



Strive for
fulfilling every
destination



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⇒ Financial Highlights ↓

Unit : Baht Millions

	2001	2000	1999
Total Current Assets	1,246.97	1,324.17	1,040.96
Total Assets	2,299.19	2,367.79	2,176.39
Total Current Liabilities	869.17	897.77	510.50
Total Liabilities	1,687.71	1,781.84	1,515.54
Shareholders' Equity	611.48	585.95	660.85
Paid-up Capital	2,355.56	2,355.56	2,355.56
Sales and services income	3,729.57	3,004.74	1,703.95
Total Revenues	3,820.24	3,108.67	1,830.13
Cost of sales and services	3,331.07	2,637.06	1,262.12
Gross Profit	398.50	367.68	441.83
Selling & administrative expenses	417.42	450.95	628.65
Net Profit (Loss)	25.53	(74.90)	(198.40)
Book Value per share (Baht)	2.60	2.49	2.81
Earnings (Loss) per share (Baht)	0.11	(0.32)	(3.67)
Dividend per share (Baht)	-	-	-
Current Ratio (Times)	1.43	1.47	2.04
Liabilities to Equity Ratio (Times)	2.76	3.04	2.29
Debts to Equity Ratio (Times)	1.45	1.70	1.72
Net Profit (Loss) on Total Revenues (%)	0.67	(2.41)	(10.84)
Return on Equity (%)	4.26	(12.01)	N.A.
Return on Total Assets (%)	1.09	(3.30)	(8.49)



A touch beyond

driving pleasure



Vision :

To be the most successful premium car dealer
in Thailand

Mission :

To be the best exclusive Volvo Dealer
by serving the safest and most exciting
car experience for modern families
while creating stakeholder value
through continuous growth
and sustainable profitability



Report from

⇒ the Chairman

↓



TO OUR SHAREHOLDERS

- ▶ Due to the impact of the global economic downturn also the Thai economy was affected in a negative way during the year of 2001. The terrorist attacks in New York and Washington on the 11th of September had a further negative influence on the economic development. Despite this Swedish Motor Corp. managed to increase the sale of new cars by more than 27% compared to the year 2000. But due to a very tough competition in the luxury car segment it was very difficult to reach the required objective for the financial result. With a new organization in place combined with the positive recovery of the world economy and the local economy we are aiming for an improved result in the year of 2002 both in sales and financial result.
- ▶ During 2001 the company has further developed and implemented processes in order to increase the customer satisfaction both when it comes purchasing as well as servicing the car. Independent research, done by Volvo Car Corporation, now shows a clear trend towards more satisfied customers in both areas. This is very encouraging and the board will support the management in its work for further improvements during 2002.
- ▶ During the year the company has also made further investments in our showrooms and service centers to bring them up on a world standard. All the facilities now meet the required Volvo standard.
- ▶ On behalf of the Board of Directors, I would like to extend my sincere gratitude to the management and staff in SMC for their dedicated efforts. With a structural and management change during the year, all parties have given their support allowing the Company to operate under a transition period smoothly.
- ▶ I look forward to seeing the success and prosperity of the Company in the years to come

Ekamol Kiriwat

Ekamol Kiriwat
Chairman



On the road to success ...

with greater feeling than ever



For a feeling of driving security in your Volvo,
SMC offers professional service
through our Volvo authorized service centers
throughout Bangkok metropolitan area.



Report from

⇒ the Board of Directors

↓

SWEDISH MOTORS GROUP OF COMPANIES

➤ Swedish Motors Corporation Public Company Limited (SMC) is a public listed company on the Stock Exchange of Thailand (SET), which operates the core business of the group. The core business comprises sales and after sales service of Volvo passenger cars in the Bangkok Metropolitan area. Currently, SMC has total of 11 business units comprising of 8 independent branches.

➤ SMC is the parent company in the group. SMC has five non-trading subsidiary companies and one associated company, Scandinavian Leasing Public Company Limited.

INDUSTRY OUTLOOK

➤ The Thai economy slowed down since the beginning of 2001, mainly due to the adverse impact of the global economic slump. The terrorist attack in New York on September 11, further dampened the US economy as well as world economy. The slack in world demand led to a sharp fall of oil prices during the last quarter of 2001 whereas the total car market in the Kingdom still expanded about 13% from year 2000. The economy is expected to expand by 2 to 3 percent in 2002 and in the first half of the year 2002, stimulus to the public sector is likely to continue, and the recovery in private spending, notably construction investment and consumption, will also help to drive economic growth. However, growth in the medium term will also depend on the pickup in global demand, which is currently expected to happen in the second half of the year. We estimate that in 2002, the total car market would not have a significant improvement from the previous year.



➤ In 2001, the passenger car market expanded about 25% and constituted about 34% of the total vehicle market in the Kingdom. It is estimated that the expansion of the passenger Car Market in 2002 would be about 5-6% compared to the year 2001. The upper medium and executive segment expanded about 40% in 2001 and in 2002, this market segment is estimated to expand at the same rate as the total passenger car segment, with approximately 6%.

➤ The sales of Volvo cars in the year 2001 increased about 9% compared to 2000. Volvo is planning for a substantial growth in 2002 of about 40% from the year 2001, in order to regain its segment share.



➤ The competition among the luxury passenger cars in the Thai market was very intense in 2001 and it is expected to continue. Although, sluggish sales and other economic factors affected the profitability of SMC during the past year, SMC has invested in network development and other initiatives such as implemented Volvo standard sales and after-sales process in order to improve customer satisfaction. SMC is committed to improve its customer satisfaction and believes that these investments will generate return on investments in the future. For the year 2002, remuneration of all front-line staff are not only based on their productive performance, but also on an performance index how they are able to satisfy our customers. These key performance indicators are measured monthly and are the basis on SMC's transformation and growth to become the most customer focused retailer of luxury cars in the greater Bangkok area.

➤ During the year 2001, Volvo launched 3 new, exciting and modern products, namely the S60 - symbolizing the ReVolvolution, the new V70 - an elegant and dynamic sports wagon and the all wheel drive Volvo Cross-Country. Volvo has during a very short time, totally changed its product program, which gives SMC the most dynamic and widest program of cars of any luxury competitor.

➤ The major marketing activities in 2002 will be slightly different from last year as we will concentrate not only on maintaining retention customers but also penetrate Conquest customers. The Company will work jointly with Volvo and its strategic partners, in order to communicate about Volvo's distinguished product image and the high-standard service quality. The main objective is to be the number one, in respect of customer satisfaction.

RISK FACTORS

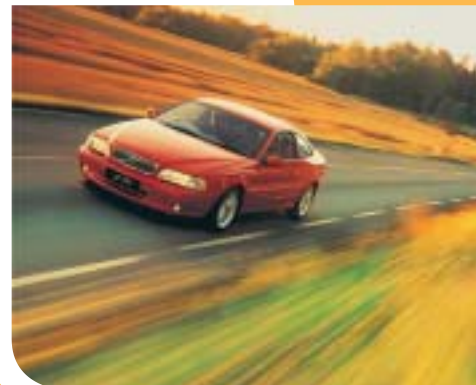
➤ Although the effect from the world economic fluctuations, politic and government stability in Thailand will affect the overall market, including the automotive market. The luxury car market is difficult to predict based on a normal general consumption pattern, yet it is believed the general economic atmosphere will influence customers' decision in private investment and spending in a positive way.

▶ The fluctuation of the foreign exchange will not have a material impact on a Company's balance sheet, since the outstanding debts are primarily in Thai Baht.

▶ The Company did not have any significant litigation during the year 2001, except for a minor case with the revenue department, whereby the outcome is not expected to have any significant impact on the Company's financials. The case of a small non-operating asset sale, as reported last year was resolved without any damage to the Company. Presently, the Company does not have any likely further litigation cases of any significant magnitude.

LOOKING AHEAD

▶ It has been more than 2 years since the Company made a comprehensive financial restructuring. Though, the results during the past 2 years were not as good as it was projected due to the slowdown in the recovery of the Thai economy. However, the management and all employees are working together in trying to bring the Company back to its previous performance. There are changes taking place in every day of life in Thailand and at SMC and we are all happy to move forward with continuous improvement and to grab every opportunity at hand.





⇒ Board of Directors



Mr. Ekamol Kiriwat

Education

Age: 56 **Chairman**
: M.B.A. (Finance), Harvard Graduate School of Business Administration, USA.
A.B. Magna Cum Laude (Economics), Dartmouth College, USA.

