅	=	Value of dividends to be paid in year 5 (2015)
G	=	Rate of change of the dividends on annual basis and under the assumption of a going concern at 1% p.a.
Ke	=	Return on equity is 13.73% per annum

Based on the information and assumptions above, the Net Present Value of the dividends and the share value could be calculated below:

(Unit : Million Baht)	2011F	2012F	2013F	2014F	2015F
Net profit	437.19	203.78	173.83	188.50	189.85
Dividend	218.59	101.89	86.91	94.25	94.93
NPV of dividends	192.20	78.77	59.08	56.33	49.88
Present value of Terminal Value	395.63				
Accumulated dividends	831.88				
Number of shares (million shares)	597.42				
Share value (Baht / share)	1.39				

Based on this valuation method, the share value is Baht 1.39 per share which is Baht 5.50 or 79.83% lower than the tender price.

7. Discounted Cash Flow Method : DCF

This share value derived from this valuation method is calculated by using the free cash flow to equity which is obtained from the net cash flow projection of the Company for a period of 5 years (2011-2015) based on the going concern assumption and no material adverse change to the company under the current economic condition. Such net cash flow is then discounted to obtain the net present value at the rate of return on equity (Ke) all through the projection period.

The Discount Rate

The discount rate applied in the calculation of the net present value of the net cash flow in this case was the return on equity (Ke) which was derived from the Capital Asset Pricing Model (CAPM) formula as follows:

Return on equity (Ke)	=	$R_f + \beta (R_m - R_f)$ whereby
Risk free Rate (Rf)	=	Return on a 30-year government bond which was 4.30% as of May 13, 2011
Beta (β)	=	Average volatility of the shares traded on SET over the last 3 years (on daily basis) from May 14, 2008-May 13, 2011 (Source: E-financeThail) which yields Beta=0.89
Market Return (Rm)	=	Rate of return on investment in the SET over the past 30 years from 1980-2010 at 14.9% p.a.
By substituting all the above variables in the formula, we obtained the Ke of 13.73% per annum		

Terminal Value of Cash Flow

Below is the formula for calculating the terminal value of cash flow

Terminal Value whereby	=	$((FCF_5 \times (1 + G)) / (Ke - G))$
FCF_5	=	Value of Free Cash Flow to Equity in year 5 (2015)
G	=	Annual growth rate of the cash flow on going concern basis = 1% per annum
Ke	=	Rate of return on equity =13.73% per annum

Based on the information and assumptions above, the Net Present Value of the Cash Flow to Equity could be calculated below:

(Unit : Million Baht)	2011F	2012F	2013F	2014F	2015F
Net Present Value of Free Cash Flow to Equity	885.06	268.75	131.50	244.45	167.28
Present Value of Terminal Value	1,326.75				
Total Net Present Value of Free Cash Flow to Equity	3,023.78				
Number of shares (million shares)	597.42				
Share value (Baht / share)	5.06				

From the above valuation method, we arrived at the share value of Baht 5.06 per share, which is Baht 1.83 or 26.56% lower than the tender price.

Key Financial Assumptions used in the Financial Projection

The financial projection of the Company was prepared for a period of 5 years from 2011-2015 based on the first quarter of 2011 financial statements ended March 31, 2011, reviewed by the Company's auditor (Deloitte Touche Tomatsu Jaiyos Co., Ltd.) and stand-alone financial statements of each subsidiary. In this, the IFA had prepared condensed consolidated financial statements for calculation of the share price, the assumptions of which could be summarized below:

1) The Siam Industrial Credit Public Company Limited

1. Key revenue projection

- Interest income

Projected interest income could be divided into interest income from business and hire-purchase loans by applying the average interest rate from the actual rates charged during the past 6 months (from November 2010 to April 2011) and are assumed to be constant all through the projection period. The Company's management anticipated that the company's lending activities both business and hire-purchase loans during 2012-2015 would decline as a result of declining competitiveness on the part of the Company itself and impact of the financial liberalization.

- Fee and service income

The income consists of fines on hire-purchase business and loan fees whereby the interest fines are derived from the projected hire-purchase loans multiplied by the ratio of interest fines over the past 5 years over the average hire-purchase loans during the same period (2006-2010), which is equal to 0.68, all through the projection period.

- Other income

This income consists of bad debt recoveries and insurance brokerage commissions, whereby the bad debt recoveries are projected from the historical average amount over the past 4 years. As for the insurance brokerage commissions, they are estimated from the projected hire-purchase volume multiplied by the ratio of average insurance commissions over the past 5 years over the average hire-

purchase volume during the same period (2006-2010), which is equal to 0.47%, all through the projection period.

