

Form 250-2

This English Translation of the Opinions of the Company Regarding the Tender Offer (Form 250-2) has been prepared solely for the convenience of foreign shareholders of Siam Commercial Leasing Public Company Limited and should not be relied upon as the definitive and official opinions of the Company and of the Independent Financial Advisor on the Tender Offer. The Thai language version of the Opinions of the Company and the Independent Financial Advisor Regarding the Tender Offer is the definitive and official document of the Company and of the Independent Financial Advisor and shall prevail in all aspects and purposes in the event of any inconsistency with this English Translation.

(Translation)

Opinions of the Company Regarding the Tender Offer

July 11, 2007

To Shareholders of Siam Commercial Leasing Pcl.:

On June 20, 2007, Siam Commercial Leasing Public Company Limited (hereinafter referred to as "SCBL" or "the Company") received a copy of the Tender Offer to Purchase Securities ("Form 247-4" or "the Offer" or "the Tender Offer") of the Company's ordinary shares from the Siam Commercial Bank Public Company Limited (hereinafter referred to as "the Tender Offeror"), with summary of the Offer as follows :

Types of Securities	Number of Securities		Percentage of Securities		Offering Price Per Share (Baht)	Offering Value (Baht)
	Shares/Unit	Shares with Voting Rights	Of the Total Issued Securities	Of the Total Shares With voting Rights		
Ordinary Shares	18,006,401 ¹	18,006,401	3.17	3.17	17.50 ^{2/3}	315,112,017.50
Preferred Shares	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Convertible Debentures	-	-	-	-	-	-
Other Securities, if any	-	-	-	-	-	-
			<u>Total</u>	3.17	<u>Total</u>	315,112,017.50

Note :

1. *The Tender Offeror offers to purchase all remaining ordinary shares of the Company, totaling 18,006,401 shares. However, the Tender Offeror may cancel the Tender Offer under the occurrence of the following events:*
 - *Any events or actions after the Securities and Exchange Commission of Thailand (the "SEC") has accepted the tender offer application but before the end of the tender offer period, which have or may have materially adverse effect on the Company's status or assets, and where such events or actions are not the result of the Tender Offeror's actions or of actions under the responsibility of the Tender Offeror.*
 - *Any events are or actions occurring, which may cause the termination of the delisting of the ordinary shares of the Company from the Stock Exchange of Thailand (the "SET")*

2. *The Offerees are subject to the brokerage fee of 0.25% of the offer price and the value added tax ("VAT") of 7% of the brokerage fee relating to the sales of the Company shares per this Tender Offer. Therefore, the net offer price will equal to Bt17.453188 for each ordinary shares to be received by the Offerees. The offer price is the final offer price which may not be amended or changed, as with the tender offer period from June 21, 2007 to August 24, 2007, totaling 45 business days from 9:30am to 4:30pm, which may not be extended ("Final Day"), unless falling within the conditions stated as follows :*
 - *The Tender Offeror may reduce the offer price or extend the tender offer period if an event having a material adverse effect on the Company's status or assets occurs during the tender offer period.*
 - *The Tender Offeror may change the offer price or extend the tender offer period to compete against any other person who has submitted a tender offer for the securities of the Company during the tender offer period.*

3. *If the Offeree is a juristic person incorporated under the foreign law and does not carry on business in the Kingdom of Thailand, the Offeree will be subject to 15% withholding tax on capital gains derived from the differentiation between the offer price and the acquisition cost, unless the Offeree resides in a country which has double tax treaty with the Kingdom of Thailand and falls within the exemption (the Offeree must declare acquisition cost of the shares, along with the proof of the acquisition cost to the Tender Offer Agent as mandated in the Tender Offer to Purchase Securities ("Form 247-4")). In the event that the Offeree fails to declare this information to the Tender Offer Agent, the Tender Offer Agent will determine the amount of the withholding tax on the basis of the entire proceeds of the sale of the securities and will deduct the tax accordingly.*

After considering all conditions in the Tender Offer by taking into account the benefits to and interests of shareholders, the Company, hereafter expresses the opinion for shareholders' consideration as follows :

1. THE STATUS OF THE COMPANY IN RESPECT TO ITS PAST AND FUTURE OPERATING RESULTS TOGETHER WITH ASSUMPTIONS USED IN THE PROJECTION

● Nature of Business and Past Performance

Siam Commercial Leasing Public Company Limited was established on April 5, 1976, as Chiang Mai Siam Credit Company Limited, a joint venture between the Siam Credit Company Limited and the Niyom Panich Group. Its initial business concentration was on automobile hire purchase. Following the currency crisis in 1984, the Company discontinued its operation, but later resumed its business in 1986 with a new major shareholder, the Siam Commercial Bank Public Company Limited, along with a new management team. On May 26, 1993, the Company was listed on the Stock Exchange of Thailand.

Beginning on March 13, 2006 to April 28, 2006, Siam Commercial Bank Public Company Limited, which held 37.11% of the Company's shares before the particular Tender Offer, conducted the Tender Offer of the Company's shares, after which the shareholding of Siam Commercial Bank Public Company Limited shifted to 92.51% (on May 2, 2006). And on July 26, 2006, the Company changed its name from Siam Panich Leasing Public Company Limited to Siam Commercial Leasing Public Company Limited.

As of May 3, 2007, the Company's registered capital was Bt5,732.86 million, representing 573.29 million ordinary shares, with par value of Bt10 per share. The Company's current paid-up capital amounts to Bt5,677.98 million, representing 567.80 million ordinary shares, with par value of Bt10 per share, with Siam Commercial Bank Public Company Limited as the Company's major shareholder, holding 96.83%.

The Company's operations are categorized as follows:

1. Hire Purchase The Company's auto hire purchase business, which mainly concentrates on retail customers, accounted for approximately 98% of the total loan portfolios for 2006 and first quarter 2007. The proportion of hire purchase revenue to total income was 88% for 2006 and 91% for first quarter 2007. Hire purchase is a form of consumer financing in which the customers assumed all functional benefits of the asset, while the ownership belonged to the Company. Only when the hire purchase contract and all financial obligations have been fulfilled, the ownership of the asset is then transferred to the customer. In 2006, the outstanding auto hire purchase loans comprised of 58% for new vehicles financing and 42% for used vehicles financing, and shifted to 60% for new vehicles financing and 40% for used vehicles financing for first quarter 2007.

2. Leasing The Company's leasing business accounted for approximately 2% of the total loan portfolio for 2006 and first quarter 2007. The proportion of leasing revenue to total income was 2% for 2006 and 1% for first quarter 2007. The Company offers credit services in the form of leasing agreements to corporate customers with outstanding financial background. The leasing service concentrates mainly on financial leasing, in which the lessee is entitled to all functional benefits and risks of the asset, without ownership entitlement. Such lease usually demands middle-to-long-term contracts, covering the useful life of the leased asset. In addition to auto leasing, the Company also provides industrial machinery leasing.

[Note : The Company terminated the Factoring operation in mid-2006]

Underlying assets primary used for hire purchased or leasing agreements vary from passenger cars to pick-up trucks, from European dealers to Asian dealers. The Company's headquarters is located in Bangkok, with 14 branches around the country.

The Company has a 100% investment in the subsidiary, Siam Panich SPV 1 Co., Ltd., whose business is in securitization.

Revenue Structure FY2004 – FY2006 and 1Q2007

(Unit : MB)	2004		2005		2006		1Q2007	
	Revenue	(%)	Revenue	(%)	Revenue	(%)	Revenue	(%)
Income from Financing Services								
Hire Purchase	2,786.30	92.20	3,143.28	92.06	3,373.97	87.60	1,136.35	91.04
Leasing	84.39	2.79	84.05	2.46	66.07	1.72	14.96	1.20
Factoring	63.01	2.09	63.97	1.87	36.92	0.96	0.21	0.02
Total Income from Financing Services	2,933.70	97.08	3,291.30	96.39	3,476.96	90.28	1,151.52	92.26
Other Income	88.25	2.92	123.31	3.61	374.48	9.72	96.63	7.74
Total Revenue	3,021.95	100.00	3,414.61	100.00	3,851.44	100.00	1,248.15	100.00

Note : Other Income includes income from terminated debts, recoveries after sale of repossessed assets and income from securitization.

Summary of Consolidated Financial Status and Performance FY2004 – FY2006 and 1Q2007

[Shareholders can review details of the financial statements from the SEC's and SET's websites (www.sec.or.th, www.set.or.th)]

(Unit : MB)	Audited Financial Statements			Interim Financial Statements for Quarter ending
	2004	2005	2006	1Q2007
Financial Status				
Cash & Cash Equivalents	123.15	182.85	322.76	383.21
Current Portion of Hire Purchase Accounts Receivables, net	12,207.54	14,410.43	15,258.20	16,293.21
Current Portion of Lease Accounts Receivables, net	538.92	457.23	397.51	437.56
Factoring Accounts Receivables, net	752.87	414.01	33.11	3.99
Current Portion of Notes Receivables, net	235.99	212.60	127.61	85.90
Assets for Sale	181.42	214.15	539.06	617.22
Other Current Assets	358.58	466.86	1,344.37	1,213.22
Total Current Assets	14,398.47	16,358.13	18,022.62	19,034.31
Long-Term Investments	39.08	39.14	38.75	38.75
Long-Term Hire Purchase Accounts Receivables, net	22,430.19	26,241.48	36,523.58	40,784.63
Long-Term Lease Accounts Receivables, net	825.00	637.42	520.03	622.25
Long-Term Notes Accounts Receivables, net	39.91	42.98	10.56	8.02
Property, Plant & Equipment, net	140.15	162.65	196.59	200.95
Deferred Purchase Price Receivables	-	-	1,589.72	1,585.52
Other Non-Current Assets	27.50	22.48	27.99	28.71
Total Non-Current Assets	23,501.83	27,146.15	38,907.23	43,268.83
Total Assets	37,900.30	43,504.28	56,929.85	62,303.14
Bank Overdrafts & Short-Term Loan	10,395.97	9,328.13	25,890.78	35,960.03
Current portion of long-term loans	4,148.43	8,152.42	12,335.11	10,055.86
Current portion of lease guarantee contracts	75.53	57.33	55.01	53.44
Income tax payable	204.37	165.33	51.15	98.05
Payable from cash collection under securitization project	-	-	295.29	318.45
Other payable under foreign currency and interest rate swap agreement	-	-	168.07	226.75
Other current liabilities	564.45	778.48	1,468.87	1,236.69
Total current liabilities	15,388.75	18,481.70	40,264.26	47,949.27
Long-term loans	16,357.74	18,565.32	10,374.04	4,507.25
Long term lease guarantee contracts	148.23	122.23	91.28	92.77
Other non-current liabilities	36.43	27.97	7.44	2.37
Total Non-Current Liabilities	16,542.40	18,715.53	10,472.76	4,602.39
Total Liabilities	31,931.15	37,197.23	50,737.02	52,551.66
Issued and paid-up share capital	2,149.82	2,149.82	2,149.82	5,677.98
Premium on share capital	2,298.84	2,298.84	2,298.84	2,298.84
Unrealized gain on revaluation of investment in available for sale securities	0.16	0.22	-	-
Retained Earnings	1,520.33	1,858.17	1,744.13	1,774.64
Minority Interest of Subsidiary	-	-	0.03	0.03

