

Ref. OM 083 /2011

June 14, 2011

To: Shareholders

Re: Notice for calling the Extraordinary General Meeting of Shareholders No. 1/2011

The Board of Directors of The Siam Industrial Credit Public Company Limited (the "Company") has passed a resolution to convene the Extraordinary General Meeting of Shareholders No. 1/2011 on Thursday June 30, 2011 at 14.30 hours at the Landmark Ballroom, 7<sup>th</sup> Floor, the Landmark Bangkok Hotel, Sukhumvit Road, Bangkok. The agenda items of the Meeting are as follows:-

**Agenda No. 1 To consider and adopt the minutes of the Annual General Meeting of Shareholders No. 1/2011 held on April 19, 2011.**

Objective and Rationale: The Annual General Meeting of Shareholders No. 1/2011 was held on April 19, 2011, a copy of its minutes is attached hereto as **Attachment 1**.

Board of Directors' Recommendation: The Meeting should adopt the said minutes.

Required Votes for Resolution: The resolution on this agenda must be approved by a majority vote of the shareholders attending the Meeting and casting their votes.

**Agenda No. 2 To consider and approve the delisting of the securities of The Siam Industrial Credit Public Company Limited from being listed securities on the Stock Exchange of Thailand according to the proposal from The Siam Commercial Bank Public Company Limited.**

Objective and Rationale: The Company received a letter from The Siam Commercial Bank Public Company Limited (the "Bank") informing in essence that the Bank had considered future business opportunities of the Company, based on the financial liberalization policy, the policy allowing commercial banks to expand the scope of business, and the increasingly high market competition, all of which could significantly affect the Company's future business competency. For this reason, maintaining the shareholding in the Company will not benefit the Bank's business. In addition, the One Presence Policy issued under the Financial Sector Master Plan of the Bank of Thailand, where each financial group can own only one deposit-taking entity, is another limitation. The Bank has therefore proceeded with the divestment of the Bank's stake in the Company and has been attempting for years to find any investors who have an interest in investing in the Company. A number of local and foreign investors had expressed the initial interest in the deal, but none was able to reach a conclusion with the

Bank. In the latest attempt, the Bank held a public auction for the Company's shares held by the Bank. There was no investor submitting the non-binding bid to the Bank for consideration, thereby resulting in the end of the public auction of the Company's shares held by the Bank.

In this regard, the Bank has viewed that the appropriate action with the least effect on the shareholders of the Company is for the Bank to make a tender offer to purchase all securities of the Company for the purpose of delisting the Company's securities from the Stock Exchange of Thailand (the "SET") at the offer price of Baht 6.89 (Six Baht and Eighty-Nine Satang) per share or at the price in pursuant to the rules set out by relevant notifications of the Securities and Exchange Commission (the "SEC") and/or of the Capital Market Supervisory Board. Upon the delisting of the Company's securities from the SET, the Bank has a plan to liquidate the Company and to subsequently return the Company's finance business licence to the authority. With regard to stakeholders, the Bank will seek appropriate measures to provide assistance to the Company's depositors and endeavor to take care of the Company's employees and other related parties against any impacts that may arise.

The Bank also informed that the commencement of this tender offer to purchase all securities of the Company for the purpose of delisting the Company's securities will be subject to the following conditions:-

- (a) The Bank obtains an approval from its Board of Directors and its general meeting of shareholders to make a tender offer to purchase securities of the Company for the purpose of delisting the Company's securities from the SET,
- (b) The Company obtains an approval from its general meeting of shareholders to delist the Company's securities from the SET, and
- (c) The Bank and the Company obtain pertinent approvals from the governing authorities and other related authorities, including the Office of the SEC and the SET, to proceed with such actions.

Board of Directors' Recommendation: The Meeting should consider the abovementioned proposal of The Siam Commercial Bank Public Company Limited, in view of the grounds and facts as follows:-

1. Taking into account the financial liberalization policy and the Bank of Thailand's policy on expansion of business scope for commercial banks as well as increasingly high competition in the market, the business opportunities of the Company in the future is seriously affected by the aforesaid factors.

2. Having the Bank as the major shareholder, the Company is thus an associated company of the Bank. Whereas the Bank is a financial institution mandated by the Financial Sector Master Plan to own only one deposit-taking entity in pursuant to the One Presence Policy, the Bank has to proceed accordingly. The Company, as the Bank's associated company, is therefore affected by the policy.
3. Upon completion of the tender offer to purchase all securities of the Company for the delisting thereof, the Bank has a plan to liquidate the Company and have the Company return the finance business licence, which may pose a significant impact on the Company's business competency. If the shareholders of the Company keep their shareholding further after the Bank takes action as planned, these shareholders will undergo such impact as well.

Together with this notice, the Company has attached the information disclosed in accordance with legal requirements and the opinion of the Independent Financial Advisor issued to the shareholders regarding the delisting of the Company's shares from being registered securities on the SET.

Required Votes for Resolution: The resolution on this agenda must be approved by a vote of not less than three-fourth of the total shares sold, provided that shareholders holding an aggregate number of shares exceeding 10 percent of the total shares sold do not cast an objection vote.

**Agenda No. 3 To approve the authorization for the President, or any persons assigned by the President, to have authority to consider and perform any acts relating to and/or in connection with the delisting of the securities of The Siam Industrial Credit Public Company Limited from being listed securities on the SET.**

Objective and Rationale: The process of delisting the Company's securities from the SET involves various courses of action. The Company should therefore assign and authorize person(s) to consider and perform any acts pertinent to the matter, so that all relevant acts can be carried out smoothly and promptly.

Board of Directors' Recommendation: The Meeting should approve the authorization for the President, or any persons assigned by the President, to have authority to consider and perform any acts relating to and/or in connection with the delisting of the securities of the Company from being listed securities on the SET, which include the following issues:-

- (a) Coordinating with and performing any acts relating to government or regulatory authorities, including any acts required under rules, conditions and details of relevant laws and regulations, as well as according to opinions or guidelines of said authorities.
- (b) Performing any acts necessary for the successful delisting of the securities of the Company from being listed securities on the SET.