Projected interest expenses and operating expenses

- Interest expenses

Interest expenses are projected from the reference deposit rates for the 3-month, 6-month, and 9-month period for the deposit amount of Baht 50 million and over (which comprise the majority of the Company's deposits) of Siam Commercial Bank Plc. Plus 0.75% which is the impact from the increase in policy interest rate. The rate applies for the calculation of interest expenses from April 2011 to December 2011 and is increased by 0.25% for the year 2012 and remains constant onward. In this regard, the management anticipates that the company's deposits will decline as a result of the change in government policy such as change in the deposit protection scheme and change in the policy interest rate level.

- Allowance for bad debts

The allowance for bad debts is projected from the historical bad debts statistics of the Company and management forecast under the assumption that the amount will be 3% of the total hire-purchase loans.

- Operating expenses

Operating expenses are employee related expenses and directors' remuneration based on the employment contracts between the Company and the employees by projecting to grow at the rate of 2.5% per year (in line with average inflation rate over the past 3 years). In addition, commission expenses are projected based on the ratio of commission provided by the management at the current rate of 6% of unearned revenue. As for other operating expenses, they are projected to grow at the rate of 2.5% per year (in line with average inflation rate over the past 3 years)

- Other expenses

Other expenses are selling and administrative expenses which are projected to grow at the rate of 2.5% per year (in line with average inflation rate over the past 3 years), losses on sales of repossessed vehicles which are projected by the management to decline in line with the company's policy to reduce its motorcycle hire-purchase portfolio.

Dividend payment

It is projected to be in line with the Company's dividend policy at the rate of 50% of net profit in each period on condition that there is no retained loss and sufficient cash flow.

2) Financial projection of the subsidiary companies

As of March 31, 2011, the company has 2 active subsidiary and related companies, namely: SICCO Securities Public Company Limited and SICCO Advisory Co., Ltd. SICCO Securities Plc. generates revenue from securities brokerage commissions with market share of 1.6% - 2% of the net trading volume. As for SICCO Advisory Co., Ltd., its main revenue comes from financial advisory services. The main expenses of these 2 companies are employee expenses which are projected to grow at the rate of 2.5% per year (in line with average inflation rate over the past 3 years). The financial projections of these 2 companies are based on the information, and assumptions obtained from the management of the company.

Comparison Table of Share Value under Various Valuation Methods Based on Going Concern**Assumption**

Valuation Method	Appraised Value (Baht / Share)	Tender Price (Baht / Share)	Higher (Lower) than the Tender Price (Baht / Share)	Higher (Lower) than the Tender Price (%)
1) Book Value Approach*	7.15	6.89	0.26	3.77%
2) Adjusted Book Value Approach	6.83	6.89	(0.06)	(0.87%)
3) Market Value Approach	4.44- 4.55	6.89	(2.34)- (2.45)	(33.96%)- (35.56%)
4) P/BV Ratio Approach by comparing with 5 listed companies in similar business	5.08 - 5.79	6.89	(1.10) – (1.81)	(15.97%) – (26.27%)
5) P/E Ratio Approach by comparing with 5 listed companies in similar business	6.43 – 7.10	6.89	(0.46) – 0.21	(6.67%)- 3.05%
6) Dividend Discount Model	1.39	6.89	(5.50)	(79.83%)
7) Discounted Cash Flow Method	5.06	6.89	(1.83)	(26.56%)

Remark: * The annual shareholders' meeting on April 19, 2011 resolved to approve the dividend payment of Baht 0.26 per share totaling Baht 155.33 million and stipulated the payment date on May 12, 2011

The IFA is of the opinion that the above-mentioned valuation methods differ in terms of strengths, limitations, and appropriateness as follows:

1. Book Value Approach

The Book Value Approach makes use of the data obtained from the latest financial statements of the company. The result, however, does not reflect the Company's ability to operate or perform in the future, nor does it reflect the fair value of certain assets which are still booked at cost. As such, the approach does not reflect the true value of the business.

2. Adjusted Book Value Approach

The Adjusted Book Value Approach adopts the numerical data from the latest financial statements of the company and adjusts the assets and liabilities to reflect the fair and appropriate value of the assets and liabilities on the valuation date. Nevertheless, such method does not reflect the company's ability to operate and perform in the future. Under the going concern scenario, this method therefore does not reflect the true value of the business.