(Unit : MB)	Audited Financial Statements			Interim Financial Statements for Quarter ending
	2004	2005	2006	1Q2007
	Total Shareholders' Equity	5,969.15	6,307.05	6,192.82
Performance				
Income from hire-purchase contracts and related income	2,786.30	3,143.28	3,373.97	1,136.35
Total Revenue	3,021.95	3,414.61	3,851.44	1,248.15
Selling and administrative expenses	616.26	734.82	1,055.65	369.61
Provision for doubtful accounts	179.94	192.46	525.07	141.80
Directors' remuneration	7.83	8.25	7.58	0.91
Total Expenses ¹	804.03	935.53	1,588.30	512.32
Interest expenses	967.72	1,243.02	1,717.35	590.29
Income Tax	401.48	360.79	229.87	46.90
Net Income	848.72	875.27	315.91	98.65
Basic earnings per share	4.25	4.07	1.47	0.22
Cash Flow				
Net cash used in operating activities	(6,921.62)	(4,154.12)	(16,656.72)	(5,147.94)
Net cash used in investing activities	(15.23)	(43.40)	(63.07)	(10.55)
Net cash provided by financing activities	6,912.57	4,262.22	16,859.70	5,218.94
Financial Ratio				
Gross Profit Margin ²	68.08%	74.57%	-	-
Interest Earn ³	8.90%	8.29%	7.28%	8.25%
Interest Expense ³	3.61%	3.80%	4.14%	4.82%
Net Interest Margin ³	5.29%	4.49%	3.14%	3.43%
Net Profit Margin	28.09%	25.63%	8.20%	7.90%
Return on Equity	15.38%	14.26%	5.05%	4.95%
Return on Asset	2.51%	2.15%	0.63%	0.66%
Asset Turnover (times)	0.09	0.08	0.08	0.08
Debt to Equity Ratio (times)	5.35	5.90	8.19	5.39
Loan to Loan Borrowing (times)	1.21	1.19	1.13	1.13
Dividend Per Share (Bt)	2.50	2.00	0.12	-

Source : Details of the Company's financial statements are available on the SEC's and SET's websites (www.sec.or.th, www.set.or.th)

Note :

1. Total expenses excluding interest expenses
2. Operating Lease
3. Financial Lease

Financial Status Analysis

- Asset

As at the end of 2006, the Company's total assets amounted to Bt56,930 million or an increase of 30.9% over year-end 2005. Approximately 91% of the Company's total assets are hire purchase receivables and as at year-end 2006, hire purchase receivables amounted to Bt51,782 million or an increase of Bt11,130 million or 27.4% over 2005. The Company's total new loan originations for 2006 amounted to Bt37,778 million or an increase of 67.4% over the previous year.

As at March 31, 2007, the Company's total assets increased to Bt62,303 million, represented 9.4% increase over December 31, 2006. The majority of the increase comprised of hire purchase receivables amounted to Bt57,078 million, which grew 10.2% over the period ending 2006. The Company's new loan origination for March 31, 2007 was Bt11,436 million, increasing 116.4% comparing to the same period in 2006.

The Company's main receivables include its hire purchase receivables, leasing receivables, factoring receivables, and terminated receivable. The Company's NPL's and loan loss provisions are as follows :

	Dec. 31, 2005	Dec. 31, 2006	Mar. 31, 2007
Total NPL (MB)	1,639	1,429	1,422
Allowance for Doubtful Debt (MB)	908	1,024	1,031
Allowance to NPL (%)	55	72	73
Allowance to Outstanding Receivables (%)	1.88	1.66	1.52

In 2006, the Company sets its allowance for doubtful accounts based on the aging analysis of each type of receivable according to the guideline of The Bank of Thailand. The decrease in the Allowance to Outstanding Receivable ratio for 2006, compared to the previous year, was attributed to the growth of the Company's total outstanding receivables. The allowance to NPL in 2006 and first quarter 2007 increased from 2005 and first quarter 2006 was the result of closely follow up for its debts resulting in decrease of NPL and the change of the accounting estimation of allowance for doubtful accounts under the guideline of Consolidated Supervision of The Bank of Thailand.

- Total Liabilities

As at the end of 2006, the Company's total liabilities amounted to Bt50,737 million, or an increase of 36.4% over 2005, with loan borrowings accounting for 96% of the Company's total liabilities, or Bt48,600 million. The increased in total liabilities was the result of the expansion of new hire purchase credit.

The Company is fully aware of the expected trend in rising interest rates and has increased its portion of long-term funding to reduce the risk of interest rate fluctuations. Given the highly competitive

pricing environment, it must also closely manage its overall funding costs in order to remain competitive in its new loan originations. For 2006, the Company issued a total of Bt800 million in debentures, with maturities of 2 to 3 years and coupon rates between the ranges of 6.18% to 6.35%.

Total liabilities of the Company as at the end of first quarter 2007 increased to Bt52,552 million. This change was the result of the increase of Bt35,960 million, or 39%, in bank overdrafts and short-term loans from financial institutions, which was used for the repayment of Bt7,000 million in bond expired and provided for new lending in loan origination.

At the end of 2006, the Company's short-term-to-long term borrowing ratio is 79:21, and changed to 91:9 as at the end of the first quarter 2007. The Company's borrowing structure can be summarized as follows :

(Unit : MB)	Dec. 31, 2005	Dec. 31, 2006	Mar. 31, 2007
Bank Overdrafts & Short-Term Loans	9,328	25,891	35,960
Current Long-Term Loans due within 1 Year	8,153	12,335	10,056
Long-Term Loans	18,565	10,374	4,507
Total Loan	36,046	48,600	50,523

- Shareholders' Equity

As at the end of 2006, the Company's shareholders equity amounted to Bt6,193 million, decreasing 1.8% over the previous year or Bt114 million. The Company's book value per share also decreased from Bt29.34 per share in 2005 to Bt28.81 per share in 2006.

On December 27, 2006, the extraordinary shareholders' meeting of the Company passed a special resolution to increase the Company's registered capital of 358,303,620 shares with par value of Bt10 per share. The Company received shares subscription of Bt3,528 million on January 26, 2007 and subsequently registered the new paid-up capital with the Ministry of Commerce on January 29, 2007. As at the end of the first quarter 2007, the Company's shareholders' equity was Bt9,751 million, increasing Bt3,559 million or, 57% from 2006, with book value per share of Bt17.17.

- Liquidity and Capital Structure

As a result of increased borrowings to support the expansion of new credit, the Company's debt to equity ratio has increased from 5.90, at the end of 2005, to 8.19, as at the end of 2006. However, in December 2006, the Company held shareholder extraordinary meeting, the meeting approved for the Company to increase the registered share in the amount of Bt3,583,036,200 in order to reduce its debt to equity ratio not over than the level that the Company made agreement with creditor of the Company. On January 19-25, 2007, the Company offered 358,303,620 shares at the proportion of 3 existing shares for 5 new shares at the price of Bt10. The Company received Bt3,528 million from the aforementioned capital increase. Concurrently, the Company has an increase in bank overdrafts and short-term loan from

financial institutions. This increase was used for the repayment of Bt7,000 million in bond expired and provided for new lending in loan origination. At the end of the first quarter 2007, the company's debt to equity ratio declined to 5.39 times.

As the end of 2006, the company expects to receive future payment from its receivables, excluding past due receivables, in the amount Bt60,358 million, which subsequently increased to Bt66,579 million at the end of the first quarter 2007. A profile comparing the financial assets and financial liabilities as of March 31, 2007 is as follows :

(Unit : MB)	Future Receivables / Payables	
	Receivables Due	Payables Due
Within 1 Year	20,681	46,016
Over 1 Year, but less than 2 Years	17,552	522
Over 2 Years, but less than 3 Years	13,678	3,685
Over 3 Years	14,668	300
Total	66,579	50,523

The Company has more payables due within one year compared to receivables due within one year in the amount of Bt25,335 million. However, the Company has both short-term and long-term lending facilities with various financial institutions totaling Bt68,985 million, which is sufficient to make payments on payables due within one year. For the period of more than one year, the Company's receivables due is adequate to cover future payables due.

Analysis on Operational Performance

In 2006, the Company's net profit was Bt316 million, a decrease of Bt559 million or 63.9% from the previous year. This was the result of the increase of expenses that is more than the increase of income that is the increase in interest expense of the amount Bt474 million or 38.2% and non-interest expenses increase for Bt653 million or 69.8% while total revenues increases for Bt437 million or 12.8%. Moreover, in 2006, the Company changed the accounting estimation of allowance for doubtful accounts according to the Bank of Thailand guideline as a result of Siam Commercial Bank became the shareholder of the Company that hold more than 75% therefore the Company is in the group of Solo Consolidation as mandated by the Bank of Thailand. Hence, the Company's allowance of doubtful accounts increased Bt333 million from the previous year.

Due to the proportionately higher increase in expenses compared to revenues, the Company's net profit per share for 2006 dropped to Bt1.47 from Bt4.07 from 2005. The Company's return on equity in 2006 also declined to 5.05% from 14.26% in the previous year.

In the first quarter 2007, the Company's net profit was Bt99 million, declining 56% or Bt222 million compared to the same period in 2006. This was due to the increase in expenses at a proportionately higher level than revenue. The aforesaid increase in expenses could be mainly attributed

to interest expenses in the amount of Bt590 million, compared to Bt377 million of the same period in the previous year. Furthermore, in the first quarter of 2007, the estimation for the allowance for doubtful accounts was different from 2006, due to the adjustment to be in accordance with the Bank of Thailand. This resulted in the increase in the provision for doubtful accounts from Bt44 million in the first quarter 2006 to Bt142 million the same period this year.

The Company's earning per share for the first quarter 2007 was at Bt0.22, compared to Bt1.03 per share at the same period in 2006. This was the result of the increase in the provision for doubtful accounts and interest expenses. The Company's annualized return on equity was at 4.95%.

- Income

In 2006, the Company's total revenue amounted to Bt3,851 million or an increase of 12.8% over the previous year. This increase in total revenue was mainly attributed to an increase in hire purchase income.

	2006		1Q2007	
	Income (MB)	Increase / (Decrease) (%)	Income (MB)	Increase / (Decrease) (%)
Income from Hire Purchase and Related Income	3,374	7.3	1,136	37.8
Income from Leasing and Related Income	66	(21.4)	15	(13.6)
Income from Factoring and Related Income	37	(42.3)	0.21	(98.1)
Total Income from Financial Businesses	3,477	5.6	1,151	35.0
Other Income	374	203.7	97	77.1
Total Revenue	3,851	12.8	1,248	37.5

In 2006, the total income from the Company's main financing businesses amounted to Bt3,477 million or an increase of Bt186 million or 5.6% over the previous year, in which hire purchase income was the main contributor, amounting to Bt3,374 million or an increase of 7.3% over the previous year. The Company's other income amounted to Bt374 million or an increase of Bt251 million or 203.7% over the previous year. The increased income mainly was the result of income from securitization of the amount Bt149 million¹.

For first quarter 2007, the Company's total revenue was Bt1,248 million, increasing Bt908 million from the same period in 2006. This was due to the increase in revenue from hire purchase loans.

¹ On March 20, 2006, the Company entered into the Hire Purchase Receivables Sales Agreement Siam Panich SPV 1 Company ("SPV1") the total initial receivables of Bt 6,614,999,826 was sold to SVI 1 at the net book value on February 28, 2006. For this amount, the Company received the amount Bt4,999,649,826 in cash. The remaining balance of Bt 1,615,350,000 of the selling price was recorded at the deferred purchase price. The time period for the sale is approximately from March 2006 to February 2007.