Required Votes for Resolution: The resolution on this agenda must be approved by a majority vote of the shareholders attending the Meeting and casting their votes.

**Agenda No. 4 To consider other businesses (if any).**

The list of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2011 is to be determined on Wednesday June 8, 2011, and the list of shareholders will be collected pursuant to Section 225 of the Securities and Exchange Act, B.E. 2535 (A.D. 1992) by closing the shareholders register book for suspension of share transfer on Thursday June 9, 2011.

Please be invited to attend the Meeting on the date and at the time and place stated above (*your identification card or government-issued identification document is required*). Should there be any shareholder wishing to appoint a proxy to attend the Meeting and vote on your behalf, please fill in the attached proxy form and present it together with the complete supporting documents to the Company's officer prior to attending the meeting. (Please refer to **Attachment 2** for the explanation as to procedures for proxy appointment, meeting registration, and presentation of documents prior to the meeting attendance.)

Should there be any shareholder wishing to make any enquiry concerning the Company or the Company's operations, you may submit such enquiry in advance to [ir@sicco.co.th](mailto:ir@sicco.co.th), and the Company will provide clarification thereon in the Meeting.

Sincerely yours,

By the order of the Board of Directors

The Siam Industrial Credit Public Company Limited



(Miss Wanvimol Chotipuech)

President & CEO

Investor Relations

Tel. 0-2263-2100 ext.4112

# The Siam Industrial Credit Public Company Limited

Addendums to Notification of the Extraordinary General Meeting of Shareholders No. 1/2011  
Thursday June 30, 2011

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Attachment 1

For consideration of Agenda 1

To consider and adopt the Minutes of the Annual General Meeting of Shareholders No.1/2011  
held on April 19, 2011

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Minutes of the Annual General Meeting of Shareholders No.1/2011  
of  
The Siam Industrial Credit Public Company Limited  
April 19, 2011

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Attending Directors

- |                                       |  |
|---------------------------------------|--|
| 1. Mr. Wirutt Rattanaporn             | Chairman, being Chairman of the Meeting                      |
| 2. Assoc.Prof.Dr. Sunti Tirapat       | Chairman of the Audit Committee, and<br>Independent Director |
| 3. Mr. Kavi Ansvananda                | Audit Committee Member, and Independent Director             |
| 4. Assoc.Prof.Dr. Kamales Santivejkul | Audit Committee Member, and Independent Director             |
| 5. Ms. Kluaymai Devahastin            | Director   |
| 6. Ms. Araya Phuphanich               | Director   |
| 7. Mrs. Apiphan Charoenanusorn        | Director   |
| 8. Ms. Wanvimol Chotipuech            | Director, and President                                      |

Other Attendees

- |                               |   |
|-------------------------------|---|
| 1. Mr. Chavala Thienpasertkij | External Auditor  |
| 2. Ms. Waraporn Kengsurakam   | Senior Vice President, Account and Finance Division (Chief<br>Accounting Officer) |
| 3. Mrs. Suwanna Vanitsombat   | Company Secretary   |

Legal Advisor and Inspector of the Accuracy of Proxy, Quorum and Vote Casting

- |                         |                            |
|-------------------------|----------------------------|
| 1. Mr. Theppachol Kosol | Baker & McKenzie Co., Ltd. |
|-------------------------|----------------------------|

At 9.30 hrs., the directors and shareholders entered the meeting room. The Chairman expressed his gratitude to shareholders for attending this 1/2011 Annual General Shareholders Meeting and informed the Meeting that there were 145 shareholders present in person, representing 26,522,488 shares, and 112 shareholders present by proxy, representing 250,166,846 shares, altogether 257 shareholders holding

276,689,334 shares or equivalent to 46.3138% of total shares sold, thus constituting a quorum pursuant to the Company's Articles of Association. The Chairman then called the 1/2011 Annual General Shareholders Meeting open.

The Company Secretary introduced to the Meeting the directors of the Company, the external auditor, namely Mr. Chavala Thienpasertkij from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and the Senior Vice President of the Company's Account and Finance Division, namely Ms. Waraporn Kengsurakarn. The Company Secretary also informed the Meeting about the criteria and method that would be applied as the rules of vote casting, which could be summarized as follows:-

- All agendas must be approved by a majority vote of the shareholders attending the meeting and casting their votes.
- Voting procedure in the meeting was in accordance with the Company's Articles of Association and governing laws, namely 1 share for 1 vote.
- The Company had already submitted details of agendas and recommendations of the Board of Directors to shareholders for consideration in advance; the resolution for each agenda would thus be proposed as such. In vote casting, the Chairman would ask those shareholders or proxies wishing to disapprove the agenda or abstain to raise their hands.
- In case of disapproval or abstention, shareholders or proxies must specify so in their ballots given upon registration and raise their hands to identify themselves so that the Company's officers would collect the ballots for counting. In the event of approval, shareholders did not need to specify their votes in the ballots nor raise their hands. They shall be deemed to have cast their votes of approval.
- In case that shareholders appointed a proxy to attend the meeting and vote according to their particular decisions, their votes would be immediately registered in the system as approval, disapproval or abstention as they desired.
- Any ballots submitted after the announcement of votes on each agenda shall not be valid for re-calculation of votes.
- All shareholders or proxies wishing to leave before the meeting was over must return the ballots at the exit. After the meeting was over, all shareholders and proxies must return the ballots to the Company's officers as well.

At this meeting, Baker & McKenzie Co., Ltd., as the Company's legal advisor, was appointed the inspector of the accuracy of proxy, quorum and vote counting.

Subsequently, the Chairman proposed the Meeting to consider the agendas as follows:-

**Agenda 1. To consider and adopt the Minutes of the Annual General Meeting of Shareholders No.1/2010 held on April 20, 2010**

The Chairman requested the Meeting to consider and adopt the Minutes of the Annual General Meeting of Shareholders No.1/2010 held on April 20, 2010, details of which had dispatched to shareholders together with the meeting notice. In this regard, the Board of Directors recommended that the Meeting should adopt such Minutes.