Experience

Present : Member of Parliament (Partylist), Democrat Party
1997-2000 : Director in the Court of Directors, Bank of Thailand
1992-1995 : Secretary-General, Office of the Securities and Exchange Commission



Mr. Robert Norrman

Education

Age: 53 **Director and Chief Executive Officer**
: M Sc in Business Administration, University of Gothenburg, Sweden, 1972

Experience

Jan. 2002-Present : Chief Executive Officer, Swedish Motors Corporation PCL.
2000-2001 : Managing Director, Volvo Car South Africa
1995-1999 : Area Manager, Volvo Car International AB
1993-1995 : Managing Director, Saljkanalen AB



Prof. Dr. Pakorn Adulbhan, Royal Fellow **Age: 64** **Director and Audit Committee Chairman**

Education

: Ph.D., Industrial and Systems Engineering, Georgia Institute of Technology (Georgia Tech), Atlanta, Georgia, USA.
M.S., Industrial Engineering and Management Sciences, Northwestern University, Evanston, Illinois, USA.
B.Eng. Industrial Engineering, and B.Eng. Mechanical Engineering, Chulalongkorn University

Present position:

: Fellow in Engineering, The Royal Institute
: Director and Executive Committee, Federation of Thai Industries (FTI)

Experience:

Aug. 1999-Jan 2002 : President and Professor, The University of the Thai Chamber of Commerce
1982-1997 : Executive, Siam Cement Group of Companies



Mr. Panja Senadisai

Education

Age: 53 **Director and Audit Committee Member**
: Master's Degree in Business Administration,
Suffolk University, Massachusetts, USA

Experience

Jan.1999-Present : Advisor & Director, CVD Entertainment PCL.
Oct.1997-Present : Advisor & Director, KCE Electronics PCL.



Mr. Håkan Skoglund

Education

Age: 35 **Director and Audit Committee Member**
: BSc (Economics), Lund University
BA (Thai Language & Asian Studies), Lund University

Experience

1996-Present : Managing Director, Connector Asia Co., Ltd., Bangkok
: Director, S.E.A., Consultants (Thailand) Co., Ltd., Bangkok
: Director, UMG Co., Ltd., Bangkok



Mr. Mechai Viravaidya

Age: 60

Director

Education

: Bachelor of Commerce, Melbourne University, Australia
Geelong Grammar School, Australia

Experience

Present

: Senator
: Founder and Board Chairman of Population and Community Development Association
: Ambassador, United Nations Programme on HIV-AIDS



Mr. Mikael Währn

Age: 51

Director

Education

: Bachelor of Science in Economics, Helsinki school of Economics, Finland

Experience

Present

1997-1999

: Managing Director, RMP International Co., Ltd.
: General Manager, Swedish Motors Corporation PCL.



Mr. Karl-Johan Sandesjö

Age: 47

Director

Education

: Master of Business Administration, Gothenburg University, Sweden

Experience

Jan.1999-Present

Aug.1997-Dec.1999

Jul.1996-Jul.1997

: President, Volvo Car (Thailand) Ltd.
: President, Volvo Car Korea Co., Ltd, South Korea
: Vice President, Volvo Car Asia Pacific, (Pte) Ltd., Singapore



Mrs. Lena Marie Olving Ohberg

Age: 45

Director

Education

: Master of Science, Mechanical Engineering, Chalmers University of Technology, Gothenburg, Sweden

Experience

2001-Present

Jul.99-Present

1998-1999

: President, Volvo Car East Asia
: Managing Director, Volvo Car Malaysia Sdn Bhd
: Executive Vice President, Volvo East Asia, Industrial Operations



Mr. Ian Erland Freden

Age: 40

Director

Education

: Bachelor of Science in Business Administration and Economics, University of Uppsala, Sweden

Experience

1999-Present

1998-1999

1995-1998

: Head of Corporate Banking, Skandinaviska Enskilda Banken AB (publ), Asia
: Head of Commercial Banking, Skandinaviska Enskilda Banken AB (publ), Hong Kong
: Global Business Manager, Skandinaviska Enskilda Banken AB (publ), Sweden



Commit more than...

the superb efficiency of automobile



SMC provides customized packages for different types of customers and offers a full-range of in house services including sales, after sales, insurance, financing, leasing, crash repair and car rental.



Management

⇒ Discussion & Analysis

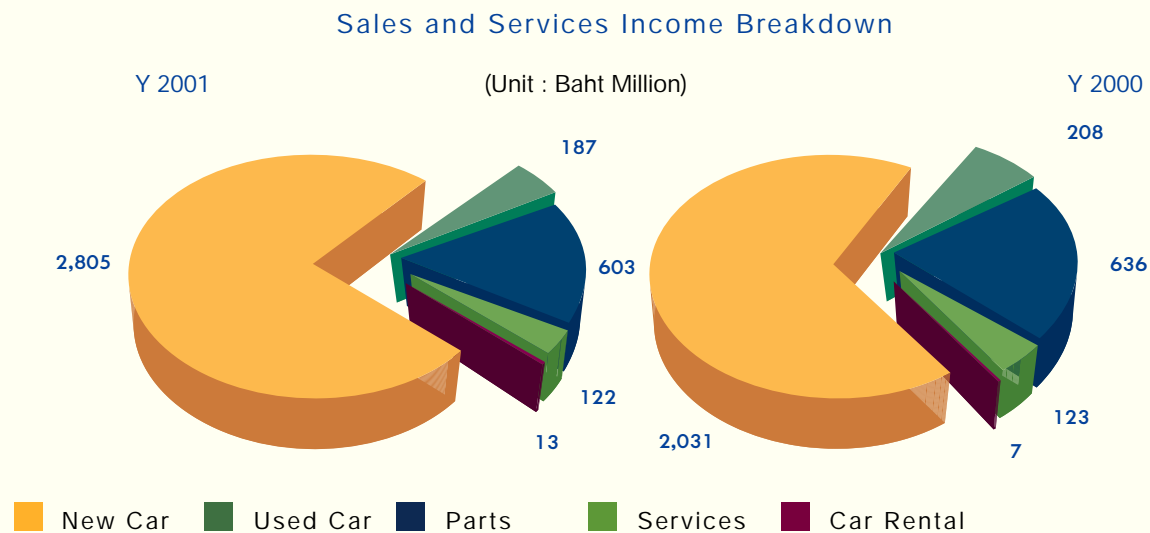


YEAR REVIEW

- In 2001, Swedish Motors Corporation Pcl ("the Company") and its subsidiaries made a net profit of Baht 25.53 million compared to a net loss of Baht 74.90 million in 2000. The most significant changes can be analyzed as follows:

REVENUE STRUCTURE

- The Company receives its sales and service income from five core business i.e. new car sales, used car sales, parts and service labour sales, car rental. The amount can be broken down as shown in the graph.



New Car Sales

- The Company is the sole retailer of Volvo cars and products in the metro Bangkok area. Thus the Company captures 75% of the total Volvo retail business in Thailand. During the year 2001, the Company continued to emphasize on Volvo's global sales process, called "New Car Sales & Delivery Processes" (NCSD) in order to bring its standard up to Volvo's world-wide Standard and enhance customer satisfaction.



➤ The wholesale luxury passenger car market increased by 36% from 6,694 units in 2000 to 9,135 units in 2001, whereas Volvo sales increased at 9% i.e. from 1,484 units in 2000 to 1,621 units in 2001. This caused a slight reduction in Volvos premium share to 18% for the year 2001. In the year 2001 there were 3 new product launches, the S60, V70 and Volvo Cross-Country. The year 2001 was characterized by intense competition in the luxury market with various campaigns and promotions, which influenced Volvo sales.

➤ SMC achieved retail sales of 1,220 units in 2001 compared with 956 units sold in 2000, which represents an increase of 28%. Revenues for new car sales totalled Baht 2,805 Million in 2001, compared with Baht 2,031 Million in 2000, which represents an increase of almost 40%.

➤ The Company provides tailor-made and multi-privilege packages for different types of customers i.e. individuals, corporate, expatriate and tourist and diplomat customers. The Company offers a full-range of services including sales, after sales, insurance, financing, leasing, crash repair and car rental in order to support revenue growth and to enhance customer satisfaction.

➤ During the year Volvo introduced a number of service offers such as, a very attractive Maintenance package and the competitive Premium Road side assistance program. The Roadside assistance and factory warranty packages are included in the Price and is for 3 years and Volvo is the only Luxury Car Manufacturer in Thailand offering this as standard.

Used Car Sales

➤ The Company is also a retailer of used cars sold under Volvos Approved Used Cars program. Currently, the used car operation focuses solely on the resale of previously owned Volvo cars, which are fully reconditioned according to Volvo's global standards, and resold with warranties ranging from 3-12 months under the umbrella name "Volvo Approved Used Cars".

➤ The used car revenue in 2001 totaled Baht 187 Million compared with Baht 208 Million in 2000, with unit sales of 239 and 261 respectively.

Parts Sales

➤ The Company is offering Volvo genuine spare parts and accessories to customers, delivering a superior benefit in terms of quality and price. This generated the company a parts sales volume of Baht 603 Million in 2001 compared with Baht 636 Million in 2000 representing a decrease of 5%. This result was achieved in a declining market as the old car park is decreasing following the economic crisis in Thailand in 1997.