3. Market Value Approach

The Market Value Approach makes reference to the trading prices of the Company's shares on the SET which reflect the share value in accordance with the demand and supply for trading shares in the SET by the investors. Such prices have taken into account the related news and publicly available information on the Company including anticipation of future performance from the point of view of the investors. As such, this valuation method does reflect the appropriate share value of the company based on the going concern assumption. Nevertheless, the prevailing prices after the tender offer should not be used.

4. The Price to Book Value Approach and the Price to Earnings Ratio Approach

The 2 valuation methods apply the average historical price to book ratio and the price to earnings ratio of 5 listed companies with similar business to calculate the Book Value per Share and the Price to earnings per share of the Company. Limitation of such comparison lies in the difference in market size, business policy, traditional and competitiveness of each company which could result in the ratios of price to book value

and the price to earnings of each company being significantly different. As such, the 2 valuation methods may not reflect the true value of the Company.

5. Dividend Discount Model

This valuation method involves the financial projection of the performance and future dividends of the Company on various assumptions received from the company, historical data and set of data under current industrial and economic condition. Any change that may occur in the future may have a significant impact on the above-mentioned assumptions. Besides, this valuation method is suitable for determination of the tender price on condition that the Company pay dividends continuously.

The valuation based on the future projection of Company's performance is subject to change and may result in the inconsistency of dividend payment. As such, share valuation based on this method is not appropriate and could highly deviate from the proper value.

6. Discounted Cash Flow Method

Discounted Cash Flow Method is the valuation based on financial projection of the Company and calculation of the appropriate discount rate. The financial projection applies various business assumptions most of which are derived from past performance, management interviews, industry data and various references. Such data may change in the future as a result of various internal or external factors. Projection of certain variables in the future is difficult and is highly sensitive to external factors. Hence, the IFA's opinion that the **Discounted Cash Flow Method** may not truly reflect the true value of the Company.

The IFA considers the Market Value Approach to be the most appropriate valuation method under the going concern assumption and the appropriate price in this case is Baht 4.44-4.55 per share or the average of Baht 4.495 per share. Such value is Baht 2.395 or 34.76% lower than the tender price (tender price equivalent to Baht 6.89 per share)

4. Reasons for Accepting or declining the tender offer

In determining whether to accept or decline the offer, besides checking the appropriateness of the tender offer as shown above, the IFA is of the opinion that the shareholders should also take other factors into consideration.

4.1 Appropriateness of the tender offer price

As the Offeror has made clear in the Tender Offer (Form 247-4) of its intention to dissolve the Company and to return the finance license to the authority, the IFA took such assumption into consideration in determining the appropriateness of the tender offer price and therefore decided to adopt the Market Value Approach and the Adjusted Book Value Approach for valuation of the share price. The former is the approach that reflects the share value based on the actual demand and supply of the investors in the SET whereby the investors are presumed to be aware of all the information relating to the Company, the market condition, and anticipation of various situations which could have an impact on the Company's performance, overall trading as well as economic condition. The latter approach could reduce the shortcoming of the Book Value Approach by adjusting the assets and liabilities as recorded on the balance sheet to reflect the current market value. The result yields the appropriate price of Baht 4.44-6.62 per share or 3.92-35.56% lower than the tender offer price. As for the second scenario (business continuation), it was prepared as supplementary reference to the shareholders by using the Market Value Approach. The result was the price range between Baht 4.44-4.55 per share or an average of Baht 4.495 per share which were Baht 2.395 or 34.76% lower than the tender offer price.

4.2 Ability to operate the Company's business

Ability to operate the Company's business in the future can be considered from:

1. Change in Policy on Business Conduct of Financial Institutions

The Company accepts deposits in the form of certificate of deposit receipt and/or bill of exchange which are duplicated with the bank's (major shareholders) deposit services. Under the Financial Institution Development Plan of the Bank of Thailand, each financial business group is allowed to have only one deposit-taking entity (One presence policy). Therefore, the bank as a financial institution under the Financial Institution Development Plan has to comply with such policy.