The Chairman let shareholders to make inquiries and express opinions, which could be summarized as follows:-

**Mr. Witsanu Tantatswat, a shareholder,** requested that a matter of interim dividend payment proposed by shareholders at the Annual General Meeting of Shareholders No.1/2010 be added to the Minutes. The Meeting agreed to amend the Minutes of the Annual General Meeting of Shareholders No.1/2010 as proposed.

**Mr. Basant Kumar Dugar, a shareholder,** gave suggestions on 2 matters:-

1. The Company should, as a good practice for listed companies, distributed the completed Minutes of Shareholders Meeting to all shareholders.
2. The Company should not hold its meeting on the same day as that of other companies.

**The President** explained that:-

1. The Company complied with applicable laws by preparing and submitting minutes of its shareholders meeting to the Stock Exchange of Thailand (SET) and regulatory bodies within 14 days since the meeting date. It also publicized such minutes on the corporate website, thereby giving shareholders and investors a period of 1 year to acknowledge and review the minutes so that they could make recommendations to or request clarifications from the Company prior to the next shareholders meeting.

2. It was not easy for the Company to hold its shareholders meeting on different date from other companies' as suggested because there were a great number of listed companies in Thailand. Required by laws to hold their annual general meetings of shareholders within 4 months since the last day of accounting period, most listed companies held their meetings in April, which was also the last month since the end of the Company's accounting period (December 31). However, the Company would take this suggestion into consideration when scheduling the next meeting.

**Mr. Hungchai Akkawassakul, a shareholder,** opined that the Company should allow shareholders, especially foreign shareholders, to submit their questions prior to the meeting so that the Company could provide the Meeting clear and precise explanations. The President noted the recommendation and would have the Company Secretary to take responsibility for pre-meeting questions from shareholders.

When there were no further questions, the Chairman then proposed that the Meeting adopt the Minutes of the Annual General Meeting of Shareholders No.1/2010, with amendment as requested by a shareholder.

The Meeting unanimously resolved to adopt the Minutes of the Annual General Meeting of Shareholders No.1/2010 held on April 20, 2010 by the following number of votes:-

Approved	278,805,636	votes	equivalent to	100.000%
Disapproved	0	votes	equivalent to	0.0%
Abstained	0	votes		

**Agenda 2. To consider and acknowledge the 2010 operating results and to approve the balance sheets and profit and loss statements for the year ended December 31, 2010**

The Chairman assigned the President to report the 2010 operating results to the Meeting.

In presenting the 2010 operating results, the President summarized that the Company had 3 main action plans for its 2010 operations: focusing on hire purchase business which yielded a high return, enhancing efficiency of its debt management and collection which had been pursued since 2008, and placing greater importance on increasing non-interest income to compensate the decreasing interest income. These policies resulted in the Company's unconsolidated net profit of Baht 308 million, 8.14% ROE and 1.67% ROA.

Total income for 2010 was Baht 1.6 billion, decreasing from the previous year by Baht 1.9 billion since the volume of new loan contracts was less than that of due contracts, as a result of high competition against large and medium scale commercial banks as well as state-owned banks. In 2010, price competition was particularly intense, with interest rate offer by big players as low as 1.8%, too low a rate for the Company to compete with. Therefore, the Company would rather pursue a policy of making profits from high-return products than compete on volume.

Interest and dividend income fell from that of last year, while non-interest income increased. Other incomes, fees and service income and income from suggesting insurance for customers were satisfactorily achieved as targeted. Gain on investment was at Baht 39 million, compared to a loss of Baht 108 million in 2009.

Total expenses fell from Baht 1.95 billion in 2009 to Baht 1.28 billion in 2010 due to a year-on-year decrease in interest expenses from Baht 524 million to Baht 253 million, which was influenced by the downtrend in interest rate at early 2010. Meanwhile, lending volume dropped, resulting in the decline in deposit volume, hence the interest expenses.

Allowance for bad debts and doubtful accounts was Baht 697 million, rising by approximately Baht 656 million from last year, mainly because the Company deemed it appropriate to provide additional allowance and raise its bad debt coverage ratio of 80% in 2009 to 115% in 2010 as a precautionary measure against unpredictable events, such as economic problems, political unrest, and natural disasters either in the country or abroad.

Non-interest expenses fell by Baht 778 million to Baht 334 million. Expenses of all groups reduced significantly, especially a decrease in personal expense, after the 2009 early retirement program in 2009, from Baht 279 million in 2009 to Baht 192 million in 2010 and a decrease in the loss on sale and impairment of properties foreclosed. The latter was caused by the fact that the loss ratio of sale of foreclosed vehicles dropped from 22% in 2009 to 18% in 2010 and that the Company could make profit from a sale of a piece of land foreclosed.

In 2010, market interest rates, either on interest payables or receivables, were on a downward trend. Nevertheless, the reduction of payable rate was greater than that of the receivable rate, thereby pushing the spread up by 0.24%.

Non performing loan (NPL) of total lending portfolio decreased from Baht 2,411 million last year to Baht 2,088 million in 2010. Despite the diminishing NPL amount, the ratio of NPL to total loans increased from 11.81% to 15.25%, due to the decrease in loan outstanding balance. Overall improvement in NPL situation resulted from the Company's close attention on efficient management of hire purchase debts. However, NPLs of other types of loan did not lessen since most of these accounts were either under legal proceedings or legal executions.

The rate of allowance for doubtful accounts in 2010 was raised from 80% to 115% to strengthen the Company's financial structure in preparation for the uncertainty in the future. Compared with other financial institutions, this rate was at a moderate level.

Total assets as at 2010 year-end amounted to Baht 16,112 million when compared with Baht 20,828 million in 2009, due to the decline in loan volume. Shareholders' equity rose to Baht 3,964 million, the increment of which was the amount before dividend payment to shareholders. BIS ratio increased from 18.52% in the preceding year to 28.57%, signifying the solid capital fund of the Company.