Service Labour Sales

- Service sale has a significant impact on the Company's bottom line. Through the network of strategically located service centres in Bangkok, the Company is striving to retain the loyalty of the majority of the Volvo owners located in the metropolis. During the year 2001 the Company implemented the Vehicle Repair and Maintenance Process ("VRM"), which is global Volvo standard, in order to improve service quality and customer satisfaction in this area.
- Realizing the importance of customer satisfaction, the Company invested in its network. The renovation and maintenance of showrooms and service centers have been done periodically throughout the year. It is of vital importance for the Company to enhance its image as a premium brand retailer under Volvos global standards. All outlets must be well maintained, clean, lively and entertaining in order to provide a premium experience for its customers.
- The Company's Crash Repair operation is also an important part of its service sales. The Company has developed an integrated insurance programme with major insurance companies, which ensures that the majority of damaged Volvo cars are repaired in accordance to Volvo standards and with genuine Volvo spare parts. In 2002 Volvo will launch its own Insurance programme, which will enhance this operation and customer satisfaction further.
- The revenue derived from labour service sales for the year 2001 was nearly the same as in 2000 at Baht 122 Million.



Car Rental Income

- The Company offers a premium car rental service, which was firstly introduced in 1999, to facilitate not only Volvo customers but also potential customers who would like to experience the driving pleasure of Volvo cars. Certain customers prefer to rent a car for their executive use, in stead of buying a Volvo car. This business brings an opportunity for the Company to serve a wider customer demand.
- The Company has enhanced its customer base amongst these customers, as during the year 2001, the car rental revenue increased more than 80% from the previous year.



Other Income

- The Company has several other sources of income i.e. Finance Commission, Insurance Commission and Property Rental Income.



- During the year, the company rented out some of its surplus properties at Bangkae and Sukhumvit 39. In addition, a bad debt recovery was made from the Company's old receivables, which were classified, as a doubtful receivable.

COST AND EXPENSE STRUCTURE

Cost of sales and services

- Cost of sales and services for the year 2001 totaled Baht 3,331 Million compared to Baht 2,637 Million in 2000 representing an increase of 26%. The increase of cost of sales and services in 2001 was related to the increase of sales and services income.

Selling and Administrative Expenses

- Selling and administrative expenses for the year 2001 was Baht 417 Million compared with Baht 451 Million in 2000 representing a decrease of 8%.

- The Major components of the selling and administrative expenses are categorised as follows:

- **Promotion Expenses**

- The promotional expenses were derived mainly from the company's local marketing activities in metropolitan Bangkok. During the year 2001, SMC has consistently created public awareness and recognition through various activities such as, showroom events, mini-motor shows at leading department stores, tactical advertising campaigns and other promotions. Volvo Car (Thailand) resumes the responsibility for nation-wide product advertising, brand campaigns and promotion.

- **Staff and Training Expenses**

- Human resources play as an important role in our industry as the products we sell. In the year 2001, the company provided intensive training to its employees of all levels, to increase their knowledge and skills for effectiveness and customer care.

- **Property Expenses**

- The relocation of our Silom outlet to a new purpose built facility, the rental charge has been reduced and in consequence there has been some reduction in the Company's property expenses during the year. Saving in the company's cost for insurance has also provided a favorable effect on the Company's cost structure.

Interest Expenses

- As of December 31, 2001, the company's total debt was Baht 886 Million, compared with Baht 997 Million in 2000. During the year 2001, the company paid off debts totaling Baht 35 million. The Company also made a pre-payment of Baht 77 Million against the Bridge Loan, from proceeds deriving from sales of non-core assets, to the syndicated lenders.
- Interest expenses also decreased during the year 2001 to Baht 42 Million compared with Baht 53 Million in 2000 as interest rates and the outstanding borrowings reduced.



FINANCIAL STATUS

Assets

- Major assets of the Company are its showroom and services centres and there are 9 locations, of which 3 locations are owned by the Company and the remaining are under leasehold rights. There was no expansion in showroom and service center locations during 2001.
- During the year, the Company sold some of its non-core assets, vacant land at Rayong, Changwattana and Charansanitwong, according to the restructuring agreement. The proceeds from the sales were used to pay the Bridging Loan.

Liquidity

- In accordance with the loan agreement between the Company and its lenders, the Company must retain sufficient cash in various bank accounts to meet on-going operational needs, such as to provide reserves for buying new cars, used cars and parts, interest and principal repayments, capital expenditure as well as a contingency reserve. Although the Company went through a tight cash flow situation, during the year, the Company was still able to maintain the above cash requirements.

Capital Expenditures

- In the year 2001, the Company spent approximately Baht 28 Million on capital expenditure in order to renovate and upgrade all branch facilities, to fulfill Volvo standards and to provide a premium environment for its employees and customers.



Be more than ...
your companion



A quality of work,
a value for money,
and a friendly service
are the cornerstones
of our business.



Major Shareholders



As at December 31, 2001		
	No. of shares	%
1 NRC Business Company Limited	137,054,162	58.18
2 Thailand Securities Depository Co., Ltd. (Thai)	41,290,871	17.53
3 Volvo Car Corporation	28,358,458	12.04
4 Pamper Cloud Trading Co., Ltd.	8,022,900	3.41
5 Swene Holding B.V.	6,975,000	2.96
6 Thailand Securities Depository Co., Ltd. (Foreign)	3,257,875	1.38
7 Mrs. Churairat E. Bonython	2,937,650	1.25
8 Mrs. Amanda Margaret Currie	2,355,564	1.00
9 Australiasia Inter Trade Co., Ltd.	2,355,564	1.00
10 Swedish Motors Car Sales Co., Ltd.	1,120,000	0.48
11 Others	1,828,344	0.77
Total	235,556,388	100.00



⇒ Audit Committee Report ↓

To Shareholders :

- The Audit Committee comprises three independent non-executive directors with the Internal Audit Manager functioning as the secretary.
- The Audit Committee has their accountability as assigned and specified in the Charter of the Audit Committee: for instance, reviewing the Company's financial reports to ensure its reliability and adequacy; to have the appropriateness and effectiveness of internal control system and internal auditing; and to properly comply with the pertaining laws and regulations.
- The Audit Committee has emphasized: the good corporate governance reporting per accountability; the reliability of the financial report disclosed to the public; operating the business within the ethic and code of business conduct; overseeing the interest of shareholders, investors and all stakeholders; and overseeing no conflict of interest.
- During the year 2001 the Committee had four meetings with independent auditors, and internal auditors, and performed its functions independently. The Committee has no limitation to access to information and resources with a good cooperation from the Company.
- The Committee also recommended to the Board of directors and the Shareholders the nomination of Mr. Prasan Chuaphanich and Mr. Somchai Jinnovart and Mr. Prasit Yuengsrikul of PricewaterhouseCoopers ABAS Limited as independent auditors for the year 2001 together with the audit fee.

(Pro. Dr. Pakorn Adulbhan, Royal Fellow)
The Audit Committee Chairman

Auditor's Report ⇐



To the Shareholders of Swedish Motors Corporation Public Company Limited

➤ I have audited the accompanying consolidated and company balance sheets as at 31 December 2001 and 2000, and the related consolidated and company statements of loss, changes in shareholders' equity, retained earnings, and cash flows for the years then ended 2000 of Swedish Motors Corporation Public Company Limited and its subsidiaries and of Swedish Motors Corporation Public Company Limited, respectively. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of Scandinavian Leasing Public Company Limited, an associate, for the years ended 31 December 2001 and 2000 which are included in the consolidated and company financial statements of Swedish Motors Corporation Public Company Limited and its subsidiaries and of Swedish Motors Corporation Public Company Limited, respectively, on an equity basis, reflecting the investment values of 393.0 million Baht and 362.2 million Baht as of 31 December 2001 and 2000, the share of net profit of 30.8 million Baht and 30.5 million Baht for the years then ended, respectively. Those statements were audited by the other auditor whose reports have been furnished to me, and my opinion on the consolidated and company financial statements of Swedish Motors Corporation Public Company Limited and its subsidiaries and of Swedish Motors Corporation Public Company Limited, respectively, insofar as it relates to the carrying value of the investments in and the share of profit of that associate for the years ended 31 December 2001 and 2000, are based solely upon the audit reports of the other auditor of that associate.

➤ I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

➤ In my opinion, based on my audits and the reports of the other auditor referred to in the first paragraph, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2001 and 2000, and the consolidated and company results of their operations, and cash flows for the years then ended of Swedish Motors Corporation Public Company Limited and its subsidiaries and of Swedish Motors Corporation Public Company Limited, respectively, in accordance with generally accepted accounting principles.