In addition, there has been a change in deposit protection policy under the Deposits Protection Agency Act which became effective on August 11, 2008 signifying step reduction in

deposit protection coverage per one depositor per one institution during 4 year period from 2008 to 2012. Details are as follows:-

Year 1 – 3 from August 11, 2008 to August 10, 2011	Full amount Coverage
Year 4 from August 11, 2011 to August 10, 2012	Up to Baht 50 million
Year 5 from August 11, 2012 onward	Up to Baht 1 million

Such change in policy may have an impact on depositors' confidence and as a result a diversification of deposits to various financial institutions to hedge against default risk. Such actions make it difficult for the company as a deposit taker to mobilize deposits as a means to fund its hire-purchase business. Impact on the company is the decrease in funding sources. Although the company could borrow money to fund its hire-purchase business, the company will have to shoulder higher funding cost from such borrowing.

2. Impact from Liberalization of the Financial Sector

The Siam Industrial Credit Public Company Limited in the earlier stage engaged in general finance business; for example, providing fund for lending to others or using the fund to purchase, discount or repurchase bills of exchange or other transferable financial instruments. At present, such finance business activities have significantly reduced in terms of volume as a result of intense competition and technical expertise. Besides, the Company has been affected by the financial liberalization such as liberalization of interest rates, foreign exchange, services of each type of financial institutions and portfolio management of the financial institutions. All of these have an impact on the level of competition and operation of the finance business of the Company.

3. Impact from competition in hire purchase business

- 3.1) Due to the increase in market size of hire purchase business, more and more financial institutions have entered the business thus resulting in intense competition. The Company may have to adjust its hire purchase interest rates so as to increase its ability to compete. Such action may affect the Company's earnings performance and declining market share

- 3.2) Siam Commercial Bank Public Company Limited, as major shareholder of the company, also engages in hire purchase business. This has resulted in overlapping business and internal group fights to gain market shares. Therefore, the holding of shares in the Company will no longer benefit the Bank business.

4.3 Low Liquidity of ordinary shares

Period	Days	Closing Price			Trading Volume	% of trading volume compared to total no. of issued and paid-up shares of SICCO
		(Baht per share)			Ave. per day	
		Ave.	High	Low	('000 shares)	
April 14, 2011 - May 13, 2011	past 1 month	4.58	4.82	4.28	7,876.72	1.3184%
February 14, 2011- May 13, 2011	past 3 months	4.36	4.82	3.72	7,091.54	1.1870%
November 14, 2010 – May 13, 2011	past 6 months	4.13	4.82	3.66	4,047.72	0.6775%
August 14, 2010 - May 13, 2011	past 9 months	4.27	6.10	3.66	4,885.76	0.8178%
May 14, 2010 - May 13, 2011	past 12 months	4.45	6.15	3.66	6,489.56	1.0863%

Source : www.setsmart.com

According to previous trading volume of the Company (over the past 1 month, 3 months, 6 months, 9 months, and 12 months) from May 17, 2011 (one day before the date the Board of Directors adopted such resolution to the shareholders meeting for approval on voluntary delisting the Company from the Stock Exchange) showed that liquidity of the Company's shares were very low. Average daily trading volume per total paid-up share capital was between 0.0006% and 0.0013%. Thus, the offering for the voluntary delisting will open to shareholders to sell share under this offer.

4.4 Change in Form of Return on Investment

Due to the lack of secondary market for trading after the Delisting, the opportunity for the shareholders to realize potential capital gain will be limited. However, the shareholders may have a return in form of dividend income instead of capital gain.

However, the Bank has clearly informed that after the delisting from the Stock Exchange of Thailand, the Bank will dissolve the Company and return the license. Shareholders will receive fund from liquidation of business as a proportion of shareholding after the discontinued operation.

4.5 Losing Tax Privileges

After the Company's shares are delisted from SET, the individual shareholders will not be exempted from capital gain tax. In addition, share transfers by individuals or juristic persons will not

be exempted from stamp duties, which are charged at 0.1% of the paid-up value of the shares or the face value, whichever is higher.

4.6 Less Information Disclosure

After the Delisting, the Company will not be required to disclose information according to the rules and regulations of the SET, Re: Practices of the Disclosure of Information of Listed Company. After the voluntary delisting, if there are shareholders, who are not the Offeror and related parties of the Offeror, held the company's shares not exceeding than 5% of total paid-up or less than 100 holders, the Company will not be required to disclose information on its financial status and operating results as notified by the Capital Market Commission No. Tor Jor 11/2552. In addition, the Company's management and auditor will no longer require disclosing the shareholding information as stated in the SEC notification no. Sor Jor 12/2552.