- Expenses

In 2006, the Company's interest expense, which was its main expenses, amounted to Bt1,717 million or an increase of Bt474 million or 38.2% from the previous year. This increase was attributed to the increased borrowings to support the expansion of new credit and repayment of long-term loans. Non-interest expenses amounted to Bt1,588 million, increasing Bt653 million, or 69.8% from 2005.

Loss on sale and loss on impairment of asset for sale for 2006 amounted to Bt313 million, increasing Bt139 million or 79.6% over the previous year. The increasing in loss on sale was a result of tighten its collection procedures and seize the car faster for the debtors without capability for payments in order to decreasing the non-performing loan and might not be able to collect the debt in the future.

The Company's allowance for doubtful accounts in 2006 is of the amount Bt525 million, the increase of Bt333 million or 172.8% is the result of the change of the accounting estimation of allowance for doubtful accounts under the guideline of Consolidated Supervision of The Bank of Thailand and the rise of the number of new loan originations in 2006 over the previous year.

In the first quarter 2007, the Company's interest expense amounted to Bt590 million or an increase of Bt214 million, or 57% over the same period in 2006. Non-interest expense amounted to Bt512 million, increasing Bt303 million or 145% over first quarter 2006. This change was due to the increase of selling and administrative expenses and the recognition of doubtful accounts and non-performing loans.

- Net Income

In 2006, net profit after income tax amounted to Bt316 million and the Company's earnings per share amounted to Bt1.47, a drop from Bt4.07 per share in 2005 in which the Company's net profit was Bt875 million. This decrease was a result of the increase in interest expenses and non-interest expenses in order to support the expansion of new hire purchase credit and the increase of allowance for doubtful accounts that must be adjusted under the guideline of Consolidated Supervision of The Bank of Thailand. The Company's net income for the year 2006 and 2005 were respectively 8.20% and 25.63%. This drop in 2006 was attributed to the increase in the above expenses growing at a faster rate than the increase in hire purchase income.

In the first quarter 2007, the Company's net income was Bt99 million, compared to Bt222 million in the same period of 2006. The earning per share for the first quarter 2007 was Bt0.22, a decline from Bt1.03 for the first quarter of 2006, while the net profit margin was 7.90% and 24.48%, respectively. The decline in the Company's net income was due to the rise of interest expense along with the increase of allowance for doubtful account.

- Interest Rate Spread

(Unit : %)	Yearly Comparison		Quarterly Comparison ¹	
	2005	2006	1Q2006	1Q2007
Interest Earn	8.29	7.28	8.63	8.25
Interest Expense	3.80	4.14	4.58	4.82
Interest Rate Spread	4.49	3.14	4.05	3.43

Note : 1. Annualized

Although borrowing costs increased in 2006, the competitive pricing environment in the hire purchase industry is still very much prevalent, hence the Company could not concurrently make upward adjustment on interest earn. Furthermore, the Company gave out more hire purchase lending for new cars, which has lower interest rate than used cars. This is clearly reflected in the Company's earning asset yield, which has reduced from 8.29% in 2005 to 7.28% in 2006, and the Company's cost of funds, which has increased from 3.80% in 2005 to 4.14% in 2006. As a result, the Company's interest spread decreased from 4.49% in 2005 to 3.14% in 2006.

In the first quarter 2007, the Company's interest expense increased to 4.82% from 4.58% in the first quarter 2006 due to the fact that the Company's bond expired in the amount of Bt7,000 million had lower interest rate cost than the new loan taken to repay the bond. At the same time, the Company's interest earn in the first quarter 2007 declined to 8.25% from 8.63% in the first quarter of 2006, resulting in the narrowing interest rate spread to 3.43% from 4.05%.

● Industry Overview

Hire purchase industry, which is considered to be the Company's main business, has competitors that can be broken down into 3 major categories 1.) Financial Institutions : advantage of having lower funding costs but are big organizations with low speed of service 2.) Car Manufacturers and Distributors : advantage of support from the multinational parent companies but only lend for specific cars of the respective companies 3.) Leasing Companies : advantage of the speed of service but have higher funding costs than financial institutions. Other players in this industry also include second hand car dealerships that have their own lending services.

From 2005 to 2006 and in the first quarter 2007, the lending industry experienced higher competitions. Rising interest rate trend from 2005 to 2006, while the first quarter 2007, the economy began to retract. Concurrently, marketing and pricing of various lenders in trying to attract customers also intensified competition in the industry. The hire purchase and leasing businesses rely heavily on the domestic automotive industry. Intense competition among various automotive manufacturers and dealers, through marketing campaign, promotional offers, and constant new model launches, can stimulate sales growth. However, effects from higher gasoline price, uncertain political situation and a

sluggish economy, caused retracted consumer spending, resulting in negative domestic vehicle sales. Sales growth for 2004 and 2005 gradually slowed down with an actual decline in sales in 2006 and first quarter 2007. The decline in 2006 was due mainly to the sales of pick-up trucks, despite the increase in passenger and commercial vehicles. In the first quarter 2007, sales of passenger vehicles, commercial vehicles, and pick-up trucks retracted from the same period in 2006. Details of domestic vehicle sales are shown in the following table :

Domestic Vehicle Sales

Vehicle Types	Yearly						Quarterly	
	2004		2005		2006 ¹		1Q2007	
	Vehicles Sold (Units)	Growth (Decline) (%)	Vehicles Sold (Units)	Growth (Decline) (%)	Vehicles Sold (Units)	Growth (Decline) (%)	Vehicles Sold (Units)	Growth (Decline) (%)
Passenger Vehicles	209,110	16.8	193,617	-7.4	194,820	0.6	40,658	-10.6
Commercial Vehicles (Excl. Pick-Ups)	48,005	6.6	39,407	-17.9	62,481	58.6	14,736	-12.9
Pick-Ups	368,911	19.3	470,237	27.5	425,392	-9.5	82,875	-23.0
Total	626,026	17.4	703,261	12.3	682,693	-2.9	138,269	-18.7

Source: Thailand Automotive Institute, as June 27, 2007

Note :

1. Thailand Automotive Institute adjusted and updated the data compiled
2. Compared with 1Q2006

● Projected Operational Performance

Risks factors which may affect the hire purchase business include political situation, economic condition, consumer confidence level, gasoline price, rules and regulations governing the industry, along with the capability of the Company to sustain the quality of its credit approval process and loan collection standards and the ability of the Company to increase its lending portfolio. The increasingly competitive operating environment in the hire purchase business is mainly affected by the usage of pricing / interest rate strategy of vehicle manufacturers and commercial banks. Nonetheless, the Company's competitive strategy aims at providing quality services to customers and seeking clients with good credit record, along with providing loans to beneficially complement the Company's interest rate cost. In addition, the Company takes into consideration two major factors which are the returns establish by other players in the industry and the industry trend which will affect the both current and future lending rate.

Under intensifying competition and a declining interest rate trend in 2007, the Company has established the policy to strive for being the leading in the hire purchase business by providing services

throughout the country and improve servicing process. It also strives to offer new lending products and services to customer and at the same time not emphasizing price competition. The Company expects to continue expanding its lending portfolio, especially the hire purchase loan. And in 2007, the Company considers growth in new lending to be at approximately 20% from 2006, in which the Company aims at increasing new lending for new vehicles as compare to used vehicles.

New vehicles have better customer quality with potentially lower NPL than lending for used vehicles. Therefore, the Company aims to concentrate more on lending for new vehicles. Despite the lower interest rate charged to lending to new vehicles compared to used vehicles, the Company's current cost of capital is lowered from the previous years, thus, allowing it to better compete in the lending for new vehicles.

- **Risk Factors**

Risk from Dependence on Motor Vehicle Sales : With automobile financing accounting for approximately 90% of the Company's core hire purchase business, the state of motor vehicle sales is one of the Company's main risk factors. The Company's marketing policy is to concentrate on both new and used vehicle markets, with each market differing in terms of their credit risk and yield returns. In extending used vehicles financing, the risk lies in the valuation the underlying vehicles but is then offset by its higher lending rates.

Being fully aware of this risk factor, the Company attempts to minimize its impact by maintaining its existing customer base and expanding its hire-purchase network to include various automobile dealers whom offer both new and used vehicles. To help minimize the credit exposure in the used vehicle business, the Company assigns only its most experienced staff for the origination of this business, in which there is continuous training for marketing personnel to increase their expertise in the areas of used vehicles valuation techniques and credit analysis.

Risk from Interest Rate Fluctuations: Because the Company's main source of revenue is from interest financing, changes in the interest rate will have a substantial impact on the Company's business and performance. In the past 4 to 5 years, the auto hire purchase business has witnessed fierce pricing competition, leading to a continuous decrease in auto hire purchase yields. In 2006, overall funding costs began to rise but new hire purchase lending rates have not been able to increase as quickly as the incremental funding costs.

Being aware of this risk factor, the Company attempts to minimize its impact by maintaining reasonable interest spread and revenue. As for the Company's interest costs, the Company attempts to lower its funding costs, while not exposing itself to a high level of mismatched funding. Therefore, the Company's long-term borrowings are of a fixed rate nature and have a tenor similar to the average life of a hire purchase receivable.

Risk from Depreciating Collateral : Although hire purchase financing is backed by an underlying asset as the collateral, but the asset depreciates in accordance to its usage and market demand. As for the auto hire purchase financing, the main factors that affect the depreciation of a vehicle are time span, vehicle condition, and the liquidity in the market. Therefore, if the collateralized asset's value considerably depreciates, causing the resale value of the vehicle to be lower than the outstanding balance owed by the customer, there is an increased probability that the customer will abandon the vehicle and default on his/ her hire purchase contract.

The Company is fully aware of this risk factor and stresses prudent credit underwriting, through the use of conservative loan-to-value originations - in which the hire purchase loan does not exceed the current market value of that vehicle, a mandatory down payment that is not too low, and market concentration that favors Japanese vehicle lending that have good resale value. In addition it also places great emphasis on prompt collections, assigns the Follow Up and Specialized Collection teams to collect or repossess the asset so it can be quickly sold through an auction. From historical auction data, the Company can recover, on average, 80% to 90% of the outstanding receivable balance and pursue the remaining loss from the hirer and guarantor through litigation.

Risk from Quality of Receivables : The Company stresses the importance on the quality of its receivables, which is dependent on the customer's payment performance, general economic conditions, and the Company's collection efficiency. To reduce the risk of deterioration in the quality of its receivables, which could lead to non-performing loans, the Company enacts internal controls practices that begin in the early loan originations stages on through to collection and follow up.

Loan origination Prior to the approval of a loan, the Company uses a systematic credit analysis process to assess the risk of lending to a customer. Included in this credit analysis is an inquiry of the borrower's character and soundness, from information found in the National Credit Bureau as well as the Company's own internal blacklist. In addition a guarantor and/ or increased down payment may be required for borrowers of higher risk.

Collection and Follow Up Through the use of internal audits and reporting systems, the management is able to trace and follow-up on the status of the loan receivables, thereby, reducing the risk of non-performing loans. The Company's accounts receivable management teams share the responsibility of collection and follow-up, segregating their duties according to the aging schedule of receivables, while there is a separate legal team to pursue litigation and manage the non-performing loan borrowers.

Nonetheless, the risk factors arising from the competition and the hire purchase industry may lower both the Company's interest spread and net profit.

- **Shareholders Structure**

As of May 3, 2007, the Company has 1,592 shareholders, holding a total of 567,797,502 shares.