PRASIT YUENGSRikul
Certified Public Accountant
(Thailand) No. 4174

PricewaterhouseCoopers ABAS Limited



Balance Sheets

Swedish Motors Corporation Public Company Limited
As at 31 December 2001 and 2000

		Consolidated		Company	
	Notes	2001 Baht	2000 Baht	2001 Baht	2000 Baht
ASSETS					
Current Assets					
Cash on hand and at banks	3	180,501,737	157,224,057	180,473,310	157,147,894
Short-term investments	4	145,000,000	155,046,788	145,000,000	155,046,788
Certificates of deposit	5	48,328,838	48,328,838	48,328,838	48,328,838
Accounts receivables-trade and others, net	6	212,179,294	155,620,304	211,980,536	155,418,126
Receivables from subsidiaries and an associated company	21	-	-	40,162,861	35,052,406
Short-term loans to subsidiaries and an associated company	21	-	-	25,820,416	30,955,807
Inventories, net	7	647,962,266	699,813,001	647,962,266	699,813,001
Land for sale		-	90,588,244	-	90,588,244
Other current assets	8	12,997,509	17,553,168	12,904,748	17,460,406
Total Current Assets		1,246,969,644	1,324,174,400	1,312,632,975	1,389,811,510
Non Current Assets					
Investments in subsidiaries and an associated company	9	393,042,692	362,250,055	396,497,924	365,759,452
Property, plant and equipment, net	10	600,881,606	629,557,368	600,881,606	629,557,368
Other assets	11	58,295,495	51,811,330	26,144,793	19,660,628
Total Non Current Assets		1,052,219,793	1,043,618,753	1,023,524,323	1,014,977,448
Total Assets		2,299,189,437	2,367,793,153	2,336,157,298	2,404,788,958

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Balance Sheets (continued)

Swedish Motors Corporation Public Company Limited
As at 31 December 2001 and 2000

		Consolidated		Company	
	Notes	2001 Baht	2000 Baht	2001 Baht	2000 Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade accounts payable		732,360,820	702,763,214	732,360,820	702,763,214
Short-term loans		-	94,624,285	-	94,624,285
Current portion of long-term loans	13	72,781,429	34,236,588	72,781,429	34,236,588
Current portion of liabilities under finance leases		3,307,898	5,191,870	3,307,898	5,191,870
Loans from and payable to subsidiaries	21	-	-	311,450	301,784
Other current liabilities	15	60,723,838	60,952,435	58,564,266	58,830,473
Total Current Liabilities		869,173,985	897,768,392	867,325,863	895,948,214
Non-Current Liabilities					
Liabilities under finance leases		5,142,753	15,945,567	5,142,753	15,945,567
Debentures	14	88,848,000	88,848,000	88,848,000	88,848,000
Long-term loans net of current portion	13	724,544,881	779,283,066	724,544,881	779,283,066
Reserve for liabilities in a subsidiary company		-	-	25,093,283	25,093,283
Total Non-Current Liabilities		818,535,634	884,076,633	843,628,917	909,169,916
Total Liabilities		1,687,709,619	1,781,845,025	1,710,954,780	1,805,118,130

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Balance Sheets (continued)

Swedish Motors Corporation Public Company Limited
As at 31 December 2001 and 2000

		Consolidated		Company	
	Notes	2001 Baht	2000 Baht	2001 Baht	2000 Baht
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Issued and paid-up share capital	16	2,355,563,880	2,355,563,880	2,355,563,880	2,355,563,880
Premium on share capital		18,910,600	18,910,600	18,910,600	18,910,600
Premium on share capital from increase in share capital of an associated company		179,822,000	179,822,000	179,822,000	179,822,000
Revaluation surplus of land		27,342,355	27,342,355	27,342,355	27,342,355
Deficit					
Appropriated					
Legal reserve	17	43,200,000	43,200,000	43,200,000	43,200,000
Unappropriated		(1,999,636,317)	(2,025,168,007)	(1,999,636,317)	(2,025,168,007)
Company share held by a subsidiary company		(13,722,700)	(13,722,700)	-	-
Total Shareholders' Equity		611,479,818	585,948,128	625,202,518	599,670,828
Total Liabilities and Shareholders' Equity					
		2,299,189,437	2,367,793,153	2,336,157,298	2,404,788,958

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Statements of Income

Swedish Motors Corporation Public Company Limited
For the years ended 31 December 2001 and 2000

	Consolidated		Company	
Notes	2001 Baht	2000 Baht	2001 Baht	2000 Baht
REVENUES				
Sales and service income	3,729,574,555	3,004,736,107	3,729,574,555	3,003,876,107
Commission income	4,266,901	6,332,953	4,266,901	6,332,953
Interest income	6,616,152	7,394,868	14,089,157	15,547,762
Gain on sales of assets	7,948,258	20,073,074	7,948,258	8,205,558
Bad debt recovery	14,513,362	18,002,934	12,765,271	4,479,931
Other income	26,525,149	21,651,450	26,505,849	21,466,132
Equity in net income	30,792,637	30,481,785	24,317,653	27,139,660
Total Revenues	3,820,237,014	3,108,673,171	3,819,467,644	3,087,048,103
COSTS AND EXPENSES				
Cost of sales and services	3,331,073,895	2,637,061,525	3,331,073,895	2,636,351,338
Selling and Administrative expenses	417,418,000	450,945,849	416,627,333	430,011,357
Loss on impairment of fixed assets	10 2,266,801	34,603,930	2,266,801	34,603,930
Interest expense	42,452,818	53,238,135	42,474,115	53,257,746
Loss on exchange rate	1,493,810	7,727,536	1,493,810	7,727,536
Total Costs and Expenses	3,794,705,324	3,183,576,975	3,793,935,954	3,161,951,907
Net income (loss) for the year	25,531,690	(74,903,804)	25,531,690	(74,903,804)
Basic earnings per share				
Net income (loss) for the year	0.11	(0.32)	0.11	(0.32)
Shares used in computing net income (loss) per share	235,556,388	235,556,388	235,556,388	235,556,388

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Statements of Changes in Shareholders' Equity

Swedish Motors Corporation Public Company Limited
For the years ended 31 December 2001 and 2000

	Notes	Consolidated		Company	
		2001 Baht	2000 Baht	2001 Baht	2000 Baht
SHARE CAPITAL	16				
Beginning balance		2,355,563,880	2,355,563,880	2,355,563,880	2,355,563,880
Increase during the year		-	-	-	-
Decrease during the year		-	-	-	-
Ending balance		2,355,563,880	2,355,563,880	2,355,563,880	2,355,563,880
PREMIUM ON SHARE CAPITAL	16				
Beginning balance		18,910,600	18,910,600	18,910,600	18,910,600
Increase during the year		-	-	-	-
Decrease during the year		-	-	-	-
Ending balance		18,910,600	18,910,600	18,910,600	18,910,600
PREMIUM ON SHARE CAPITAL FROM INCREASE IN SHARE CAPITAL OF AN ASSOCIATED COMPANY	16				
Beginning balance		179,822,000	179,822,000	179,822,000	179,822,000
Increase during the year		-	-	-	-
Decrease during the year		-	-	-	-
Ending balance		179,822,000	179,822,000	179,822,000	179,822,000
REVALUATION SURPLUS OF LAND	16				
Beginning balance		27,342,355	27,342,355	27,342,355	27,342,355
Increase during the year		-	-	-	-
Decrease during the year		-	-	-	-
Ending balance		27,342,355	27,342,355	27,342,355	27,342,355

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity (continued)

Swedish Motors Corporation Public Company Limited
For the years ended 31 December 2001 and 2000

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
RETAINED EARNINGS (DEFICITS)				
Appropriated retained earnings				
Legal reserve				
Beginning balance	43,200,000	43,200,000	43,200,000	43,200,000
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Ending balance	43,200,000	43,200,000	43,200,000	43,200,000
Unappropriated retained earnings(deficits)				
Beginning balance	(2,025,168,007)	(1,950,264,203)	(2,025,168,007)	(1,950,264,203)
Increase during the year	25,531,690	-	25,531,690	-
Decrease during the year	-	(74,903,804)	-	(74,903,804)
Ending balance	(1,999,636,317)	(2,025,168,007)	(1,999,636,317)	(2,025,168,007)
COMPANY SHARES HELD BY A SUBSIDIARY				
Beginning balance	(13,722,700)	(13,722,700)	-	-
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Ending balance	(13,722,700)	(13,722,700)	-	-
Total	611,479,818	585,948,128	625,202,518	599,670,828

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Statements of Deficits

Swedish Motors Corporation Public Company Limited
For the years ended 31 December 2001 and 2000

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
APPROPRIATED RETAINED EARNINGS				
Legal reserve	43,200,000	43,200,000	43,200,000	43,200,000
UNAPPROPRIATED RETAINED EARNINGS (DEFICITS)				
Beginning balance	(2,025,168,007)	(1,950,264,203)	(2,025,168,007)	(1,950,264,203)
Net income (loss) for the year	25,531,690	(74,903,804)	25,531,690	(74,903,804)
Ending balance	<u>(1,999,636,317)</u>	<u>(2,025,168,007)</u>	<u>(1,999,636,317)</u>	<u>(2,025,168,007)</u>
Deficits	<u>(1,956,436,317)</u>	<u>(1,981,968,007)</u>	<u>(1,956,436,317)</u>	<u>(1,981,968,007)</u>