4.7 Balance of power and control of the Company

At present, the Offeror holds 38.65% of the Company's paid-up shares (as of April 28, 2011). After the end of the tender offer period, the Offeror has a chance to hold more than 75% paid-up shares in the Company, enabling the Offeror to control and decide on various issues of the Company. The small shareholders are therefore exposed to the risk that they would not be able to gather enough vote to counter-balance the major shareholders and investigate on the issues that the Offeror proposed to the shareholders' meeting for consideration such as mergers and acquisition, termination of business, amendment of the company's articles of association, and dividend policy, etc.

5. The pros and cons of the operating plan and policy proposed by the Offeror in the Tender offer document and feasibility of such plan and policy

Reviewing the policy and operating plan of the Offeror as indicated in the Tender Offer (Form 247-4), the IFA has analyzed the pros and cons of the tender offer as follows:

5.1 The Company's status

After completion of the tender offer, the Offeror will proceed to delist the company's shares from the SET, causing the company to end up being a non-listed subsidiary of the Offeror. Nevertheless, the Company will still retain its public company status until the liquidation process is completed. As such, the Company is still obligated to make disclosure and to comply with the Public Company Act B.E. 2535. However, the Offeror has no plan to sell the common shares currently held

and the additional shares acquired from this tender offer to any third party for a period of 12 months from the last tender offer date except such sale is to be in compliance with any law or regulation enforced during such period, or shareholding restructure and/or business restructure within the same group after this tender offer, for the best interest of Offeror's shareholders and the company.

5.2 Policy and Operating Plan

After delisting the Company's shares, the Offeror has a plan to delay or stop expansion of the Company's business and maintain only normal business as necessary before the closure of the Company. The Offeror has set the following options for the termination of the Company 1) transfer of the entire business to the transferee 2) asset sale 3) winding down the business by continuously reducing the deposits and loans to the point where there is no outstanding and 4) winding down the business by reducing the deposits and loans during the initial period (for the first 1-3 years) until the deposits and loans are at the appropriate level to proceed with the first or the second option. The Offeror has not yet decided which option to proceed with as it has to wait for the result of the tender offer and the condition after the delisting including related rules and regulations by judging from the facts and condition at that time.

As far as the source of fund is concerned, the Offeror may allow the Company to take short-term deposits or may consider providing loans to the Company as necessary. Initially, the Offeror plans to gradually reduce the deposits to balance with the loans outstanding in each period. The Company may take short-term deposits at reducing amount to coincide with the capital fund required for the smaller operation. Nevertheless, the temporary loans provided to the Company by the Offeror will be granted only as necessary in the case when the Company cannot find a funding source within the required period. In addition, the Offeror will try to collect loan repayments through the supporting unit in order to gradually reduce the size of loan portfolio at that time.

After the completion of the tender offer, the Offeror will end up holding more than 50% of the voting shares. The Offeror is therefore required to make a tender offer for all shares of the SICCO Securities Co., Ltd. (SSEC) as well according to the Chain Principle. The Offeror is in the process of planning a proper strategy in handling SSEC. Such plan on SSEC would depend on the successful tender offer of the company and the prevailing condition at such point in time.

The IFA is of the opinion that the above policy or operating plan (for more details please refer to Form 247-4 of the Offeror) is the action taken to reduce the future operation risk of the

Company as a result of the Financial Liberalization Policy which could affect the ability of the Company to compete which could subsequently have an impact on the Company's operation, return to the Company's shareholders. It is also deemed as a restructuring of the banking group in order to avoid conflict of interest from similar business lines especially deposit taking and hire-purchase activities.

5.3 Related transactions

The Offeror has indicated in the Tender Offer that it still has no plan to make any major changes on the related transactions with the Company for the first 12 months from the end of the tender offer period except for the temporary loans to the Company as necessary depending on the needs and situation at such point in time. However, the Offeror will make careful consideration to ensure that the related transactions both at present and in the future are at arm's length and there will be no special privilege between the Company and the affiliated companies, the related companies or the shareholders in order to comply with the SET regulations and to ensure that they are based on the same criteria as other third-party transactions.