Name	Number of Shares	%
1. Siam Commercial Bank Pcl.	549,791,101	96.83
2. Bangkok Life Assurance Ltd.	1,495,800	0.26
3. Thai NVDR Co.,Ltd.	797,849	0.14
4. Mr.Thanapol Kongbunma	440,000	0.08
5. Mr.Ronnachai Kongbunma	430,933	0.08
6. Mr.Naiyapong Kongbunma	419,999	0.07
7. Mr.Manchai Kongbunma	386,666	0.07
8. Mr. Pisit Pukpiboon	310,666	0.05
9. Mr.Mongkol Laoprapatsorn	307,333	0.05
10. Mr. Pongsak Thamthacharee	301,666	0.05
11. Others	13,115,489	2.31
Total	567,797,502	100.00

- **Management Structure**

Board of Directors

The Company's Board of Directors as of May 30, 2007

Name	Position
Mr. Yuth Vorachattarn	Chairman, Board of Directors
Mr. Sompoch Intranukul	Chairman, Audit Committee / Independent Director
Mr. Pratip Wongnirund	Audit Committee / Independent Director
Mr. Kopr Kritayakirana	Audit Committee / Independent Director
Mr. Bunlue Kampanartsanyakorn	Independent Director
Mrs. Kannikar Chalitaporn	Director
Mr. Sirichai Sombutsiri	Director
Mr. Charamporn Jotikasthira	Director
Mr. Yokporn Tantisawetrat	Director
Mr. Karoon Laoharattanun	Director / President

Audit Committee

The Company's Audit Committee as of May 30, 2007

Name	Position
Mr. Sompoch Intranukul	Chairman, Audit Committee / Independent Director
Mr. Pratip Wongnirund	Audit Committee / Independent Director
Mr. Kopr Kritayakirana	Audit Committee / Independent Director

Management

The Company's Management as of May 30, 2007

Name	Position
Mr. Karoon Laoharattanun	President
Ms. Jitpinun Shanasinprasert	Executive Vice President Operation Group
Mr. Suwat Pathnopas	Executive Vice President Finance & Strategic Planning Group
Mr. Songvuti Sangvoravuttikun	Executive Vice President Marketing & Product Development Group
Mr. Narain U-nanupap	Senior Vice President Law & Collection Group
Mr. Nipon Manasboonpermpool	Senior Vice President Credit & Branch Marketing Group
Mr. Tdoey Sikacha	Senior Vice President Marketing Group-Head Office
Miss Vilairat Worapongpichet	Senior Vice President Accounting & Finance Group

- Policy and Plan After the Tender Offer

- **The Company's Status :** The Tender Offeror will proceed the delisting of the Company ordinary shares from the Stock Exchange of Thailand; consequently, the Company obligation to disclose information to the Securities and Exchange Commission pursuant to Section 56 Re: Disclosure of financial position and business operation of the Company and Section 59 Re: Reports of Securities holdings in which the director, manager, person who holds management position shall prepare and disclose reports on each person's securities holding and the holding of securities by his spouse and minor children of securities in the Company will cease. This results to less information on the Company to be received by shareholders.

The Tender Offeror has no intention to sell the shares of the Company within twelve months from the end of the Tender Offer period, except for the transaction between companies within the Tender Offeror's group.

- **Policies and Plan of Business Operations** : Pursuant to the permission of the Bank of Thailand to allow commercial banks (the "Banks") to operate hire purchase and leasing business with the objective to broaden the Banks' business operation, allowing Banks to be able to provide more financial services to customers in order to support the Banks' merger plan with finance companies and Creditfonciers within the same group in compliance with the "One Presence" Policy under Tender Offer to Purchase Securities of SCBL Form 247-4 the financial sector master plan, this might result to an uncertainty in the Company's business policies which is subject to the policies of the Tender Offeror such that it would have impacted the Company's hire purchase business.

In the event that the Tender Offeror changes the policies or business plans in relation to the operation of hire purchase business or leasing business, the Tender Offeror might change the policies or business plans to reflect the policies or business plans of the Tender Offeror as may deemed appropriate.

Upon completion of the Tender Offer, the Offeror may make a change to the Board of Directors as deemed appropriate. For example, the Offeror may appoint more of its representatives to be on the Company's Board of Directors. Should there be such a change in the board composition, the Company's Board of Directors will take appropriate actions in conformity with the Company's Articles of Association.

Upon completion of the delisting from the SET, the Offeror has plan to keep the positions of the Independent Director and the Audit Committee.

- **Connected Transactions** : The Tender Offeror had connected transactions with the Company and its affiliates as materially shown in the Company's balance sheet and income statement as of March 31, 2007. The transactions are based on agreement terms within the normal business practices. If the Tender Offer is successful, the Tender Offeror may increase the financial support to the Company based on the Tender Offeror's risk management framework.

2. OPINIONS ON THE ACCURACY OF THE COMPANY'S INFORMATION DISCLOSED IN THE TENDER OFFER.

The Company's Board of Director views that all information relevant to the Company as shown on the Tender Offer to Purchase Securities Form (Form 247-4) as accurate, except the differences as follows

Topic	Information in Form 247-4	Information in Form 250-2
Description of the Company's operations	Currently, the Company's major business operations are 1) Hire Purchase 2) Leasing 3) Factoring	The Company terminated the Factoring operation in mid-2006
Number of branches	13	14
Book Value Per Share for the Company's financial statements as of December 31, 2006	Bt29.6 per share	Bt28.6 per share
Shareholder structure in the amount and proportion held by Mr.Naiyapong Kongbunma	439,999 shares	419,999 shares
Connected Transactions	<ul style="list-style-type: none"> - Deposits Bt259 million - Short-term loan Bt15,253 million - Contingencies Bt4 million 	<ul style="list-style-type: none"> - Deposits Bt263 million - Short-term loan Bt23,388 million - Contingencies Bt3 million
Total expenses for Consolidated Financial Statements for 3 months ending March 31, 2007 ¹	Bt512 million	Bt1,102 million
Total expenses for Consolidated Financial Statements for the year ending December 31, 2006 ¹	Bt1,588 million	Bt3,305 million

Note

1. The difference due to the inclusion of items

3. RELATIONSHIP OR ANY AGREEMENTS BETWEEN THE COMPANY'S DIRECTOR/S, EITHER ON HIS/THEIR OWN BEHALF, IN HIS/THEIR CAPACITY AS THE COMPANY'S DIRECTOR/S OR AS THE REPRESENTATIVE/S OF THE TENDER OFFEROR, AND THE TENDER OFFEROR, INCLUDING THE SHAREHOLDING BY ANY DIRECTOR/S IN THE TENDER OFFEROR'S JURISTIC PERSON AND ANY CONTRACTS OR AGREEMENTS MADE OR TO BE MADE BETWEEN THEM.

3.1. Relationship Between the Company's Director/s and the Tender Offeror

- Mrs. Kannikar Chalitaporn, President of the Siam Commercial Bank Pcl., became an authorized director of the Company on July 25, 2006
- Mr. Sirichai Sombutsiri, Senior Executive Vice President, Group Head, Corporate Banking Group of the Siam Commercial Bank Pcl., became an authorized director of the Company on July 25, 2006

- Mr. Yokporn Tantisawetrat, Senior Executive Vice President, Chief Financial Officer of the Siam Commercial Bank Pcl., became an authorized director of the Company on July 25, 2006
- Mr. Charamporn Jotikasthira, Executive Vice President, Group Head, Business Cash Management Group of the Siam Commercial Bank Pcl., became an authorized director of the Company on April 1, 2005.
- Mr. Karoon Laoharattanun, Senior Vice President of the Siam Commercial Bank Pcl., became an authorized director and Managing Director of the Company on January 1, 2005.

3.2. Joint or Related Business Transaction/s

The Company's policy on related parties business transactions is based on normal business practice. As of March 31, 2007 and December 31, 2006, the Company's transaction with the Tender Offeror are as follows

(Unit : Baht)	March 31, 2007	December 31, 2006
Outstanding Balance with the Tender Offeror		
Deposits	262,989,304	245,298,655
Bank Overdrafts	63,364,644	259,505,678
Short-Term Loans	23,388,000,000	15,060,000,000
Long-Term Loans	260,000,000	260,000,000
Interest Payable	34,632,142	21,608,952
Prepaid Loan Arrangement Fees	-	19,139,089
Credit Cards	197,422	70,367
Expenses Occurred		
Interest Expense for O/D	15,248	936
Interest on Loans	205,554,519	61,664,239
Bank Fees	3,939,647	4,203,415
Others		
Letters of Guarantee	2,986,140	5,044,292

As at March 31, 2007, the Company has unutilized credit with Siam Commercial Bank Pcl. amounting to Bt13,677 million (as at December 31, 2006 : Bt2,405 million)

The Tender Offeror may increase the financial support to the Company based on the Tender Offeror's risk management framework.

3.3. Shareholding by the Director/s in the Tender Offeror's Juristic Person

Names of Directors	As of March 15, 2007	
	Ordinary Shares (Shares)	Preferred Shares (Shares)
Ms. Kannikar Chalitaporn	30,000	-
Mr. Pratip Wongnirund	10,460	10,000
Mr. Kopr Kritayakirana	7,333	7,333
Mr. Sompoch Intranukul	6,760	4,690
Mr. Charamporn Jotikasthira	100	1,000

3.4. Any Contracts or Agreements Made or to be Made Between the Company and the Tender Offeror

The Company has material contracts and agreements with the Tender Offeror, which are Bill of Exchange Bt8,325 million, consisting of short-term B/E Bt 7,935 million and long-term B/E coming due in 2007 Bt390 million. In addition, the Company has loan facility, which includes overdrafts, short-term loans, and letters of guarantee in the amount of Bt36,140 million. As of March 31, 2007, the Company has unutilized facility of Bt13,677 million.

The above contracts are based on normal business practices of the Company for its operations, and such contracts/agreements are expected to continue in the future. The Tender Offeror may increase the financial support to the Company to assist in striving for the Company's business growth, but all financing facilities provided by the Tender Offeror to the Company will be based on the Tender Offeror's risk management framework.

4. OPINIONS OF THE COMPANY'S BOARD OF DIRECTORS TO SHAREHOLDERS

The Company convened a Board of Directors meeting on July 3, 2007 to consider the Tender Offer made by the Tender Offeror. The resolution of the Board of Directors on the tender offer was conducted by 7 directors as follows:

1. Mr. Yuth Vorachattarn Chairman of the Board
2. Mr. Bunlue Kampanartsanyakorn Director / Independent Director
3. Mr. Sompoch Intranukul Director / Independent Director / Chairman, Audit Committee
4. Mr. Pratip Wongnirund Director / Independent Director / Audit Committee
5. Mr. Kopr Kritayakirana Director / Independent Director / Audit Committee
6. Mr. Charamporn Jotikasthira Director
7. Mr. Karoon Laoharattanun Director / President

The five directors with no conflict of interests include Mr. Yuth Vorachattarn, Mr. Bunlue Kampanartsanyakorn, Mr. Sompoch Intranukul, Mr. Pratip Wongnirund, and Mr. Kopr Kritayakirana

4.1. Rationale for Accepting/Rejecting the Tender Offer

This Tender Offer as conducted by the Tender Offeror with the intention of delisting the Company's shares from the Stock Exchange of Thailand ("SET"). The Tender Offeror holds 96.83% of the total paid-up capital, causing the Company to violate SET's 15% requirement on the minimum holding by minority shareholders. This may eventually lead to the SET's mandatory delisting of the Company's shares. Nonetheless, the Tender Offeror has no intention of reducing its holding in the Company and has informed of its policies and plans after delisting.