There were 3 business strategies for 2011 operations, namely 1) focusing on hire purchase business with high return, 2) continually improving its processes along with all support units for efficiency enhancement, and 3) preparing for the reduction of full-amount deposit protection to Baht 50 million in August 2011 and subsequently Baht 1 million in August 2012.

With regard to social activities, the Company put emphasis to offer help, in the form of luncheon, donation of books and belongings, to underprivileged students and schools in upcountries. Besides, activities in relation to Buddhism were arranged for employees.

The Chairman then offered opportunities for shareholders to raise questions and give their opinions, which could be summarized as follows:-

1. **Mrs. Suksarn Chunsilpavech**, a shareholder, said the Company should recommence its former practice of announcing the unaudited operating results within 21 days after the quarterly statement closing date as other financial institutions did, in order that all shareholders gained equitable access to information.

**The Chairman** replied that the Company would undertake to disclose its financial statements as fast as possible. Still, the financial reporting process involved consideration and approval by the Audit Committee and the Board of Directors to ensure accuracy of the statement before disclosure to the public. Responsible for financial reports, the Board of Directors sought to exercise its discretion prudently in order to let shareholders and investors get adequate and accurate information.

2. **Mrs. Suksarn Chunsilpavech**, a shareholder, enquired about the Company's practice on management of bad debts and allowance for doubtful accounts. From the key financial data in the annual report, it was noted that total loans and receivables as well as hire purchase loans had been decreasing every year, while allowance for doubtful accounts kept rising. High rate of provision caused profits to go down, thus affecting both dividend payment and book value per share while the Company's shares held by the Siam Commercial Bank PCL (SCB) was on public auction.

**The President** explained that the Company, without taking the matter of share auction into consideration, deemed it appropriate to make said allowance for its financial stability in a mere attempt to curb uncertainty in the future. It was true that the allowance for doubtful accounts had reduced the book value, but its influence on the price deal between SCB and investors depended on the due diligence. If investors thought the allowance amount was too high, the price could possibly be adjusted. Besides, there were other decisive factors, such as business growth forecast in the long run, etc.

3. **A shareholder** asked how much the total allowance for bad debts and doubtful accounts was.

**The external auditor** referred to Note no.8 to the consolidated and the unconsolidated financial statements for 2010, on page 95, and informed that the Company's bad debts written-off was Baht 234 million.

4. **Mrs. Suksarn Chunsilpavech**, a shareholder, suggested in respect of the sale of the Company's shares held by SCB that the Company should, no matter whether any bid was made, appoint 2 independent financial advisory firms to give opinions on the proper enterprise value.

**The Chairman** answered that there was no deal proposed for the time being, but the Company was fully aware of and would comply with relevant regulations stipulated by the Securities and Exchange Commission (SEC). The legal advisor was then asked to give details of financial advisor appointment process.

**The legal advisor** explained that the Financial Institution Business Act had prescribed that the acquisition of a financial institution's shares exceeding 10% of total shares sold must be permitted by the Bank of Thailand (BOT), after which the seller and the buyer could enter into the sale agreement. If the succeeding share transfer caused the buyer's shareholding to reach 25% or over, the buyer must prepare a tender offer and submit it to existing shareholders as well as to the Company. Having received the buyer's tender offer, the Company must appoint independent financial advisors who would give opinions on such tender offer and furnish all shareholders with such opinion statement within 15 business days following the date of receipt. A complete opinion statement was subject to various factors, such as the BOT's permission, terms and conditions of the deal, etc. Unless the timeframe was certain, appointing a financial advisor might affect the tender offer price.

5. **Mr. Supot Uachailertkul**, a shareholder, enquired about the Thai Credit Retail Bank's summarizing after its due diligence that the offer price at Baht 4 per share was appropriate. Since the Company's book value as at December 31, 2010 was Baht 6.92 per share, it raised a question as to whether the Company's financial statements had disclosed complete and accurate information. Therefore, he would like to ask the Chairman of the Audit Committee whether the present book value was accurate.

**The Chairman of the Audit Committee** confirmed that the committee was confident in the accuracy of the said book value, and that the directors had never interfered with external auditors' work.

6. A **shareholder** requested that the independent directors and the audit committee act as shareholders' representatives and protect the interests of minority shareholders

**The Chairman** explained that the sale of the Company's shares was determined by SCB, the shareholder. Once the buying/selling process commenced, the Board of Directors would appoint an independent financial advisor to suggest the proper price.

7. A shareholder queried whether more allowance would be set aside in 2011 and whether the already-provided allowance could be reversed.

The President informed that the allowance provision in 2011 would resume its usual course and that the ratio of allowance to NPL at 115% was appropriate. In essence, allowance for doubtful accounts was an amount reserved as expense for possibly uncollectible accounts. Any successful debt collection resulted in a reversal of the provided doubtful account and thus profits. Therefore, the efficiency of debt collection was crucial.

8. A shareholder asked whether and how the Company had projected its net profit for 2012.

The President replied that the Company had already worked out its income and expense projection for 2012, but the figures could not be revealed as it might be regarded as market influencing. Approximately, the Company expected to grant new loans totaling Baht 300 million a month, about the same as last year. Meanwhile, NPLs were expected to decrease, attributable to continuous improvement of debt management efficiency.

The legal advisor added that price-sensitive information relevant to SET listed shares must be disclosed to the SET prior to public release. Hence, disclosure of projected net profits must be done very carefully as it would likely impact share price.

The Chairman asserted that the Board of Directors, as representative of shareholders, was well aware of its responsibility to supervise the management to work toward the set goals.

9. Mr. Supot Uachailertkul, a shareholder, enquired about the current value of foreclosed land remained with the Company.

The President answered that at present the foreclosed land to be sold valued about Baht 116 million. The Company must sell these properties according to the time limit specified by the BOT.

10. Mr. Supot Uachailertkul, a shareholder, questioned how the Company, as the major shareholder of SICCO Securities PCL (SSEC), recorded the book value of SSEC, and whether it had any plan to dispose of its shareholding in the company.