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Statements of Cash Flows

Swedish Motors Corporation Public Company Limited

For the years ended 31 December 2001 and 2000

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) for the year	25,531,690	(74,903,804)	25,531,690	(74,903,804)
Adjustments for:				
Depreciation and amortization	54,972,418	69,609,607	54,972,418	69,007,945
Gain on sales of fixed assets	(7,948,258)	(24,222,703)	(7,948,258)	(12,036,032)
Unrealized loss on exchange rate	1,091,184	7,750,267	1,091,184	7,750,267
(Reverse)/allowance for doubtful accounts and bad debt	(6,021,488)	18,301,526	(4,273,397)	1,041,382
Allowance for inventory obsolescence, net	1,004,937	2,849,411	1,004,937	2,849,411
Reverse impairment loss on sales of transportation equipment	(589,743)	(1,187,694)	(589,743)	-
Loss on impairment of fixed assets	2,266,801	34,603,930	2,266,801	34,603,930
Write off investment and other assets	-	3,343,364	-	3,344,064
Write off other current liabilities	(3,562,158)	-	(3,562,158)	-
Gain on equity in subsidiaries and an associated company, net	(30,792,637)	(30,481,785)	(24,317,653)	(27,139,660)
Income from operating activities before changes in operating assets	35,952,746	5,662,119	44,175,821	4,517,503

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Statements of Cash Flows (continued)

Swedish Motors Corporation Public Company Limited

For the years ended 31 December 2001 and 2000

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
Change in operating assets and liabilities :				
Increase in trade and other accounts receivable	(50,537,502)	(43,516,515)	(52,289,013)	(45,461,205)
Increase in hire purchases receivable, net	-	(16,021)	-	-
Decrease (increase) in inventories	41,127,110	(408,873,236)	41,127,110	(408,873,236)
Decrease (increase) in receivable from subsidiaries and an associated company	-	248,173	(6,978,917)	(7,098,184)
Increase in other current assets	(1,025,918)	(8,719,045)	(1,025,920)	(8,643,960)
Decrease (increase) in other assets	(6,484,165)	13,126,510	(6,484,165)	13,011,686
Increase in trade accounts payable	29,597,606	401,771,227	29,597,606	401,771,227
Increase (decrease) in other current liabilities	3,333,561	(25,266,975)	3,295,952	(24,779,775)
Net cash used in operating activities	51,963,438	(65,583,763)	51,418,474	(75,555,944)

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Statements of Cash Flows (continued)

Swedish Motors Corporation Public Company Limited

For the years ended 31 December 2001 and 2000

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in short-term investment - non cash equivalent	718,192	(15,777,518)	718,192	(19,937,367)
Decrease in loans to subsidiaries and an associated company	-	-	583,034	23,768,747
Proceeds from sales of fixed assets	16,500,890	16,172,127	16,500,890	8,567,896
(Decrease) increase in liabilities under finance leases	(12,686,786)	6,268,385	(12,686,786)	6,268,385
Acquisition of property and equipment	(27,830,647)	(65,210,472)	(27,830,647)	(65,210,472)
Proceeds from sales of land and assets for sale	97,192,811	146,399,318	97,192,811	146,399,318
Net cash receipts from investing activities	73,894,460	87,851,840	74,477,494	99,856,507
CASH FLOW FROM FINANCING ACTIVITIES				
Repayments on loans	(111,908,814)	(145,892,759)	(111,908,814)	(145,892,759)
Increase (decrease) in loan from a subsidiary and an associated company	-	-	9,666	(149,448)
Net cash payment to financing activities	(111,908,814)	(145,892,759)	(111,899,148)	(146,042,207)
Net (decrease)/increase in cash on hand and at banks				
	13,949,084	(123,624,682)	13,996,820	(121,741,644)
Beginning balance	136,552,653	260,177,335	136,476,490	258,218,134
Ending balance	150,501,737	136,552,653	150,473,310	136,476,490

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Statements of Cash Flows (continued)

Swedish Motors Corporation Public Company Limited

For the years ended 31 December 2001 and 2000

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in cash flow statements for the years ended 31 December 2001 and 2000

comprise :

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
Cash on hand and at banks	180,501,737	157,224,057	180,473,310	157,147,894
Short-term investments	145,000,000	155,046,788	145,000,000	155,046,788
Total	325,501,737	312,270,845	325,473,310	312,194,682
Less Cash at bank pledged (Note 3)	(90,000,000)	(90,718,192)	(90,000,000)	(90,718,192)
Fixed deposit guaranteed (Note 4)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Short-term investments pledged as collateral (Note 4)	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)
Total cash and cash equivalents	150,501,737	136,552,653	150,473,310	136,476,490

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.

Statements of Cash Flows (continued)

Swedish Motors Corporation Public Company Limited

For the years ended 31 December 2001 and 2000

INTEREST EXPENSES AND WITHHOLDING TAX DEDUCTED AT SOURCE

Interest expenses paid and withholding tax deducted at source during the years ended 31 December 2001 and 2000 comprise :

	Consolidated		Company	
	2001 Baht	2000 Baht	2001 Baht	2000 Baht
Interest paid	34,780,428	53,224,181	34,780,411	53,226,338
Withholding tax deducted at source	8,881,641	6,479,693	8,881,641	6,328,992

The notes to the consolidated and company financial statements on pages 32 to 52 form an integral part of these financial statements.



Notes to the Consolidated and Company Financial Statements

⇒ Swedish Motors Corporation Public Company Limited
For the years ended 31 December 2001 and 2000



1. General Information

Swedish Motors Corporation Public Company Limited (the Company) is a public limited company and is incorporated and domiciled in Thailand. The address of its registered office is as follows:

1527 Sukhumvit 71 Road, Kwaeng Suanluang, Khet Suanluang, Bangkok 10250, Thailand

The Company is listed on the Stock Exchange of Thailand.

The principal business operations of the Company and its subsidiaries (the Group) are summarised as follows:

The Company is presently engaged in sales and services of Volvo passenger cars, including car repair and maintenance, in the Bangkok greater metropolitan area. The Company's subsidiaries are engaged in car and truck leasing and the repair business. However, certain subsidiaries have ceased their operations at the end of the year 1998.

The Group has employed over 546 people in 2001 and 530 people in 2000.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued by the Institute of Certified Accountants and Auditors of Thailand and approved under law by the Board of Supervision of Auditing Practice appointed by the Minister of Commerce under the Auditor Act B.E. 2505, and the financial reporting requirements of the Securities and Exchange Commission.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.2 Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, have been consolidated. Subsidiaries are consolidated from the date on which effective



control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests in the consolidated balance sheet and consolidated income statement.

A listing of the Group's principal subsidiaries is set out in Note 9

2.3 Investments in subsidiaries

Investments in subsidiaries undertakings are accounted for in the non-consolidated financial statements by the equity method of accounting. These are undertakings over which the Company has over 50% of the voting rights, and over which the Company exercises control. Provisions are recorded for impairment in value.

Equity accounting involves recognising in the income statement the Company's share of the subsidiaries' profit or loss for the year. The Company's interest in subsidiaries is carried in the balance sheet at an amount that reflects its share of the net assets of subsidiaries and includes goodwill on the acquisition.

A listing of the Group's principal subsidiaries undertakings is shown in Note 9.

2.4 Investments in an associated company

Investments in an associate undertakings are accounted for by the equity method of accounting. These are undertakings over which the company has between 20% and 50% of the voting rights, and over which the company exercises significant influence, but which it does not control. Provision is recorded for impairment in value, if any.

Equity accounting involves recognising in the income statement the company's share of the associated company's profit or loss for the year. The company's interest in the associated company is carried in the balance sheet at an amount that reflects its share of the net assets of the associated company and includes goodwill on the acquisition.

A listing of the Group's principal associated company undertakings is shown in Note 9.

2.5 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.



2.6 Financial Assets and Financial Liabilities

Financial assets carried on the balance sheet include cash and bank balances, investments, receivables. Financial liabilities carried on the balance sheet include trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held at banks other short-term highly liquid investments and bank overdrafts, as defined in the Thai Accounting Standard no. 25 with respect to the preparation of the statement of cash flows, which is in line with the definition prescribed in the regulation relating to the financial statements issued under the Ministerial Regulation No. 7 (B.E. 2539) under the Public Company Limited Act B.E. 2535.

2.8 Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

2.9 Investments

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity. These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investment in debt securities which are classified as held-to-maturity securities are carried at amortised cost.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method for all vehicles and the moving average method for spare parts and car accessories. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or

rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.11 Property, plant and equipment

All property, plant and equipment is initially recorded at cost. Land are subsequently shown at market value, based on valuations by external independent valuers every 3-5 years, or when the market value is expected to be volatile. All other property, plant and equipment is stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to revaluation reserves on land and buildings in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement.