After the delisting of the Company's shares from the SET, the transactions of shares will not have a secondary market, causing the shares to be illiquid for buying and selling. Furthermore, shareholders will have reduced access to information on the Company, along with the loss of tax privileges due to the selling of shares outside of the SET.

The Company's Board of Directors advises that shareholders should accept the Tender Offer. However, shareholders should consider other relevant and material factors and use their own judgment in making the decision whether to accept or to reject this Tender Offer.

4.2. Opinions of Each Director and the Number of Shares Held by Such Director (In Case the Resolution of the Company's Board of Directors in Claus 4.1 is not Unanimous)

-None-

4.3. Benefits and Impacts of the Policy and Plan in the Tender Offer and the Feasibility of such Policy and Plan

The Board of Directors agreed with the Tender Offeror on the issues below :

- **The Company's Status** : The Tender Offeror will proceed the delisting of the Company ordinary shares from the Stock Exchange of Thailand; consequently, the Company obligation to disclose information to the Securities and Exchange Commission pursuant to Section 56 Re: Disclosure of financial position and business operation of the Company and Section 59 Re: Reports of Securities holdings in which the director, manager, person who holds management position shall prepare and disclose reports on each person's securities holding and the holding of securities by his spouse and minor children of securities in the Company will cease. This results to less information on the Company to be received by shareholders.

The Tender Offeror has no intention to sell the shares of the Company within twelve months from the end of the Tender Offer period, except for the transaction between companies within the Tender Offeror's group.

- **Policies and Plan of Business Operations** : Pursuant to the permission of the Bank of Thailand to allow commercial banks (the "Banks") to operate hire purchase and leasing business with the objective to broaden the Banks' business operation, allowing Banks to be able to provide more financial services to customers in order to support the Banks' merger plan with finance companies and Creditfonciers within the same group in compliance with the "One Presence" Policy under Tender Offer to Purchase Securities of SCBL Form 247-4 the financial sector master plan, this might result to an uncertainty in the Company's business policies which is subject to the policies of the Tender Offeror such that it would have impacted the Company's hire purchase business.

In the event that the Tender Offeror changes the policies or business plans in relation to the operation of hire purchase business or leasing business, the Tender Offeror might change the policies or business plans to reflect the policies or business plans of the Tender Offeror as may deemed appropriate.

- **Connected Transactions** : The Tender Offeror had connected transactions with the Company and its affiliates as materially shown in the Company's balance sheet and income statement as of March 31, 2007. The transactions are based on agreement terms within the normal business practices. If the Tender Offer is successful, the Tender Offeror may increase the financial support to the Company based on the Tender Offeror's risk management framework.
- **Share Sale Plan** : The Offeror has no plan to sell the shares of the Company, which is currently held and to be acquired by the Offeror through the Tender Offer to third parties. However, the shareholding of the Offeror in the Company could change in the future in order to reflect the Company's or the Offeror's policies and business plans.

4.4. Additional comment of the Company's Board of Directors (In Case the Tender Offer is Prepared for Security Delisting Pursuant to the SET Regulations)

(a) Benefits to shareholders and impacts on them in case they reject the tender offer

Shareholders who reject the Tender Offer will be impacted in the following matters :

- **Rights of Shareholders**

Shareholders who reject the tender offer and continue holding the Company's shares will still retain their right, pursuant to the Company's Articles of Association and the Public Limited Companies Act B.E. 2535 (1992), to receive the Company's Annual Report, along with the balance sheet and income statement, reports on shareholders' meeting relating to the approval of financial statements and dividend payment.

- **Lack of Liquidity in Shares Transactions**

After the delisting of the Company's shares from SET, the transactions in form of buying and selling of the Company's shares will not have a secondary market to provide liquidity in such transactions

- **Loss of Tax Privileges due to Shares Transactions Outside the SET**

Without the status of a listed Company, individual shareholders will not be exempted from the capital gain tax. In addition, without Thailand Securities Depository Company Limited (Thailand) acting as the share registrar, the transferring and transacting of shares will be subjected to stamp duty.

- **Reduced Access to Information on the Company**

After the delisting of the Company's shares from the SET, the Company will not be required to disclose in accordance with the SET Notification and the SEC Notification. The Company's management and the auditor will not be required to disclose information on their securities holding in accordance with Regulation 59.

Nevertheless, shareholders are still entitled to access information due to the Company's status as a public company limited, according to the Public Companies Act of 1992, such as the annual report, along with financial statements, shareholders meeting report on the approval of the balance sheet, the appropriation of income, and the dividend allocation. In addition, the shareholders still retain the rights to inspect the Company's balance sheet, income statement and the auditor report.

(b) Appropriateness of the Tender Offer Price

The Board of Directors deems that the Tender Offer Price of Bt17.50 per share is reasonable, as it is in line with the criteria according to SEC Notification Kor. Jor. 53/2002 on Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers, in which the offering price must not be less than the higher of :

Criteria	Price per Share
1. The highest of the Tender Offeror or related party specified in Section 258 has acquired the shares during the period of 90 business days before the submission of the Tender Offer Form to the SEC.	-None-
2. The volume weighted average market price of such shares during the period of 5 business days prior to the date on which the Board of Directors of the Company resolves to propose for consideration by the shareholders' meeting the delisting of shares or the date on which the shareholders' meeting resolves to delist the shares from the SET, whichever comes earlier	15.58 ¹
3. The Company's net asset value adjusted for the Company's latest trading price of assets and liabilities.	17.19
4. Fair value of the Company's shares as determined by the financial advisor	15.05 – 17.80 ²

Note :

1. Calculation using the daily average price beginning on April 10, 2007 until April 18, 2007. On April 19, 2007, the Company's Board of Director approved for the convening of meeting of shareholders to consider the delisting of the Company's shares from the SET.
2. Fair value of the common shares as evaluated by the shareholder's Financial Advisor appointed by the Company's Board of Director

4.5. Other Information (if any)

-None-

The Company hereby certifies that the above information is accurate and complete. None of this information is misleading in material aspects and there is no concealment made on any material information that should be disclosed.

Signature *Mr. Yuth Vorachattarn*
(Mr. Yuth Vorachattarn)

On behalf of Siam Commercial Leasing Pcl.

Signature *Mr. Karoon Laoharattanun*
(Mr. Karoon Laoharattanun)

On behalf of Siam Commercial Leasing Pcl.

Siam Commercial Leasing Pcl.

5. OPINION OF THE SHAREHOLDERS' ADVISOR CERTIFIED BY THE SEC

On June 20, 2007, Siam Commercial Leasing Public Company Limited ("the Company") received a copy of the Tender Offer to Purchase Securities document (Form 247-4) from Siam Commercial Bank Public Company Limited (the "Tender Offeror"). In this regard, the Company has appointed Trinity Advisory 2001 Company Limited ("the shareholders' Financial Advisor" or "the Financial Advisor" or "we") as an independent advisor for the Company's minority shareholders. Trinity Advisory 2001 Company Limited is an SEC-approved financial advisor. To provide such independent advice, we rely on a number of sources for information, namely, the Tender Offeror's Form 247-4, information gathered from interviews with the Company's management, and documents provided by the Company such as the financial statements, annual reports, financial projections, and other publicly available information. Our opinions are based on the assumptions that such information gathered by the Financial Advisor or provided by the Company is accurate, complete, and up-to-date. Nonetheless, there may occur changes or events that can materially affect the Company's operations and financial projections as well as the judgments of shareholders regarding the Tender Offer. The opinions of the Financial Advisor are as follows:

5.1 The Appropriateness of the Offering Price

The Tender Offeror has proposed the offering price of the Company's shares at Bt17.50 per share. To determine the appropriateness of the offering price, we conducted valuation by using a number of methodologies, as follows:

5.1.1 Book Value Approach

Valuation based on the book value approach reflects the accounting value of the Company as it appears on the audited financial statements at a point in time. As such, it does not take into account the Company's future performance or general trends in the industry or the economy. Based on the Company's audited financial statements as at March 31, 2007, the book value per share is as follows:

Book value as at March 31, 2007

Shareholder's Equity (Baht)	9,751,457,026
Paid-Up Capital (Shares)	567,797,502
Book Value Per Share (Baht)	17.17

Using this method deriving the Company's book value per share at Bt17.17, which the offering price of Bt17.50 per share is Bt0.33 higher than the book value.

5.1.2 Adjusted Book Value Approach

The share valuation based on this method is determined by the Company's book value adjusted by the addition or reduction of asset, liabilities, and other events occurred after the release of the audited financial statements, and contingent liabilities (if any). The shareholder's Financial Advisor based the valuation on the Company's audited financial statements as of March 31, 2007

1. Long-Term Investments

Long-term investments of Bt38,750,001 is recorded by cost method in the audited financial statements as of March 31, 2007, with fair value of Bt46,642,223.

Adjustments Details

Shareholders Equity as of March 31, 2007	Bt9,751,457,026
+/(-) Long-Term Investment Increase	Bt7,892,222
Total Shareholders' Equity After Adjustments	Bt9,759,349,248
Total Paid-Up Shares March 31, 2007	567,797,502 Shares
Adjusted Book Value Per Share	Bt 17.19 Per Share

Using this method, the adjusted book value of the Company is Bt17.19 per share, which the offering price of Bt17.50 per share is Bt0.31 higher than the adjusted book value.

5.1.3 Market Comparable Approach

- Price to Book Value Approach

The price to book value approach is calculated by multiplying the Company's book value per share with the average price to book value per share ratio ("P/BV Ratio") of the industry and listed comparable companies.

Using this method, the shareholders' Financial Advisor assessed the Company's value derived from the audited financial report as of March 31, 2007, by multiplying the book value of the Company with the average P/BV multiples for the Financial industry as well as with those of comparable listed companies in the sector. Comparable companies include TISCO Bank Plc., Thanachart Bank Plc., and Kiatnakin Bank Plc. These companies are comparable based on their nature of business, size of lending portfolio, and business risks. The average P/BV ratios of the financial industry as well as of the three comparable companies are listed below. P/BV values are based on historical 3 months, 6 months, 9 months, and 12 months values as of June 19, 2007 (the last business day before the submission of the Tender Offer Form (Form 250-2)).

Time period	Average P/BV of the Financial Industry	Price (Baht)	Average P/BV of Comparable Companies	Price (Baht)
Average Value 3 months	1.09	18.73	1.21	20.74
Average Value 6 months	1.09	18.69	1.11	19.01
Average Value 9 months	1.15	19.75	1.11	19.03
Average Value 12 months	1.15	19.68	0.81	13.89

Source: SetSmart

According to the Company's financial statements as of March 31, 2007, the Company's book value was Bt17.17 per share. Using P/BV analysis of the Financial industry, the Company's share should be valued between Bt18.69 – Bt19.75 per share. The resulted price range is Bt1.19 – Bt2.25 per share higher than the offering price. On the other hand, if the averages P/BV for the three comparable companies are used, the Company should be valued at Bt13.89 – Bt20.74 per share, which is higher / (lower) than the offering price by (Bt3.61) – Bt3.24 per share.

- **Price to Earnings Ratio Approach**

The price to earning ratio approach is calculated by multiplying the Company's earning per share with the average price to earning per share ratio ("P/E Ratio") of the industry and listed comparable companies.