The President gave an explanation that the Company recorded the book value of SSEC at its cost, which was Baht 1.11 per share. Regarding the sale of SSEC shares, opportunities were open to all persons expressing an interest in the subsidiary, and the Company was glad to consider any beneficial offer.

11. Ms. Yaowalak Munjitjantra, the proxy of Mr. Pradit Wongapisumpo, asked 3 questions as follows:-

11.1 The Company's financial statements for 2010 registered numerous income items from transactions like sale of land or investment, which were not ones from hire purchase, the core business. Excluding profits incurred by these non-core activities, how much would profits from the core business be?

**Senior Vice President of Account and Finance Division** informed that, in 2010, profit from sale of land amounted to about Baht 95 million, equivalent to Baht 0.16 per share, income from investment amounted to Baht 0.07 per share. Based on the Company's earnings per share of Baht 0.51, the core business would yield approximately Baht 0.30 earnings per share.

11.2 Concerning the sale of the Company's shares held by SCB at Baht 4 per share, the price lower than the book value, was it possible that the Company could repurchase such shares?

**The President** replied that this suggestion would be taken for detailed consideration.

11.3 What was the Company's policy on management of deposit portfolio in response to the change of deposit protection rules?

**The President** expected that the new maximum deposit protection limit of Baht 50 million, taking effect on August 11, 2011, would cause some customers shift their deposits for the part beyond Baht 50 million to other financial institutions. At the same time, depositors of other financial institutions certainly needed new depositories for their excess money, making them become the Company's target group. Furthermore, the Company planned to attract over 2,000 former customers back. In any case, its present liquidity was sufficient enough to deal with the upcoming reduction of deposit protection limit.

When there were no more questions, the Chairman proposed that the Meeting approve the balance sheets and profit and loss statements for the fiscal year ended December 31, 2010, which had already been audited and certified with unqualified opinion by the external auditor.

The Meeting resolved to approve the balance sheets and profit and loss statements for the year ended December 31, 2010 as proposed by the Board of Directors, by majority votes of shareholders attending the meeting and casting their votes as follows:-

Approved	251,739,588	votes	equivalent to	90.1373%
Disapproved	27,544,942	votes	equivalent to	9.8626%
Abstained	1,103,500	votes		

**Agenda 3. To consider and approve the allocation of profit and the dividend payment from the Company's operating results for year 2010**

The Chairman presented to the Meeting that the Company had, for the year ended December 31, 2010, net profit according to its unconsolidated finance statements of Baht 307,657,912 and net profit according to the consolidated statements of Baht 306,537,374, with no accumulated loss. Therefore, it could consider paying dividend to the shareholders pursuant to Section 115 of the Public Limited Companies Act, B.E. 2535.

In addition, Section 116 of the Public Limited Companies Act, B.E. 2535 stipulated that the Company allocate a portion of its annual net profit as a reserve fund in the amount not less than 5% of the said annual net profit less the accumulated loss brought forward (if any) until the reserve fund amounted to not less than 10% of the registered capital.

The Board of Directors thus deemed it appropriate to propose that the Meeting consider as follow:-

1. Approve the allocation of 2010 operating profit as the legal reserve at the rate of 5% of the Company's net profit on the unconsolidated financial statements, equivalent to Baht 15,382,896.
2. Approve the payment of dividend from 2010 operating results at the rate of Baht 0.26 per share, totaling Baht 155,329,996 and equivalent to payout ratio of 50.67% when compared to the net profit on the unconsolidated financial statements. This was consistent with the Company's dividend payment policy.
3. Approve the addition of the retained earnings remained after appropriation to the Company's capital fund.

The list of shareholders entitled to dividend payment was determined on April 27, 2011, the list of said shareholders would be collected pursuant to Section 225 of the Securities and Exchange Act, B.E. 2535 by closing the shareholders register book for suspension of share transfer on April 28, 2011, and the date of dividend payment was fixed on May 12, 2011.

Subsequently, the Chairman welcomed questions and opinions from the shareholders, which could be summarized as follows:-

1. **A shareholder** asked about the rate of tax credit on dividend paid in 2011.

**Senior Vice President of Account and Finance Division** answered that shareholders could claim a tax credit on dividend at 2 rates, which were 25% on Baht 0.13, and 30% on Baht 0.13

2. **A shareholder** requested the Board of Directors to consider dividend payment of more than the proposed Baht 0.26 per share, seeing that the Company had a large sum of accumulated profit. Besides, if the provided allowance for doubtful accounts was included and used for paying incremental dividend, the Company's book value would still stand above Baht 6 per share. It was then suggested that the dividend should be Baht 0.38 per share. Reference was also made to the Company's dividend record, where dividend payout ratios in many years were higher than 100%.

**The Chairman** replied that although the Company had in 2010 higher profit, part of which was from sale of a piece of land and not from the core business, than the preceding years, its core business simply generated around Baht 0.30 earnings per share due to intense competition in hire purchase business. At present, it was more difficult for the Company to undertake its business, unlike in the past when it had been able to offer full-range of business activities. Not only that, the Company had to bear higher financial costs than other financial institutions did, as well as needed to take measures in response to the Deposit Protection Agency Act's decrease of deposit protection limit that would become effective in the forthcoming August. For these reasons, the Board of Directors considered that the Company should set aside part of the profit as a fund to support business activities at an opportune time. In appreciation of the shareholders' patronage and in accordance with the Company's dividend payment policy, however, the Board of Directors deemed it appropriate to propose dividend payment for 2010 operating results at the rate of Baht 0.26 per share or equal to payout ratio of 50% of the net profit. The Board also deemed that dividend payment should be made at a normal rate, with no considerable variation between any comparable years. High dividend payout ratios in the past were possibly made as special case payments.

3. **Mr. Witsanu Tantatswat**, a shareholder, proposed that the Board of Directors consider paying interim dividend to shareholders, as the unappropriated accumulated profit now amounted to Baht 745 million.
4. **A shareholder** suggested that the Chairman call for a vote on the 2 rates of dividend payment, which were Baht 0.26 per share proposed by the Board of Directors and Baht 0.38 per share proposed by a shareholder.