Depreciation is calculated on the straight line method to write off the cost of each asset except for land as it is deemed to have an indefinite life, or the revalued amounts, to their residual values over their estimated useful life as follows:

Leasehold right and improvement	the terms of the leases
Buildings and improvements	20 years or the duration of the leases
Machinery and equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Transportation equipment	5 years
Transportation equipment for leases	4-10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the income statement.

Expenditures for addition, renewal and betterment, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.



2.12 Accounting for leases - where the Company is the lessee

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Accounting for leases - where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

2.14 Revenue recognition

Revenues are recognised upon delivery of products and customer acceptance, if any, or performance of services. Revenues are shown net of sales taxes and discounts and after eliminating sales within the Group.

Interest income is recognised on an accrual basis unless collectibility is in doubt.

2.15 Employee benefits

The Group operates a provident fund under a defined contribution plan, which the assets are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and the relevant group companies.

The Group's contributions to the provident fund are charged to the statement of income in the related period.

2.16 Basic earnings per share

Basic consolidated earnings per share is calculated by dividing the consolidated net income after considering minority interests in subsidiaries, attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share is calculated by dividing the Company's net income by the weighted average number of ordinary shares issued during the year.

2.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3. Cash on hand and at banks

At 31 December 2001, a saving deposit at bank of Baht 90 million has been pledged to secure the Company's syndicated loans (note 12).

4. Short-term investments

Short-term investments represent promissory notes and fixed deposit, with maturity of less than 1 year. Promissory notes are classified as held-to-maturity debt securities. The investments bear interest at rates ranging from 0.75% - 2.80% per annum. As at 31 December 2001, the Company has fixed deposit of Baht 25 million to secure overdraft balance and letters of guarantee with bank. The promissory notes of Baht 60 million was pledged with a wholesale car finance provider as collateral for its purchase of inventories.



5. Certificates of deposit

The Company had investment in promissory notes of the finance companies and finance and securities companies, which were announced by the Ministry of Finance to be dissolved on 8 December, 1997. The Company exchanged their investments in these promissory notes with negotiable certificates of deposit of Krungthai Bank Public Company Limited. The certificates of deposit (Baht 48.3 million) will be redeemed in September 2002.

6. Accounts Receivable-trade and others, net

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Accounts receivable-trade	304,559	259,059	216,955	169,203
Accounts receivable-others	147,744	142,706	86,820	82,282
Total	452,303	401,765	303,775	251,485
<u>Less</u> Allowance for doubtful accounts	(240,124)	(246,145)	(91,794)	(96,067)
Accounts Receivable-trade and others, net	212,179	155,620	211,981	155,418

Outstanding receivables as at 31 December can be aged as follows:

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Less than 3 months	208,632	142,587	208,585	142,587
3 - 6 months	1,317	4,386	1,317	4,386
6 - 12 months	2,373	3,548	2,373	3,548
Over 12 months	239,981	251,244	91,500	100,964
Total	452,303	401,765	303,775	251,485
<u>Less</u> Allowance for doubtful accounts	(240,124)	(246,145)	(91,794)	(96,067)
Accounts Receivable-trade and others, net	212,179	155,620	211,981	155,418

The Group's management are of the opinion that allowance for doubtful accounts, in conjunction with bank guarantees received from customers, are sufficient to cover exposure to the Group's bad debt risk.

7. Inventories, net

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Spare parts and car accessories	75,336	77,103	75,336	77,103
New cars	524,464	550,959	524,464	550,959
Used cars	54,944	77,558	54,944	77,558
Fuel and others	135	105	135	105
Total	654,879	705,725	654,879	705,725
<u>Less</u> Allowance for diminution in value of inventories	(6,917)	(5,912)	(6,917)	(5,912)
Total inventories, net	647,962	699,813	647,962	699,813

8. Other current assets

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Claims for damaged inventories	606	3,565	604	3,565
VAT receivable	4,652	9,152	4,652	9,149
Advance rent	1,936	1,294	1,936	1,294
Others	5,804	3,542	5,713	3,452
Total other current assets	12,998	17,553	12,905	17,460

9. Investments in subsidiaries and an associated company

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Opening net book amount	362,250	331,768	365,759	335,410
Share of net profit, net	30,793	30,482	30,738	30,349
Closing net book amount	393,043	362,250	396,497	365,759



9. Investments in subsidiaries and an associated company (continued)

31 December 2001												
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital	Investment Portion	Investment Cost	Investment Equity	Receivable from subsidiaries	Loan to subsidiaries	Net receivable from subsidiaries	Net loan to subsidiaries	Investment in subsidiaries and an associated company, net
				(Thousand Baht)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Subsidiaries												
Swedish Transport Co.,Ltd.	Temporarily suspended operations	Thailand	Share-holder	100,000	99.99	99,992	(41,028)	22,865	45,215	22,865	4,187	-
Swedish Transport Service Co., Ltd.	Temporarily suspended operations	Thailand	Share-holder	1,000	99.94	9,994	3,058	144	699	144	699	3,058
Swedish Motors Service Ltd.	Temporarily suspended operations	Thailand	Share-holder	38	99.60	2,869	397	-	-	-	-	397
Swedish Motors Car Sales Ltd.	Temporarily suspended operations	Thailand	Share-holder	25	99.40	25	(6,969)	16,340	27,902	16,340	20,934	-
Universal Link Co., Ltd.	Temporarily suspended operations	Thailand	Share-holder	50,000	99.99	49,999	(39,802)	7,752	32,864	814	-	-
Sub Total						162,879	(84,344)	47,101	106,680	40,163	25,820	3,455
Associated company												
Scandinavian Leasing Public Co., Ltd.	Leasing/ Rental for car and machinery equipment	Thailand	Share-holder	600,000	49.90	370,998	393,042	-	-	-	-	393,042
Sub Total						370,998	393,042	-	-	-	-	393,042
Total						533,877	308,698	47,101	106,680	40,163	25,820	396,497

9. Investments in subsidiaries and an associated company (continued)

31 December 2000												
	Nature of business	Country of incorporation	Nature of relationship	Paid-up capital	Investment Portion	Investment Cost	Investment Equity	Receivable from subsidiaries	Loan to subsidiaries	Net receivable from subsidiaries	Net loan to subsidiaries	Investment in subsidiaries and an associated company, net
				(Thousand Baht)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Subsidiaries												
Swedish Transport Co.,Ltd.	Truck leasing	Thailand	Shareholder	100,000	99.99	99,992	(38,449)	19,677	45,796	19,677	7,347	-
Swedish Transport Service Co., Ltd.	Fleet leasing	Thailand	Shareholder	1,000	99.94	9,994	3,120	95	689	95	689	3,120
Swedish Motors Service Ltd.	Temporarily suspended operations	Thailand	Shareholder	38	99.60	2,869	389	-	-	-	-	389
Swedish Motors Car Sales Ltd.	Temporarily suspended operations	Thailand	Shareholder	25	99.40	25	(5,020)	14,386	27,940	14,386	22,920	-
Universal Link Co., Ltd.	Transport and act as an agent in trading car	Thailand	Shareholder	50,000	99.99	49,999	(37,908)	5,305	33,497	894	-	-
Sub Total						162,879	(77,868)	39,463	107,922	35,052	30,956	3,509
Associated company												
Scandinavian Leasing Public Co., Ltd.	Leasing/ Rental for car and machinery equipment	Thailand	Shareholder	600,000	49.90	370,998	362,250	-	-	-	-	362,250
Sub Total						370,998	362,250	-	-	-	-	362,250
Total						533,877	284,382	39,463	107,922	35,052	30,956	365,759



10. Property, and equipment

Consolidate and Company

	Land	Leasehold right and improvements	Building and improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Construction in progress	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2000								
Cost or valuation	230,050	146,889	396,746	45,720	50,531	54,715	-	924,651
Less Accumulated depreciation	-	(60,131)	(97,694)	(35,239)	(41,697)	(25,729)	-	(260,490)
Impairment loss	-	(9,378)	(23,251)	(512)	(873)	(590)	-	(34,604)
Net book amount	230,050	77,380	275,801	9,969	7,961	28,396	-	629,557
Year ended 31 December 2001								
Opening net book amount	230,050	77,380	275,801	9,969	7,961	28,396	-	629,557
Additions	12	5,530	5,863	7,838	1,854	-	6,733	27,830
Disposals	(12)	-	-	(45)	(1)	(15,099)	-	(15,157)
Reverse of Impairment (loss)	-	-	(2,267)	-	-	590	-	(1,677)
Transfer	-	-	-	-	-	9,719	-	9,719
Depreciation	-	(12,256)	(19,823)	(5,568)	(4,488)	(7,256)	-	(49,391)
Closing net book amount	230,050	70,654	259,574	12,194	5,326	16,350	6,733	600,881
At 31 December 2001								
Cost or valuation	230,050	152,419	402,609	53,513	52,384	49,335	6,733	947,043
Less Accumulated depreciation	-	(72,387)	(117,517)	(40,807)	(46,185)	(32,985)	-	(309,881)
Impairment loss	-	(9,378)	(25,518)	(512)	(873)	-	-	(36,281)
Net book amount	230,050	70,654	259,574	12,194	5,326	16,350	6,733	600,881

10. Property, and equipment (continued)

As at 31 December 2000, the Company has provided Baht 34 million in respect of impairment in the carrying value of its land leasehold right, building, building improvement, furniture, machinery and equipment at Sukhumvit 39 showroom. The amount of carrying value before impairment is Baht 38.5 million. Management expected that the showroom cannot generate profit in the future. The allowance for impairment has been made by comparing the carrying value of the assets, with the recoverable value determined from net selling price, and providing for the excess of the carrying value over the net selling price. The net selling price was determined by valuations of independent valuers in December 2000. The Company has charged the impairment loss as an expense in the income statement.