Using this method, the shareholders' Financial Advisor assessed the Company's value derived from the audited financial report starting at April 1, 2006 to March 31, 2007, by multiplying the Company's earnings per share with the average P/E ratio of companies in the financial industry, as well as with those of comparable listed companies in the sector, which are TISCO Bank Plc., Thanachart Bank Plc., and Kiatnakin Bank Plc. These companies are comparable based on their nature of business, size of lending portfolio, and business risks. The average P/E ratios of the financial industry as well as of the three comparable companies are listed below. P/E values are based on historical 3 months, 6 months, 9 months, and 12 months values as of June 19, 2007 (the last business day before the submission of the Tender Offer Form (Form 250-2)).

Time period	Average P/E of the Financial Industry	Price (Baht)	Average P/E of Comparable Companies	Price (Baht)
Average Value 3 months	13.13	8.53	35.37	22.99
Average Value 6 months	11.47	7.46	25.84	16.80
Average Value 9 months	11.50	7.47	23.64	15.37
Average Value 12 months	11.04	7.18	23.10	15.01

Source: SetSmart

According to the Company's financial statements, the Company's earning for the period of April 1, 2006 to March 31, 2007 was Bt192.37million, equivalent to Bt0.65 per share. Using the P/E analysis, the Company's share should be valued between Bt7.18 – Bt8.53 per share in which the price range is (Bt10.32) – (Bt8.97) per share lower than the offering price. On the other hand, if the averages P/E for the three comparable companies are used, the Company should be valued at Bt15.01 – Bt22.99 per share, which higher / (lower) than the offering price by (Bt2.49) – Bt5.49 per share.

5.1.4 Market Value Approach

The market value approach is based on the weighted average prices of the Company's shares traded on the Stock Exchange of Thailand. We considered the weighted average of both the prices and the volumes for the past year ending on June 19, 2007 (the last business day before the submission of the Tender Offer Form (Form 250-2)), which can be summarized as follows:

Time period	Weighted Average Price (Baht / share)
Historical weighted average 5 days	16.95
Historical weighted average 15 days	16.92
Historical weighted average 30 days	16.93
Historical weighted average 90 days	16.09
Historical weighted average 180 days	15.47
Historical weighted average 270 days	15.80
Historical weighted average 360 days	20.93

Source: SetSmart and efinanceThai.com (Daily Closing Price)

However, the historical trading volumes for the past two years up to June 19, 2007 (the last business day before the submission of the Tender Offer Form (Form 250-2)) are as follows:

Time period	Average Volume per Day (Shares)	% of Traded Shares per Paid-Up Capital
19/06/2006 – 19/06/2007	16,140.49	0.003
19/06/2005 – 19/06/2006	224,708.61	0.040
19/06/2005 – 19/06/2007	119,817.35	0.021

Source: SetSmart

According to this valuation method, the Company's share price is between Bt15.47 – Bt20.93 per share, which is (Bt2.03) – Bt3.43 per share higher / (lower) than the offering price. The Company's share price in the past 12 month reflects the tender offer in 2006 and the capital increase in the first quarter 2007. Nonetheless, when considering the Company's average historical trading volume, it is apparent that the stock has a relatively low liquidity.

5.1.5 Discounted Cash Flow Approach

The discounted cash flow approach takes into account the ability to generate future profits. The present value of the future cash flow stream is determined by discounting it at an appropriate discount rate. In conducting the discounted cash flow analysis, we prepared a five-year projection (2007 – 2011), based on interviews with the management and relevant personnel, financial statements, as well as other information supplied by the Company, including future business policy. The projection is based on a "going-concern" assumption that the Company's business and its operating environment do not change materially in the future. The objective of the analysis is only to derive an appropriate share price of the Company. However, if there are material changes to the economic condition or other external factors that affect the Company's operations, or if there are changes to the Company itself, the share value may differ from the projected price. In this case, it should be noted that the share value derived from this analysis could not be used for any other purposes except as stated above.

5.1.5.1 The Financial Projection

Assumptions for the Financial Projection

1. Assumptions for hire purchase, long-term lease, and factoring

(1) Hire Purchase

- New hire purchase loans are projected on the Company's business plan, potential hire purchase loans issued in the first 3 months of 2007 (total hire purchase loans issued is approximately Bt3,812 million per months), and management's targets as announced during the interviewed. Base case assumptions are as follows:

	2007	2008	2009	2010	2011
New Hire Purchase Loans (MB/Month)	6,000	7,200	8,640	10,368	12,442
Growth Rate (%) of Hire Purchase Loans		20.00	20.00	20.00	20.00
New : Used Vehicles Ratio	90:10	90:10	90:10	90:10	90:10

- The shareholders' Financial Advisor hereby notices that the Company has significantly changed its hire purchase policies during 2006-2007 (target lending amount for 2007 changed from Bt2,255 million per month to Bt6,000 million per month) and increased hire purchase loans and increase in proportion of new vehicles loans (Please see (7.) "Comparisons between the Assumptions and Information for 2006").
- Hire purchase interest rate of 3.40% per year for new vehicles, and 4.89% per year for used vehicles, based on the Company's business plan and management interviews. (Please see (7.) "Comparisons between the Assumptions and Information for 2006").
- Average length of hire purchase contracts is 55 months, based on the Company's history and interview with the management.
- Revenue recognition is based on the "Sum of the Digit" methodology. The shareholders' Financial Advisor noticed that with the Sum of the Digit method, the standard accounting practices used by the Company and other companies in the same industry has resulted in higher interest revenue recognition at the beginning of the contract period than that of Effective Interest Rate methodology.
- The allowance for doubtful accounts as portion of the loan principal is assumed to be 0.75% for 2007, 1.00% for 2008, and 1.25% for 2009-2011 to reflect the Company's policy (Please see (7.) "Comparisons between the Assumptions and Information for 2006").

(2) Long –Term Lease

- Long-term lease will not be issued after the end of 2006; information based on the Company's business plan and management interviews.
- Revenues from long-term lease contracts issued before the end of 2006 have already been recognized.
- Legal reserve will not be projected for long-term lease.

(3) Factoring

- The Company has terminated the service starting from 2007.

2. Assumptions for Cash and Cash Equivalents

- Cash and cash equivalent is projected to be Bt350 million for the projection period; information based on management interviews.

3. Assumptions for Debt Financing and Interest Expenses

- Long-term financing based on schedule and interest rate as stated in audited financial statements as of December 31, 2006 in the Notes to Financial Statements Clause 19.
- Borrowings for hire purchase business are considered as part of operating activities because new borrowings are used to repay existing coming due debts and utilized for new hire purchase loans.
- New long-term financing as based on the following assumptions :
 - Proportion of both issued and new long-term financing are equal to 40% of total assets; information based on the ratio of long-term financing to total assets as of December 31, 2006. (In the original assumption, the amount of long-term debt came from management interview)
 - Short-term financing will be adjusted in accordance with cash flow during a particular period, with minimum cash and cash equivalents at Bt350 million for the duration of the projection.
 - Assumptions for costs of new financing are as followed:

(Unit: %)	2007	2008-2011
Cost of short-term financing	4.40	4.30
Cost of long-term financing	4.30	4.10

Source: Management interviews

4. Assumptions for Operating Expenses

- Salary and compensation are expected to grow at 10% per year, in accordance with the business growth of the Company: information based on salary and compensation in 2006.

- Other expenses, excluding salary and compensation, are kept at a constant proportion to interest income at 13.43% throughout the projection, and based on their proportion to interest income in 2006.

5. Assumptions for Dividend Payment and Capital Funding

- The projection assumes that the Company does not raise additional equity funding except the capital funding in the first quarter 2007, which has already been completed.
- Dividend payout follows the Company's dividend payout policy; which the dividend payout shall not exceed 70% of the net profit. Therefore, during the projected period, the dividend payout will be at 70%, which equals to the maximum dividend payment policy of the Company. The average dividend payout rate for the past three years is 45% and 52% for the past five years.

6. Tax Assumptions

- Tax calculation is based on the corporate tax rate of 30%
 - In business operation, the valuation of actual corporate tax rate paid could be different from corporate tax rate shown in the financial accounting. The difference could be affected by the depreciation of the underlying assets and the policy for income recognition. Therefore, the tax rate of each year cannot be clearly predicted.
 - The average actual tax rate paid for the past three years is 34% and the tax rate from the past five years is 31%.

7. Comparisons between the Assumptions and Information for 2006

- Assumption for Ratio of New and Used Vehicles

Ratio of new and used vehicles loans for forecasted years is at 90:10 differs from the actual figure in 2005 and 2006, which was 66:34 and 58:42, respectively. The Financial Advisor uses the assumption on the ratio of new and used vehicles based on the Company's business plan and new lending trend from the first 3 months of 2007, along with target of new loans according to management interviews which comes to about 90:10
- Assumption for Allowance for Doubtful Accounts

For the year ended December 31, 2006, the Tender Offeror holds 95.47% of the Company's share capital. The Bank of Thailand has issued the Consolidated Supervision guideline and required the financial institutions to comply with such guideline, which became effective on July 12, 2006. According to such guideline, the

subsidiary companies whose share capital is held by the bank over 75% is in the group of Solo Consolidation and must act according to the guideline as the Tender Offeror. Therefore, the Company changed the accounting estimation of allowance for doubtful accounts for the year ended December 31, 2006, by using Collective Approach. In 2006, allowance for doubtful account for hire purchase loan was at 0.58%, increasing from 0.13%. For the forecasted years, the Financial Advisor uses the assumption that the allowance for doubtful accounts to hire purchase principal at 0.75% for 2007 and 1% for 2008, and 1.25% for 2009-2011, to reflect the Company's policy on allocating the allowance for doubtful accounts. The aforementioned assumptions are based on the Company's business plan and management interviews.

- Assumption for Interest Rate Received

Assumption for annual interest rate received uses Flat Rate which equals to 3.40% for new vehicles in the forecasted year (new vehicles loans amount to 90% of the total hire purchase loan). Using Effective Rate, the annual interest rate received will be 6.38%, compared to the Effective Rate for year 2006 and 2005 of 7.28% and 8.29%, respectively. The aforementioned assumptions are based on the interest rate for hire purchase loan for new car at the end of 2006 and management interviews on the declining trend of the interest rate in the future.

- Assumption for Interest Rate Paid

Assumption for annual interest rate paid on short-term loan for 2007 is at 4.40% and long-term loan at 4.30%. Assumption for 2008 - 2011 for annual interest rate paid on short-term loan is at 4.30%, and 4.10% for long-term loan, which is close to the average interest rate paid in 2006 at 4.14%, but higher than interest rate paid in 2005 at 3.18%. The aforementioned assumptions are based on the management interviews.