**The Chairman** offered that the Meeting consider and vote on the dividend payment proposed by the Board of Directors at Baht 0.26 per share before all else. If it was not approved by majority votes of shareholders attending the meeting and casting their votes, then the dividend payment proposed by a shareholder at Baht 0.38 per share would be called for vote. Meanwhile, the legal advisor opined that this agenda should be approved as proposed by the Board of Directors, but if it



3. Elect Mr. Krieng Wongnongtaey as a director in replacement of Ms. Araya Phuphanich.

Apart from holding well-suited qualifications and experiences, these 3 nominees were also fully qualified pursuant to all applicable laws, the Company's Articles of Association and the Board Charter, as well as had already been approved by the Bank of Thailand.

Mr. Thanawat Pinrod, a shareholder, would like Assoc.Prof.Dr. Sunti Tirapat, Independent Director and Chairman of the Audit Committee, to give reasons for his declination of the re-election, and also his opinions on the matter discussed above.

**Assoc.Prof.Dr. Sunti Tirapat, Independent Director and Chairman of the Audit Committee**, clarified that he declined to stand for the re-election because of other commitments. He also stated that every action by the Company was carried out with concern for the interest of minority shareholders. The Company had consistently consulted with regulatory authorities to ensure lawful course of action. Although share sale by the major shareholder was beyond the Company's control, independent directors had made certain that all processes the Company bound to do were in compliance with relevant regulations.

When there were no other questions, the Chairman proposed that the Meeting approve the re-election of a due-to-retired director and the election of new directors in replacement of the two due to retire by rotation and not desirous to be re-elected.

The Meeting resolved to approve the re-election of a due-to-retired director and the election of new directors in replacement of the two due to retire by rotation and not desirous to be re-elected, by majority votes of shareholders attending the meeting and casting their votes on the basis of one director at a time as follows:-

Mr. Kavi Ansvananda was re-elected as a director for another term, by majority votes as follows:-

Approved	252,403,254	votes	equivalent to	99.8298%
Disapproved	430,200	votes	equivalent to	0.1701%
Abstained	27,834,576	votes		

Mr. Vachara Palakawong Na Ayudhaya was elected as a director, by majority votes as follows:-

Approved	251,933,130	votes	equivalent to	99.2119%
Disapproved	2,001,200	votes	equivalent to	0.7880%
Abstained	26,733,700	votes		

Mr. Krieng Wongnongtaey was elected as a director, by majority votes as follows:-

Approved	252,402,854	votes	equivalent to	99.3972%
Disapproved	1,530,600	votes	equivalent to	0.6027%
Abstained	26,734,576	votes		

**Agenda 5. To consider and acknowledge directors' remuneration and bonus**

The Chairman informed the Meeting that the Board of Directors had policy and principle on setting directors' remuneration at an appropriate level commensurate with their responsibilities to perform duties according to stakeholders' expectation and relevant laws. Hence, the Company needed to select directors possessing adequate experiences and qualifications, and arranged to review directors' remuneration on an annual basis in order to comply with good corporate governance principle. In this meeting, the Board of Director had not proposed a resolution for any changes of directors' remuneration or bonus.

However, the Board of Directors deemed it appropriate to declare directors' remuneration and bonus so that the shareholders who were not aware of the aforesaid matters could acknowledge details as follows:-

**Remuneration for Directors** – approved by 1/2003 Annual General Shareholders Meeting on April 22, 2001, until being amended by the shareholders, as follows:-

- Base fee for every director	20,000 Baht/month
- Fee for Chairman	15,000 Baht/month
- Fee for Executive Director	10,000 Baht/month
- Fee for Chairman of the Audit Committee	20,000 Baht/month
- Fee for Audit Committee Member	15,000 Baht/month
- Meeting fee for Nomination and Compensation Committee	
Chairman	15,000 Baht/meeting
- Meeting fee for Nomination and Compensation Committee	
Member	10,000 Baht/meeting

**Bonus for Directors** – approved by 1/1997 Annual Shareholders Meeting on April 3, 1997, until being amended by the shareholders, at the rate of 1% of total dividend paid to the shareholders. The amount was equivalent to Baht 1,553,299.96 this year, and shall be allocated by the Board of Directors.

The Meeting acknowledged directors' remuneration and bonus for the year 2011.

**Agenda 6. To appoint the Company's auditor and to fix the audit fee for the year 2011**

The Chairman asked Assoc.Prof.Dr. Sunti Tirapat, Chairman of the Audit Committee, to describe to the Meeting details in respect of proposal for auditor appointment and audit fee. The Chairman of the Audit Committee then informed the Meeting that Section 120 of the Public Limited Companies Act, B.E. 2535 and the Company's Articles of Association provided that the annual general meeting of shareholders must approve the Company's external auditor appointment and the audit fee on an annual basis, where the shareholders could appoint the existing auditor(s) for another term.

The Chairman of the Audit Committee further reported to the Meeting that the Audit Committee had given to the Board of Directors its opinion concerning auditor appointment for the fiscal year 2011. The Board accordingly deemed it appropriate to propose that the Meeting consider and approve appointment of auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. at the total audit fee of Baht 1,828,000, which was higher than that of last year by Baht 88,000 or 5.06%. In 2011, the auditors would also render other services, as required by the Bank of Thailand, with fee in the amount of Baht 264,000, an increase of Baht 14,000 from the previous year. Names of auditors proposed for appointment were as follows:-

1. Mr. Chavala Thienpasertkij                      CPA No.4301 and/or
2. Mr. Niti Jungnitnirundr                      CPA No.3809 and/or
3. Mr. Permsak Wongpatcharapakorn              CPA No.3427

Subsequently, the Chairman let the shareholders to raise questions or make comments, which could be summarized as follows:-

1. **Mrs. Suksarn Chunsilpavech** requested the external auditor to affirm and assure the shareholders of the financial statements on which he had already expressed an opinion.