6. The pros and cons to the shareholders in the case that the shareholders decline the tender offer

As indicated in the Tender Offer (Form 274-4), the Offeror intends to delist the Company's shares after the completion of the tender offer. Such action will cause the Company to lose its status as a listed company but still maintains the public company status prior to the closure of the Company and return of the finance license to the authority. As such, if the shareholders decline this tender offer, the shareholders will become shareholders of a non-listed company but can still retain the rights as stipulated in the Public Company Act B.E. 2535 such as right to attend shareholders' meeting, right to receive dividends. Nevertheless, the Company's shareholders will be affected by no longer holding shares a listed company as follows:

Benefits to minority shareholders

The shareholders will receive return from sales of securities to the Bank, the Offeror, at the offering price of Baht 6.89 per share. The offering price is higher than weighted average of share price during 5 working days before the day Board of Directors approval for shareholders meeting to de-list the share at the price of Baht 4.40 per share and higher than the price appraised by the Independent Financial Advisor at the appropriated price between Baht 4.44 – 6.62 per share.

Potential Impacts of the Delisting to the Shareholders

1. Diminishing Liquidity for Trading

After the Delisting, there will be no secondary market for trading of the Company's shares nor pricing benchmarks for trading or determining the market value of the shares. The trading liquidity of the shares will be diminished and the shareholders will not have market price information to value their investments or to determine the market prices of the Company's shares in the future.

2. Change in Form of Return on Investment

Due to the lack of secondary market for trading after the Delisting, the opportunity for the shareholders to realize potential capital gain will be limited. However, the shareholders may have a return in form of dividend income instead of capital gain.

However, the Offeror has clearly informed that after the delisting from the Stock Exchange of Thailand, the Offeror will dissolve the Company and return the finance license. Shareholders will receive fund from liquidation of business as a proportion of shareholding after the discontinued operation.

3. Losing Tax Privileges

After the Company's shares are delisted from SET, the individual shareholders will not be exempted from capital gain tax. In addition, share transfers by individuals or juristic persons will not be exempted from stamp duties, which are charged at 0.1% of the paid-up value of the shares or the face value, whichever is higher.

4. Less Information Disclosure

After the Delisting, the Company will not be required to disclose information according to the rules and regulations of the SET, Re: Practices of the Disclosure of Information of Listed Company. After the voluntary delisting, if there are shareholders, who are not the Offeror and related parties of the Offeror, held the company's shares not exceeding than 5% of total paid-up or less than 100 holders, the Company will not be required to disclose information on its financial status and operating results as notified by the Capital Market Commission No. Tor Jor 11/2552. In addition, the Company's management and auditor will no longer require disclosing the shareholding information as stated in the SEC notification no. Sor Jor 12/2552.

7. Summary of the IFA's opinion

The IFA has reviewed the Tender Offer (form 247-4) together with the operation plan and policy of the Offeror by taking into consideration the appropriateness of the tender offer price and reasons for accepting or declining the tender offer. **In IFA's opinion, the shareholders should accept the tender offer for the following reasons:**

1. Appropriateness of the tender offer price

The IFA has conducted the valuation of Company's shares under various methods as mentioned in details in Clause no. 3 Appropriateness of the Tender Offer Price. IFA conclusion is that the tender offer price of Baht 6.89 per share is appropriate based on 2 scenarios, i.e. winding-up the Company scenario under which the Market Value Approach and Adjusted Book Value Approach were applied and resulted in the price range of Baht 4.44-6.62 per share, and business continuity scenario under which the Market Value Approach was applied and resulted in the price range of Baht 4.44-4.55 per share. Both methods yielded lower share prices than the tender offer price.

2. Benefit to shareholders in accepting the tender offer

Due to the change in policy relating to the operation of the financial institutions and the financial liberalization coupled with competition in the hire-purchase business, the Company is exposed to the future risk of operating under such change and condition which could have a serious impact on the ability of the Company to compete and as a result on the Company's operation. The shareholders who accept the tender offer would still receive tax privilege from share selling and reduce the impact on trading liquidity. After the delisting, there will be no secondary market for the shares causing the shares to be illiquid and no reference price for future trading.

Apart from considering the appropriateness of the share price, the shareholders should consider other factors used in the decision to accept or decline the tender offer with details available in Clause 4 Reasons for Accepting or Declining the tender offer.

Nevertheless, IFA's opinion is based on careful consideration and in accordance with professional standards by analyzing the fundamentals of the current operation. As future plan and operation policy after the tender offer is still unclear, the shareholders can refer to the reasons and opinion of the IFA before making the decision. However, the decision to accept or decline this tender offer rests primarily with the shareholders.

Attachment : Independent Financial Advisor's Opinion on the Tender Offer for
Shares of The Siam Industrial Credit Public Company Limited

The Independent Financial Advisor hereby certifies that the aforementioned opinion have been prudently made in accordance with professional standards with due regard to the shareholders' benefit