Financial Projections**1. Pro Forma Balance Sheet**

(Unit: Baht million)	2006*	2007	2008	2009	2010	2011
ASSETS						
Cash and cash equivalents	322	350	350	350	350	350
Hire-purchase accounts receivable, net	53,372	103,462	153,710	204,208	254,295	303,547
Lease accounts receivable, net	918	918	572	356	246	223
Factoring accounts receivable, net	33	-	-	-	-	-
Notes receivable, net	138	138	138	138	138	138
Receivable from and loans to employee, net	20	20	20	20	20	20
Assets for sale	524	259	311	373	448	537
Other current assts	1,336	1,336	1,366	1,336	1,336	1,336
Other long-term investments	39	39	39	39	39	39
Property plant and equipment, net	197	191	179	160	136	106
Other non-current assets	19	19	19	19	19	19
TOTAL ASSETS	56,916	106,731	156,672	206,999	257,026	306,315
LIABILITIES AND SHAREHOLDERS' EQUITY						
Bank overdrafts and short-term loans from financial institutions	25,891	51,972	81,783	111,755	141,323	170,414
Income tax payable	51	51	51	51	51	51
Other current liabilities	1,954	1,954	1,954	1,954	1,954	1,954
Total Loans	22,709	42,692	62,669	82,799	102,810	122,526
Total lease guarantee contracts	146	178	111	69	48	43
Other non-current liabilities	7	7	7	7	7	7
TOTAL LIABILITIES	50,758	96,855	146,575	196,635	246,193	294,995
Authorized share capital	2,150	5,678	5,678	5,678	5,678	5,678
Issued and paid-up share capital	2,150	5,678	5,678	5,678	5,678	5,678
Premium on share capital	2,299	2,299	2,299	2,299	2,299	2,299
Retained earnings:						
Legal reserve	216	280	354	442	568	568
Un-appropriated retained earnings	1,492	1,620	1,767	1,944	2,288	2,775
SHAREHOLDERS' EQUITY	6,158	9,876	10,097	10,363	10,833	11,320
LIABILITIES AND SHAREHOLDERS' EQUITY	56,916	106,731	156,672	206,999	257,026	306,315

* From audited financial statement

2. Pro Forma Income Statement

(Unit: Baht million)	2006*	2007	2008	2009	2010	2011
Income from hire-purchase contracts and related income	3,465	5,333	7,982	10,907	13,872	16,216
Income from lease contracts and related income	66	62	39	24	17	15
Income from factoring accounts receivable	37	-	-	-	-	-
Total income from interests and fees	3,568	5,395	8,021	10,931	13,889	16,231
Interest expenses	1,717	3,038	4,913	6,999	9,048	11,078
Income from interests and fees, net - before bad debt and provision for doubtful accounts	1,851	2,357	3,108	3,932	4,840	5,154
Bad debt and provision for doubtful accounts	525	480	771	1,032	634	623
Total income from interests and fees, net	1,326	1,877	2,337	2,900	4,206	4,530
Other income	248	162	236	324	432	560
Operating expenses						
Selling and administrative expenses	1,056	1,122	1,515	1,949	2,395	2,762
Director remuneration	8	8	8	8	8	8
Total operating expenses	1,063	1,130	1,522	1,957	2,402	2,770
Net income before tax	510	909	1,051	1,267	2,236	2,321
Income tax	230	273	315	380	671	696
<u>Net income</u>	281	636	735	887	1,565	1,625
Weighted average number of ordinary shares (Million shares)	214.98	567.78	567.78	567.78	567.78	567.78
Earnings per share (Baht per share)	1.31	1.12	1.30	1.56	2.76	2.86

* From audited financial statement

3. Pro Forma Statement of Cash Flow

(Unit : Baht Million)	2006*	2007	2008	2009	2010	2011
Net income	281	636	735	887	1,565	1,625
Items to reconcile net income to net cash provided by operating activities						
Depreciation expenses	30	36	42	48	54	60
Bad debt and provision for doubtful accounts	525	480	771	1,032	634	623
Intangible assets	2	0	0	0	0	0
Gains from sales of land & equipment	(9)	0	0	0	0	0
Prepaid Interest Amortization	420	0	0	0	0	0
<i>Net cash from operating activities before changes in operating assets and liabilities</i>	1,249	1,152	1,548	1,968	2,253	2,308
Operating assets (increase) and decrease						
Hire-purchase accounts receivable	(17,966)	(50,571)	(51,018)	(51,531)	(50,721)	(49,876)
Lease accounts receivable	183	0	346	216	110	23
Factoring accounts receivable	381	33	0	0	0	0
Notes receivable	112	0	0	0	0	0
Receivable from and loans to employees	8	0	0	0	0	0
Assets for sale	(310)	264	(52)	(62)	(75)	(90)
Terminated contracts of hire purchase receivable	(242)	0	0	0	0	0
Other current assets	(908)	0	0	0	0	0
Other non-current assets	(4)	0	0	0	0	0
Income tax payable	(114)	0	0	0	0	0
Accrued interest expenses	44	0	0	0	0	0
Accrued expenses	637	0	0	0	0	0
Other current liabilities	326	0	0	0	0	0
Other non-current liabilities	(21)	0	0	0	0	0
Lease guarantee contracts	(33)	32	(67)	(42)	(21)	(4)
Net cash flows used in operating activities	(16,657)	(49,089)	(49,243)	(49,451)	(48,454)	(47,639)
Cash flows from investing activities						
Investment in Property plant and equipment	(64)	(30)	(30)	(30)	(30)	(30)
Other long term investment	1	0	0	0	0	0
Net cash flows used in investing activities	(63)	(30)	(30)	(30)	(30)	(30)
Cash flows from financing activities						
Bank O/D and S-T loans from financial institutions increase (decrease)	16,210	26,081	29,811	29,972	29,568	29,090
Long-term loans increase (decrease), net	(3,920)	19,983	19,976	20,131	20,011	19,715
Dividend paid	(430)	(445)	(515)	(621)	(1,095)	(1,137)
Cash from Warrant Exercise / Capital Increase	0	3,528	0	0	0	0
Cash from Factoring Account Sales	5,000	0	0	0	0	0
Net Cash flows from financing activities	16,860	49,148	49,273	49,481	48,484	47,669
Net Cash Flows	140	28	0	0	0	0

* From audited financial statement

5.1.5.2 Sensitivity Analysis

The shareholders' Financial Advisor has conducted sensitivity analysis by adjusting pertinent assumptions, in this case, the interest rate for hire purchase, to analyze the changes in the Company's net income, net income per share, and book value.

The shareholders' Financial Advisor uses 3.40% interest rate for hire purchase as the base to derive at the sensitivity analysis. Such information is based on the interest rate for new hire purchase at the end of 2006 and interviews with the management regarding the future decline in interest rate. As the interest rate base is relatively low comparing to the Company's rates at the end of 2006 of approximately 3.75%, The shareholders' Financial Advisor assumes that the Company will be able to outperform the base case interest rate by 0.10% to 0.20% in the next 5 years.

■ Net Income (Unit: Baht Million)

(Unit : Baht Million)	2007	2008	2009	2010	2011
Interest Rate for Hire Purchase = 3.40% (Base Case)	636	735	887	1,565	1,625
Interest Rate for Hire Purchase = 3.50%	667	831	1,043	1,779	1,882
Interest Rate for Hire Purchase = 3.60%	699	927	1,200	1,993	2,140

■ Net Income per Share (Unit: Baht per Share)

(Unit : Baht per Share)	2007	2008	2009	2010	2011
Interest Rate for Hire Purchase = 3.40% (Base Case)	1.12	1.30	1.56	2.76	2.86
Interest Rate for Hire Purchase = 3.50%	1.18	1.46	1.84	3.13	3.31
Interest Rate for Hire Purchase = 3.60%	1.23	1.63	2.11	3.51	3.77

■ Book Value (Unit: Baht per Share)

(Unit : Baht per Share)	2007	2008	2009	2010	2011
Interest Rate for Hire Purchase = 3.40% (Base Case)	17.39	17.78	18.25	19.08	19.94
Interest Rate for Hire Purchase = 3.50%	17.41	17.85	18.40	19.34	20.34
Interest Rate for Hire Purchase = 3.60%	17.43	17.92	18.55	19.60	20.73

5.1.5.3 Discounted Cash Flow Valuation

The shareholders' Financial Advisor deems that two types of discounted cash flow valuation are appropriate for valuing the Company or other companies in the financial services sector.

1. Discounted Free Cash Flow to Equity

Assumptions:

- Free cash flow to equity is calculated by using cash flow from operations (excluding changes in loans) deduct investments/capital expenditures
- Free cash flow from operation does not include the Company's cash flow used in new lending and borrowing. In deriving at the financial projection of financial businesses, it is generally assumed that the Company can rollover loans by always borrow funds to repay existing coming due debt obligations. Nevertheless, the effects of fulfilling debt obligations are reflected in the calculation of the terminal value, which states in the book value, taking into consideration the debt payment.
- The discount rate is the cost of equity (Ke), which derived from the CAPM Model:

$$\begin{aligned} K_e &= R_f + \text{Beta} \times (R_m - R_f) \\ &= 12.49\% \end{aligned}$$

Where,

Rf = Risk free rate based on the return from 5 years government Bond as at April 17, 2007, yielding 3.79% per year

Beta = 0.84x, based on the Company's beta from January 1, 2006 to December 31, 2006 (Source: Bloomberg L.P.)

Rm = Expected market return, which is assumed to be 14.15% for base case scenario, using the compound annual growth rate (CAGR) of the SET Index during 2000 – 2006

- The calculation of the terminal value uses the adjusted book value at the final projected year by subtracting the final year's book value with free cash flow to equity and interim dividend payment (in order the adjust the book value in the final year to reflect the true cash flow to equity)

Valuation using Free Cash Flow to Equity

(Unit : Baht Million)	2007	2008	2009	2010	2010
Cash Flow From Operation Before Changes in Operational Assets and Liabilities	1,152	1,548	1,968	2,253	2,308
Cash Flow From Operation, excluding Loans	296	(119)	(104)	(96)	(94)
Cash flow from investments	(30)	(30)	(30)	(30)	(30)
Free Cash Flow to Equity	1,418	1,399	1,833	2,127	2,184
Adjusted Book Value (Terminal Value)					6,172
Present Value of Free Cash Flow	6,195	5,551	4,845	3,617	1,941
Present Value of Terminal Value	3,426				
Shareholders' Equity	9,621				

The Company's equity value is Bt9,621 million or Bt16.95per share (total paid-up shares as of March 31, 2007 was 567.8 million shares)

Sensitivity Analysis

The shareholders' Financial Advisor has prepared the sensitivity analysis of the free cash flow to equity by varying the expected market rate of return and interest rate on hire purchase lending.

■ Share Value (Baht Per Share)

(Unit: Baht Per Share)	Expected Market Return (Rm)		
	13.15%	14.15%	15.15%
Interest Rate for Hire Purchase = 3.40% (Base Case)	17.43	16.95	16.48
Interest Rate for Hire Purchase = 3.50%	18.31	17.81	17.32
Interest Rate for Hire Purchase = 3.60%	19.20	18.67	18.17

Using this valuation method we valued the Company at Bt16.48– Bt 19.20 per share.

5.1.5.4 Dividend Discount Model**Assumptions**

For valuation using the dividend discount model, the shareholders' Financial Advisor uses the following assumptions:

- Annual dividend payment at 70% of net profit, with interim dividend payment in respective year
- Discount rate equals to the cost of equity, using the same calculation method as the discounted free cash flow to equity at 12.49%
- Calculate Terminal value by using the book value of the last year of the projection (book value equals total assets subtract total liabilities)

Valuation using Dividend Discount Model

(Unit: Baht million)	2007	2008	2009	2010	2010
Interim Dividend Payment	445	515	621	1,095	1,137
Book Value (Terminal Value)					11,320
Present Value of Interim Dividend Payment	2,554	2,428	2,217	1,872	1,011
Present Value of Terminal Value	6,284				
Shareholders' Equity	8,838				

The Company's equity value is Bt8,838 million or Bt15.57 per share (total paid-up shares as of March 31, 2007 was 567.8 million shares).

Sensitivity Analysis

The shareholders' Financial Advisor has prepared the sensitivity analysis of the free cash flow to equity by varying the expected market rate of return and interest rate on hire purchase lending.

- Share Value (Baht Per Share)

(Baht per share)	Expected Market Return (Rm)		
	13.15%	14.15%	15.15%
Interest Rate for Hire Purchase = 3.40% (Base Case)	16.10	15.57	15.05
Interest Rate for Hire Purchase = 3.50%	16.95	16.39	15.85
Interest Rate for Hire Purchase = 3.60%	17.80	17.22	16.66

Using this valuation method we valued the Company at Bt15.05 – Bt17.80 per share.