**The auditor** thanked the shareholders for appointing him as the Company's auditor. In performing duties as well as preparing and presenting financial reports to shareholders, the auditor had strictly conformed to accounting and profession standards. The auditor was independent of the Company and had no connection to the Company's shareholding at all.

2. **A shareholder** recommended that any irregularities found during the financial audit should be disclosed in the notes to financial statements and addressed to the shareholders.

**The auditor** explained that, according to the auditing standards, the auditor would issue a report of an unqualified opinion if no other issues were found. As for the Siam Industrial Credit PCL, the audit was conducted in accordance with generally accepted auditing standards and there were no remarks other than those stated in the report.

3. **Mrs. Suksarn Chunsilpavech** asked the auditor to give an opinion as to whether the Company was capable of paying interim dividend, and to advise the management to set aside an appropriate amount of provision, for the best interest of the shareholders.

The auditor informed that dividend payment policy was determined by the management, the external auditor had no responsibility to make recommendations on dividend payment. In regard to reserve and allowance for doubtful accounts, the auditor had audited and reviewed the financial figures to ensure the Company's compliance with the generally accepted accounting standards. Furthermore, the auditor had carefully audited the provisioning criteria for observance of accounting rules, and confirmed that the Company's practices were correct in conformity with generally accepted accounting standards.

4. **Mr. Supot Uachailertkul** questioned why the audit fee had been raised while the Company's transactions had not.

The auditor clarified that the audit fee was generally set based on the normal workload and the changing cost of living. The proposed audit fee had been considered carefully and thus appropriate. For this year, the audit fee was increased in line with the BOT's impending amendment of accounting standards.

When there were no more questions, the Chairman requested that the Meeting approve the auditor appointment and audit fee for the year 2011.

The Meeting resolved to approve the auditor appointment and audit fee as per details proposed by the Board of Directors, by majority votes of shareholders attending the meeting and casting their votes as follows:-

Approved	249,719,786	votes	equivalent to	93.2312%
Disapproved	18,130,044	votes	equivalent to	6.7687%
Abstained	12,818,200	votes		

**Agenda 7. To consider other businesses**

The Chairman invited shareholders to make inquiries or comments in relation to the Company's operations.


**Ms. Yaowalak Munjitjantra**, the proxy of **Mr. Pradit Wongapisumpo**, asked whether the Company's lending business felt the impact of the southern flooding, how much additional allowance it planned to make, and how much insurance coverage it had in this case.

The President said that the southern flooding crisis had no significant impact on the Company. Since the Company had ceased its lending activity in the south for some period of time, any adverse consequence was only slight.

A shareholder recommended that the Company should, from time to time, provide shareholders with important information and updates on possible deal between SCB and prospective investors to sell the Company's shares.

When there were no further questions or comments raised by shareholders, the Chairman expressed his gratitude to the shareholders for their supports that contributed to the success of the Company's activities.

The Meeting was adjourned at 12.15 hrs.

Signed   
( Ms. Wanvimol Chotipuech )  
President & CEO

Signed  Taken Note  
( Mrs. Suwanna Vanitsombat )

## Attachment 2

### Documents required for meeting attendance and proxy

The Company will open registration and document examination counter since 13.00 hrs., at the meeting venue as the attachment 5. As a barcode system is used for registration, **shareholders wishing to attend the meeting please kindly bring with them the barcode-labelled Registration Form.**

#### 1. Individual Shareholder

In case of attending in person Official identification document bearing the shareholder's photograph, and not yet expired, such as ID card, driving license, or passport.

In case of proxy

- a) *Proxy form that is completely and accurately filled in, with signatures of Grantor and Proxy.*
- b) *A copy of official identification document bearing the Grantor's photograph, and not yet expired, such as ID card, driving license, or passport. Certified true copy signature is required.*
- c) *A copy of official identification document bearing the Proxy's photograph, and not yet expired, such as ID card, driving license, or passport. Certified true copy signature is required.*

#### 2. Juristic Person Shareholder

- a) *Proxy form that is completely and accurately filled in, with signatures of Proxy and authorized person(s) of such juristic person, as stated in its registration affidavit issued by the Ministry of Commerce, together with company seal (if any).*
- b) *A copy of registration affidavit, certified true copy by its authorized person(s).*
- c) *A copy of official identification document of each authorized person, bearing the holder's photograph, and not yet expired, such as ID card, driving license, or passport. Certified true copy signature is required.*
- d) *A copy of official identification document bearing the Proxy's photograph, and not yet expired, such as ID card, driving license, or passport. Certified true copy signature is required.*

#### 3. Non-Thai Individual Shareholder, or Juristic Person Shareholder Founded Under Foreign Laws

Submit documents as stated in 1. or 2., as the case may be. Additional conditions are as follows:-