As at 31 December 2001, the Company has assets not used in core operations (stated at net book value), included in property, and equipment as follows

	Company	
	2001 Thousand Baht	2000 Thousand Baht
Land	-	66,700
Building and improvements	41,473	65,459
Furniture and fixture	46	257
Machinery and equipments	96	277
Land leasehold right	10,849	12,084
<u>Less</u> : Allowance for asset impairment	(2,267)	(40)
Net book value	50,197	144,737

As at 31 December 2001, the Company has provided Baht 2.3 million in respect of impairment in the carrying value of the rented assets. The amount of carrying value before impairment is Baht 52.5 million. Management expected that the assets cannot generate profit in the future. The allowance for impairment has been made by comparing the carrying value of the assets, with the recoverable value determined from value in use, and providing for the excess of the carrying value over value in use. Management have estimated value in use by discounting net operating cash flows, using a discount rate of 8%. The Company has charged the impairment loss as an expense in the income statement.



11. Other Assets

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Assets for sale	31,500	31,500	-	-
Withholding tax	21,155	12,274	21,005	12,123
Others	5,640	8,037	5,140	7,538
Total other assets	58,295	51,811	26,145	19,661

12. Debt restructuring

On 29 November 1999, the Company entered into debt restructuring agreements with all bank lenders and debenture holders. At the completion of the restructuring, the Company issued unsecured new debentures (note 14), converted debt to share capital, and entered into syndicated loans, which are divided into Bridge loan (short-term loan), Mezzanine and long-term loans (note 13).

These syndicated loans are secured by the mortgage of the Company's land used in operations and its building, the pledge of saving deposit at a bank for the amount of Baht 90 million (note 3), and the investment in shares of an associated company (note 9).

Under the syndicated facilities agreement, the Company has to comply with certain conditions, restrictions, and maintain certain financial ratios, provided in the agreement.

The Company was approved by the Stock Exchange of Thailand to resume of its securities in the stock market under REHABCO sector commencing on 18 February 2000.

13. Long-term loans

Long-term loans comprise Mezzanine and long-term loans under the Company's syndicated loans (note 12).

Mezzanine loan is repaid in quarterly installments commencing from 28 February 2000, at varying amounts and no later than 30 November 2005. The loan bears no interest.

Long-term loan is repaid in quarterly installments, commencing from the date after full repayment of the Mezzanine loan. The minimum repayment of each installment shall be 10% of the total amount and it must be repaid in full no later than 31 May 2006. The loan bears interest at the rate of 1.5% plus cost of funds per annum.

Maturity of long-term loans as at 31 December 2001 is as follows:

	Consolidated	Company
	Thousand Baht	Thousand Baht
Year		
2003	90,977	90,977
2004	109,172	109,172
2005	171,478	171,478
2006	352,918	352,918
	<u>724,545</u>	<u>724,545</u>

The fair value of the syndicated long-term loan is not derivable with sufficient reliability, due to lack of another financial instrument that has substantially the same terms and characteristics. Additionally, information required for alternative procedure is not available.

14. Debentures

Debentures are parts of the Company's debt restructuring plan (note 12). As at 29 November 1999, the company issued new unsecured debentures of Baht 88.8 million (44,424 units at par of Baht 2,000 per unit) to the debenture holders, with the interest rate of 5% per annum. The debentures will be redeemed within 8 years commencing from 29 November 1999.

The fair value of debentures approximates their carrying amounts as at 31 December 2001.

15. Other current liabilities

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Accrued expenses	19,290	24,070	18,964	23,819
Other deposits	5,885	13,476	5,885	13,476
Other payables	35,549	23,406	33,715	21,535
Total other current liabilities	<u>60,724</u>	<u>60,952</u>	<u>58,564</u>	<u>58,830</u>



16. Share capital

		Ordinary Shares	Total
	Number of Shares	Thousand Baht	Thousand Baht
At 31 December 1999	235,556,388	2,355,564	2,355,564
Issue of shares	-	-	-
At 31 December 2000	235,556,388	2,355,564	2,355,564
Issue of shares	-	-	-
At 31 December 2001	235,556,388	2,355,564	2,355,564

The total authorised number of ordinary shares is 235,556,388 shares (2000: 235,556,388 shares) with a par value of Baht 10 per share (2000: Baht 10 per share). All issued shares are fully paid. There are no changes during the year 2001 on premium on share capital, premium on share capital from increase in share capital of an associated company, and revaluation surplus of land.

17. Legal reserve

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Beginning balance	43,200	43,200	43,200	43,200
Appropriation during the year	-	-	-	-
Ending balance	43,200	43,200	43,200	43,200

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net income after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The reserve is non-distributable.

18. Financial assets and liabilities

Credit risk

The management are of the opinion that the Company and the Group have no significant concentration of credit risk. Cash and short-term investments are placed with substantial financial institutions.

Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair value: cash and cash equivalents, short-term investments, receivables and payables, and short-term borrowings.

19. Operating Profit

The following expenditures, classified by nature, have been charged in arriving at operating profit:

	Consolidated / Company	
	2001 Thousand Bant	2000 Thousand Bant
Depreciation and amortisation	54,972	69,610
Impairment loss relating to property, plant and equipment (note 10)	2,267	34,604
Staff costs	100,647	124,159

20. Provident fund

The Group has established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530, covering all employees who have attained permanent status on a voluntary basis.

Under the plan, the companies contribute an amount equivalent to an amount contributed by the employees, which bases on a certain percentage of the employees' basic salaries. The fund is managed by a Fund Manager in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.



21. Related Party Transactions

The following transactions were carried out with related parties:

i) Sales of goods and services

	Company	
	2001 Thousand Baht	2000 Thousand Baht
Sales of goods and services:		
Associated companies :		
Scandinavian Leasing Public Co., Ltd.	473	505
Scan Transport Service Ltd.	1,196	783
Total	1,669	1,288
Interest income:		
Subsidiary companies :		
Swedish Motors Car Sales Ltd.	1,953	2,024
Swedish Transport Co., Ltd.	3,188	3,525
Swedish Transport Service Co., Ltd.	48	44
Universal Link Co., Ltd.	2,322	2,659
Total	7,511	8,252

Interest rates charged to subsidiaries approximate market loan rate.

ii) Purchases of goods and services

	Company	
	2001 Thousand Baht	2000 Thousand Baht
Interest expense:		
Subsidiary companies :		
Swedish Motors Service Ltd.	21	20
Total	21	20

21. Related Party Transactions (continued)

iii) Outstanding balances arising from sales of goods/services

	Company	
	2001 Thousand Baht	2000 Thousand Baht
Receivables from related parties:		
Subsidiary companies :		
Swedish Transport Co., Ltd.	22,865	19,677
Swedish Transport Service Co., Ltd.	144	95
Swedish Motors Car Sales Ltd.	16,340	14,386
Universal Link Co., Ltd.	814	894
Total	40,163	35,052
Loan from related parties:		
Subsidiary companies :		
Swedish Motors Service Ltd.	311	302
Total	311	302

Short-term loan from subsidiary bears interest at the rate which approximates market loan rate.

iv) Short-term loans to related parties

	Company	
	2001 Thousand Baht	2000 Thousand Baht
Subsidiary companies:		
Swedish Transport Co., Ltd.	4,187	7,347
Swedish Transport Service Co., Ltd.	699	689
Swedish Motors Car Sales Ltd.	20,934	22,920
Total	25,820	30,956

v) Directors' remuneration

The total remuneration of the directors approximates Baht 1.2 million for the year ended 31 December 2001 (2000: Baht 1.2 million).

vi) Investments in subsidiaries and an associated company (note 9)