Conclusion on DCF Valuation

According to the valuation based on the Discounted Free Cash Flow to Equity and the Dividend Discount Model, we derived the appropriate value for the Company to be in the range of Bt16.48–Bt19.20 per share and Bt15.05 – Bt17.80 per share, respectively.

However, in using Discounted Free Cash Flow to Equity to value the Company, it is pertinent to take into consideration the free cash flow to equity used in calculating the total cash flow that could be used to make dividend payments. The shareholders' Financial Advisor takes into account the constraint that the Company does not pay dividends in excess of 70% of net profit, based on the Company's dividend policy. Concurrently, 30% of the cash flow for each year is used as cash for investment or business operations. This fact is reflected in the Company's terminal value, which uses the book value in the final projected year.

Considering this constraint, we believe that the Dividend Discount Model, which takes into account the constraints of the Company, is more appropriate.

Given these considerations, the appropriate value according to the Dividend Discount Method is Bt15.05 – Bt 17.80 per share.

Conclusion on the Offering Price

The table below compares the offering price and the Company's share price according to different methodologies.

Methodology	Valuation (Baht/ Share)	Offering Price (Baht/ Share)	Higher (Lower) than the Offering Price (Baht/ Share)
1. Book Value Approach	17.17	17.50	(0.33)
2. P/BV Approach	17.19	17.50	(0.31)
3. P/E Approach	13.89 - 20.74	17.50	(3.61)-3.24
4. Market Value Approach	7.18 - 22.99	17.50	(10.32) - 5.49
5. Adjusted Book Value Approach	15.47 - 20.93	17.50	(2.03) - 3.43
6. Discounted Cash Approach	16.48 -19.20	17.50	(1.02) -1.70
7. Dividend Discount Approach	15.05	17.50	(2.45) - 0.30

Each of the valuation methodology presented has its own benefits, drawbacks, and limitations as follows:

1. Book Value Approach

The book value approach relies on the information from financial statements, which most accurately reflects both historical and current asset values. However, this approach neglects the Company's ability to generate future profits and does not take into consideration the Company's strategy and competitive ability.

From the past performance, the Company is able to materially expand its hire purchase portfolios. Nonetheless, in 2006, it faced intensified competition, resulting in the inability to adjust its lending rate to be in line with the rising cost of financing. Therefore, the book value approach is an inappropriate methodology for evaluating due to its lack of incorporating future prospects of the Company.

2. Comparables Approach (P/BV and P/E)

The accuracy of valuation using the P/BV and P/E approaches depends on the Company's historical market transactions statistics and the quality of statistics from comparable companies. These methods compare the Company's book value per share and earning per share to those of market comparables.

Theoretically, both approaches reflect various factors, both internal and external, such as the Company's ability to generate profitability, capital structure, the business' growth prospects, market competition, the capital markets' trading environment, and liquidity of the Company's traded shares.

In valuing the Company, we realized that there are not many listed companies with identical operations and the selected comparables used are somewhat fundamentally different from the Company, such as the ratio of vehicle hire purchase income or the proportion of new and used vehicles and the size of the underlying assets. Moreover, this valuation method is not compatible with the potential changes in operation policies of the Company. Thus, the shareholders' Financial Advisor deemed that this approach is inappropriate for valuing the Company.

3. Market Value Approach

The Market Value Approach uses the actual transaction on the Stock Exchange of Thailand as reference. Theoretically, the market value should reflect a company's business fundamentals, the liquidity of the company's stocks, and expectations of stock analysts and investors.

Given the fact that the Company's stock is not actively trading in the market, compared to other securities, the stock prices may trade at liquidity discount. Thus, we view that the Market Value Approach should be used only as a benchmark to assess the validity of other approaches.

4. Adjusted Book Value Approach

The Adjusted Book Value approach relies on the information from financial statements, which most accurately reflects both historical and current asset values, and adjusts the book value with asset values, liabilities and other activities occurred after the reporting of the audited financial statement. Although this approach is believed to be the most accurate, there are some limitations. It does not reflect the Company's ability to generate profit, to follow the business plan, to compete and to operate in the future.

From the past performance, the Company is able to materially expand its hire purchase portfolios. Nonetheless, in 2006 to the first quarter 2007, the Company faced intensified competition, resulting in the inability to adjust its lending rate to be in line with the rising cost of financing. Therefore, the adjusted book value approach is an inappropriate methodology for evaluating due to its lack of incorporating future prospects of the Company.

5. The Discounted Cash Flow Approach

The Discounted Cash Flow Approach requires the preparation of the Company's financial projections and the calculation of the present value of the projected cash flow stream. The preparation of the financial projection is based on various sources of information such as historical operating statistics, interviews with the management, or information regarding the Company's industry to derive at the assumptions. This information is subject to change due to both internal and external factors.

In using the Discounted Cash Flow Approach, it is necessary to consider other relevant factors, due to the fact that the Free Cash Flow to Equity in the calculation of all cash flow for dividend payment provides a constraint by its inability to recognize interim unrealized value due to the Company's dividend policy, which requires that dividend payment shall not exceed 70%. This method does not take into consideration the aforementioned constraints.

6. The Dividend Discount Approach

The Dividend Discount Approach is based on the Company's dividend policies that could vary over time. This approach has taken into the account the past performance and the ability of the Company to perform in the future by considering the highest dividend payment level which is at 70% of net profit, while the rest of the cash flow of 30% for the particular year will be used for cash for investment or business operations. This fact is reflected in the Company's terminal value, which uses the book value in the final projected year.

We view that the Discount Cash Flow approach should consider the projection from the Dividend Discount Approach, as it is more compatible to the Company's limitations and better reflects the future return for shareholders.

Therefore, the appropriate share price should be between Bt15.05-17.80 per share.

5.2 Appropriate Rationale Regarding the Acceptance or Refusal of the Offer

5.2.1 Reasons to accept the Tender Offer

1. Appropriateness of the Offering Price

The offering price of Bt17.50 per share is an appropriate price for the shareholder since it is within the appropriate range from the valuation with Dividend Discount Model, at Bt15.05 to 17.80 per share.

2. Lack of Trading Liquidity

Siam Commercial Bank Public Company Limited held 549,791,101 shares or 96.83% of the Company's total paid-up shares in which only 3.17% of the total paid-up capital are shareholders who are not relating to the Tender Offeror. As a result, the number of Company's shares trading in the stock exchange market is very small creating illiquidity and minimal attention from the investors.

3. Loss of Tax Privileges

Without the listing status, individual shareholders will not be exempt from the capital gains tax. And without Thailand Securities Depository Company Limited (Thailand) acting as the shares registrar, the transferring and transacting of shares will be subjected to the stamp duty.

4. Balancing Power and Control

Because the Tender Offeror holds 96.83% of the Company's total paid-up shares which accounts more than $\frac{3}{4}$ of the vote, other shareholders cannot evaluate, review, oppose, or reject policies proposed by the Tender Offeror, creating a lack of authority in check and balance. The Tender Offeror will be able to institute policies and directions, such as management plan, business strategy, and dividend policy, after the Company is delisted from the SET.

5.2.2 Reasons to Not Delist

1. Future Business Operation

After the delist process is completed, the Company's business can continually operate in which the Tender Offeror will not materially change business policies. With the Tender Offeror as the largest shareholder, the Company's business may perform better in terms of competition since the Tender Offeror has wide range of service networks and opportunities in the form of commercial bank. Furthermore, the Tender Offeror is financially strong and will be able to assist the Company in its future funding needs. However, financial supports must strictly follow the Tender Offeror's risk management policies.

5.3 Benefits and Effects from the Offeror's Policies and Plans

After the delist process is completed, the business can continually operate with benefits and effects from the Tender Offeror's policies and plans such as follows:

- The Company Status

The Tender Offeror will proceed with the delisting of the Company ordinary shares from the Stock Exchange of Thailand; consequently, the Company obligation to disclose information to the Securities and Exchange Commission pursuant to Section 56 Re: Disclosure of financial position and business operation of the Company and Section 59 Re: Reports of Securities holdings in which the director, manager, person who holds management position shall prepare and disclose reports on each person's securities holding and the holding of securities by his spouse and minor children of securities in the Company will cease. This results to less information on the Company to be received by shareholders.

The Tender Offeror has no intention to sell the shares of the Company within twelve months from the end of the Tender Offer period, except for the transaction between companies within the Tender Offeror's group.

- Policies and Plans of Business Operations

Pursuant to the plan of the "One Presence" policy under the finance sector master plan, this might result in uncertainty in the Company's future business policies which is subject to the policies of the Tender Offeror such that it would have impacted the Company's hire purchase business.

In the event that the Tender Offeror changes the policies or business plans in relation to the operation of hire purchase business or leasing business, the Tender Offeror might

change the policies or business plans to reflect the policies or business plans of the Tender Offeror as may be deemed appropriate.

- **Connected Transaction**

The Tender Offeror had connected transactions with the Company and its affiliates as of March 31, 2007 with the significant transactions as stated in the financial statements. Loan agreement terms and other terms related to connected transactions are within the normal business practice.

If the Tender Offer is successful, the Offeror may increase the financial support to the Company based on the Offeror's risk management framework.

- **Share Sales Plan**

The Tender Offeror has no plan to sell the shares of the Company, which is currently held and to be acquired by the Offeror through the Tender Offer to third parties. The shareholding of the Tender Offeror in the Company creates a lack in check and balance in policy-making and management of the Company.

However, the shareholding of the Tender Offeror in the Company could change in the future in order to reflect the Company's or the Tender Offeror's policies and business plans.

5.4 Delisting Process

According to the Securities and Exchange Act (A.D. 1992) Section 255, an entity or individual that has submitted the Tender Offer for shares of a company whether successful or not, may not submit another Tender Offer for the same company in a period of less than one year after the date stated in the last Tender Offer of the company, unless approved by the SEC. The last tender offer period in which the Tender Offeror submitted the Tender Offer for the Company's shares was between March 13 to April 28, 2006. In accordance with the Act's, the Tender Offeror's current Tender Offer to purchase the Company's securities is in the period of over one year from April 28, 2006 because the Tender Offeror submitted the Tender Offer to Purchase Securities (Form 247-4) on June 20, 2007, with the Tender Offer Period from June 21 to August 24, 2007, for a total of 45 business days. The SET has approved for the delisting of the Company's shares from the Stock Exchange of Thailand, on the condition that the Tender Offeror must tender offer to purchase the Company's securities from other shareholders, in accordance with the regulation mandated by the SEC.

Conclusion of the Financial Advisor's Opinion

The shareholders' Financial Advisor is of the opinion that the Tender Offer and the Offer Price are fair and reasonable. In considering of and acting on this Tender Offer, shareholders can review the relevant information, rationale, and opinion on pertinent issues provided herein by the shareholders' Financial Advisor as part of the decision making. The final decision in whether to accept or reject the Tender Offer, must be at the discretion of individual shareholder.

We, the Financial Advisor, hereby certify that our opinion has prudently been presented in compliance with professional standards and principles, with due regards for the interest of the shareholders.

Signature

Mr. Pises Sethsathira

(Mr. Pises Sethsathira)

Financial Advisor to the Shareholders

Signature

Ms. Maneerat Jangjamjitt

(Ms. Maneerat Jangjamjitt)

Financial Advisor to the Shareholders

Trinity Advisory 2001 Company Limited