22. Segment Information

Financial information by business segments

Year ended 31 December 2001	Consolidated					Total Thousand Baht
	New Vehicles Thousand Baht	Used Vehicles Thousand Baht	Parts Thousand Baht	Service Thousand Baht	Others Thousand Baht	
Revenues	2,803,097	187,065	602,670	123,232	13,511	3,729,575
Segment result	58,900	(4,517)	134,930	20,657	1,441	211,411
Other income						59,870
Equity in net income						30,792
Impairment loss						(2,267)
Unallocated cost						(231,821)
Interest expenses						(42,453)
Net income						<u>25,532</u>

Year ended 31 December 2000	Consolidated					Total Thousand Baht
	New Vehicles Thousand Baht	Used Vehicles Thousand Baht	Parts Thousand Baht	Service Thousand Baht	Others Thousand Baht	
Revenues	2,031,074	207,883	635,888	122,487	7,404	3,004,736
Segment result	28,122	6,699	165,293	17,744	3,722	221,580
Other income						58,673
Equity in net income						30,481
Impairment loss						(34,604)
Unallocated cost						(297,796)
Interest expenses						(53,238)
Net loss						<u>(74,904)</u>

22. Segment Information (continued)

Financial information by business segments

Year ended 31 December 2001	Company					Total Thousand Baht
	New Vehicles Thousand Baht	Used Vehicles Thousand Baht	Parts Thousand Baht	Service Thousand Baht	Others Thousand Baht	
Revenues	2,803,097	187,065	602,670	123,232	13,511	3,729,575
Segment result	58,900	(4,517)	134,930	20,657	1,441	211,411
Other income						65,575
Equity in net income						24,317
Impairment loss						(2,267)
Unallocated cost						(231,030)
Interest expenses						(42,474)
Net income						<u>25,532</u>

Year ended 31 December 2000	Company					Total Thousand Baht
	New Vehicles Thousand Baht	Used Vehicles Thousand Baht	Parts Thousand Baht	Service Thousand Baht	Others Thousand Baht	
Revenues	2,031,074	207,883	635,888	121,627	7,404	3,003,876
Segment result	28,122	6,699	165,293	17,445	3,722	221,281
Other income						54,773
Equity in net income						27,139
Impairment loss						(34,604)
Unallocated cost						(290,235)
Interest expenses						(53,258)
Net loss						<u>(74,904)</u>



23. Commitments

Operating lease commitments - where the Group is the lessee

The future minimum lease payments under non-cancellable showroom operating leases are as follows:

	Consolidated		Company	
	2001 Thousand Baht	2000 Thousand Baht	2001 Thousand Baht	2000 Thousand Baht
Not later than 1 year	13,441	12,742	13,441	12,742
Later than 1 year and not later than 5 years	59,032	56,734	59,032	56,734
Later than 5 years	97,103	113,403	97,103	113,403
Total	169,576	182,879	169,576	182,879

24. Contingencies

As at 31 December 2001, the Group has commitments with banks relating to letters of guarantee issued by the banks in respect of electricity use and other transactions in the ordinary course of business amounting to approximately Baht 12.1 million (2000 : Baht 3.1 million).

25. Reclassification of accounts

Certain accounts in the 2000 financial statements have been reclassified to conform with the 2001 financial statement presentation.

Corporate Information ⇐



1. Company

Name	: Swedish Motors Corporation Public Company Limited
Location	: 1527 Sukhumvit 71 Road, Suanluang, Bangkok 10250, Thailand
Telephone	: (662) 319-9800-13
Fax.	: (662) 319-9829
Type of business	: Automotive retailer and after sale service provider in the Bangkok metropolitan Area
No. of issued shares	: 235,556,388 common shares, Baht 10 per share
Registered capital	: Baht 5,000 Million
Paid-up capital	: Baht 2,355.56 Million

2. Subsidiaries and Associated Company

- (a) Names and Category of business of company in which Swedish Motors Corporation Public Company Limited holds more than 10% of shares sold by such companies.

	Name of Subsidiaries	Registered Capital (Baht)	% of shareholdings	Type of business
1.	Swedish Motors Car Sales Limited	100,000	99.40	Former Volvo Crash Repair Business
2.	Swedish Motors Service Limited	150,000	99.60	Former service company
3.	Swedish Transport Company Limited	100,000,000	99.99	Former truck commission agent
4.	Swedish Transport Service Company Limited	1,000,000	99.94	Former operational leases to Volvo corporate clients
5.	Universal Link Company Limited	50,000,000	99.99	Former Volvo CBU concessionaire

	Name of Associates	Registered Capital (Baht)	% of shareholdings	Type of business
1.	Scandinavian Leasing PCL	600,000,000	49.90	Provider of hire-purchase financing and leasing
2.	Scan Transport Service Limited	60,000,000	49.90*	Operating lease with maintenance service

* Represents indirect ownership of shares



(b) Location and contact number

Subsidiaries:

Location : 1527 Sukhumvit 71 Road, Suanluang, Bangkok 10250, Thailand
Telephone : (662) 319-9800-13
Facsimile : (662) 319-9829

Associates:

Location : 20th Floor, Two Pacific Place, 142 Sukhumvit Road, Klongtoey,
Bangkok 10110, Thailand
Telephone : (662) 653-2533-49
Facsimile : (662) 653-2531

3. During the year 2001, the Company's shares held by Directors / Management changed as follows:

Name of Board of Directors	No. of shares Increased (Decreased)
1. Mr. Ekamol Kiriwat	-
2. Mr. Robert Norrman (Appointed on Jan. 28, 2002)	-
3. Prof. Dr. Pakorn Adulbhan, Royal Fellow	-
4. Mr. Panja Senadisai	-
5. Mr. Håkan Skoglund	-
6. Mr. Mechai Viravaidya	-
7. Mr. Mikael Währn	-
8. Mr. Karl-Johan Sandesjö	-
9. Mrs. Lena Marie Olving Ohberg	-
10. Mr. Ian Erland Freden	-
11. Mr. Boonritr Saovapruk (Resigned on Jan. 21, 2002)	-

Name of Management Team	No. of shares Increased (Decreased)
1. Mr. Pisal Parepatara	-
2. Mr. Precha Emamorn	-
3. Mr. Kosol Prakobvitayakij	-
4. Ms. Dudduen Boonsue	-

4. Management

4.1 Board of Directors

(a) Board of Directors

The Company's Board of Directors is comprised of ten (10) directors elected by the Shareholders' meeting or elected in substitution by the Company's Board of Directors pursuant to the Articles of Association and the Public Limited Companies Act B.E. 2535.

Duties of the Board of Directors

The Board of Directors shall conduct the business of the Company in accordance with all laws, the objects, the articles of association of the Company and the resolutions of the shareholders' meetings in good faith and with care to preserve the best interests of the Company.

(b) Audit Committee

The Company's Audit Committee is comprised of three (3) Directors and be appointed by the Board of Directors with the 2-year term for holding office.

Duties of the Audit Committee

The Audit Committee shall comply their duties and responsibilities in accordance with the Notification of the Stock Exchange of Thailand ("SET") Re. Qualifications and scope of work of the Audit Committee (No.1) dated June 28, 1999 and the Code of Best Practices of the Audit Committee issued by SET dated June 23, 1999.

4.2 Remuneration of the Management Team

- Directors' meeting allowance : Baht 1.16 Million
- Management's remuneration : Baht 18.54 Million (Comprising of salary, bonus and severance pay for Directors and management totaling 5 persons, including 1 resigned person.)

4.3 Good Corporate Governance

Swedish Motors Corporation PCL. is properly in compliance with the Code of Best Practice for Directors of Listed Companies of the Stock Exchange of Thailand as follows:

1. Board Composition
2. Roles and Responsibilities of Directors
3. Appointments of the Board
4. Holding the Director's Position
5. Directors' Remuneration
6. Board and Shareholders Meetings
7. Reporting



4.4 Insider Trading Control

Board members and the management are required to report their securities holding to the Board of Directors covering the period between the previous Board meeting and the meeting being held.

Moreover, all Board members and the management of the Company mutually give collaboration by not using the inside information to look for self-benefit especially during the financial disclosure period.

4.5 Internal Control

The internal control systems established in various functions are in place to prevent and to protect the company's and its affiliated companies' assets. No one can use or utilize them without getting the proper permission.

5. Number of Employees

As at December 31, 2001, total number of employees were 546 persons.

6. References

(a) Share Registrar

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand

Tel. (662) 359-1200-1

Fax (662) 359-1259

(b) Debenture Registrar

Swedish Motors Corporation PCL

1527 Sukhumvit 71 Road, Suanluang, Bangkok 10250, Thailand

Tel. (662) 319-9800-13

Fax (662) 319-9829

(c) Auditors

PricewaterhouseCoopers ABAS Ltd.

15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand

Tel. (662) 286-9999

Fax (662) 286-5050

(d) Financial Advisors

PricewaterhouseCoopers FAS Ltd.

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Bangkok 10500

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Bangkok 10110

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SALES CENTER (TDS)

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