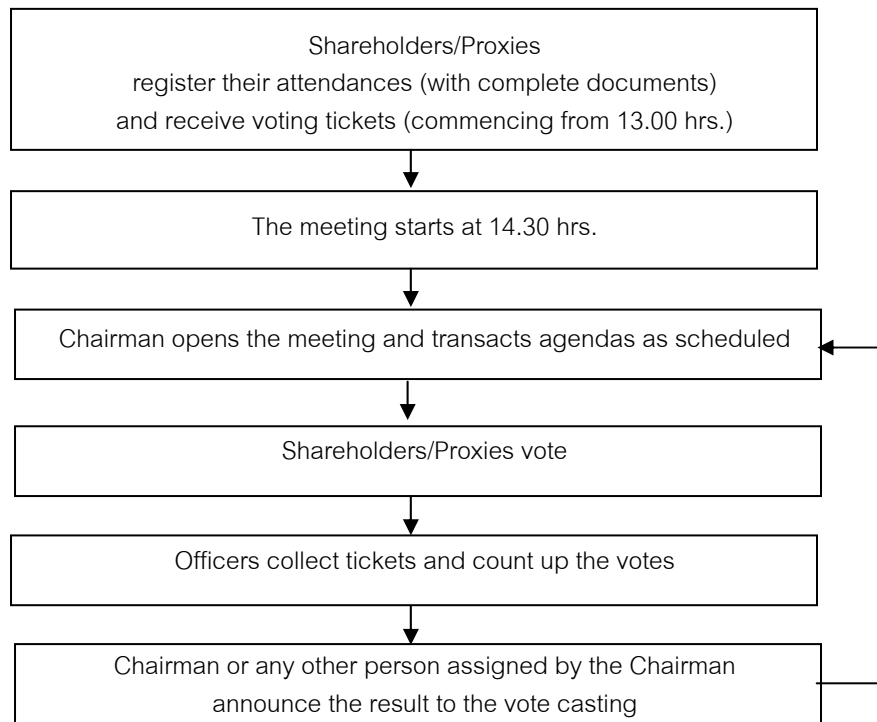
- a) Registration or incorporation affidavit of a juristic person issued by the government official of the country in which such juristic person is registered. Such document must include minimum details regarding the juristic person's name, name(s) of authorized person(s) who can sign on behalf of the juristic person, condition or limitation of authorization, including location of its headquarter. Certified true copy signature is required.
- b) If the original documents are made in any language other than English, translation in English must be attached, with certified true copy signature of its authorized person(s).
- c) In case the shareholder appoints a custodian in Thailand as its deposit taker and take care of the shares, please attach a certified true copy of certificate or license which shows that the representative custodian is permitted to undertake custodian business.



### Attachment 3

#### Registration and Voting Processes for the Shareholders Meeting

The Company will open registration and document examination counter since 13.00 hrs., at the meeting venue as the attachment 5. As a barcode system is used for registration, **shareholders wishing to attend the meeting please kindly bring with them the barcode-labelled Registration Form.**



#### Notes:

In case the vote counting for any agenda is time-consuming, the Chairman may consider to transact the next agenda while the counting is proceeded, so as to save time.

**Explanation on Vote Casting and Vote Counting at the Meeting of Shareholders**

The Chairman of the meeting or any person assigned by the Chairman will inform the shareholders about the method of vote casting and counting before considering the meeting agendas.

1. The method of vote casting at the meeting is in accordance with the Company's Articles of Association and governing laws, namely 1 share for 1 vote.
2. As for discussion of each agenda, the Company has already presented the Board of Directors' recommendation to shareholders for consideration in advance. The resolution for each agenda will thus be proposed as such. In vote casting, the Chairman will ask those shareholders or proxies wishing to disapprove the agenda or abstain to raise their hands.
  - 2.1 In case any shareholders or proxies raise their hands in disapproval or abstention, they must specify so in the ballots given prior to the meeting attendance and deliver their ballots to the Company's officers. Shareholders or proxies who do not raise their hands or deliver the ballots shall be deemed to have cast the approval votes.
  - 2.2 In case no shareholders or proxies raise their hands in disapproval or abstention, it shall be deemed that the meeting unanimously resolves to approve the agenda as proposed by the Chairman.
  - 2.3 In case any shareholders have appointed a proxy to attend the meeting, with the proxy form specifying particular decision of votes by the shareholders, the Company shall record such votes in advance as approval, disapproval or abstention according to the intention already expressed by the shareholders.
3. Vote counting for each agenda at this Extraordinary General Meeting of Shareholders shall be divided into 2 categories, as follows:-
  - 3.1 The agenda that must be approved by a majority vote of the shareholders attending the meeting and casting their votes.
  - 3.2 The agenda that must be approved by a vote of not less than three-fourth of the total shares sold, provided that shareholders holding an aggregate number of shares exceeding 10 percent of the total shares sold do not cast an objection vote.
4. In case any proxies cast their votes by marking the ballots in contrast to the votes specified in the proxy forms, the Company shall count the votes as specified in the proxy forms and already recorded in advance.

Articles of Association Relating To Shareholders Meeting Arrangement

36. The board of directors shall arrange for an annual ordinary meeting of shareholders within four months from the last day of the fiscal year of the Company.

Meetings other than in the first paragraph shall be called extraordinary meetings. The board of directors may call an extraordinary meeting of shareholders whenever the board considers appropriate; or the shareholders holding shares altogether at not less than one fifth of the total number of shares sold; or number of shareholders of not less than twenty-five persons holding shares altogether at not less than one-tenth of the total number of shares sold may submit their names in a letter requesting the board of directors to call an extraordinary meeting of shareholders at any time, but they shall give reasons for such request in the said letter. In such case, the board of directors shall arrange for the meeting of shareholders to be held within one month from the date of receipt of such letter of request from the shareholders.

37. Calling shareholders for general meeting, the board of directors shall send to shareholders the notice for meeting specifying the place, date, time, agenda of the meeting, and the subject matter to be submitted to the meeting together with appropriate details by stating clearly whether it will be for information, for approval, or for consideration, as the case may be, including the opinions of the board of directors toward the said matter (if any), and the said notice shall be sent to shareholders and the registrar at not less than seven days before the date of the meeting. Publication of notices calling for a meeting shall also be made in a newspaper for three (3) consecutive days and not less than three (3) days before the date of the meeting.

38. At a general meeting of shareholders, there shall be shareholders and proxies (if any) present at the meeting at a number of not less than twenty-five persons, or not less than one half of the total number of shareholders and such shareholders shall hold shares altogether at not less than one-third of the total number of shares sold, in order to constitute a quorum.

If after one hour from the time fixed for any general meeting of shareholders the number of shareholders present is still not enough to form a quorum in accordance with the first paragraph:- If such general meeting of shareholders is requested by the shareholders; such meeting shall be cancelled. If such meeting of shareholders is not called by the shareholders, the meeting shall be called again; and in the latter case, notice calling for meeting shall be sent to the shareholders not less than seven days before the meeting. In the second meeting, a quorum is no need.

39. Shareholders may authorize other persons as proxies to attend and vote at any meeting on their behalf and the instrument appointing proxy shall be submitted to the board chairman or the person assigned by the board chairman at the place of meeting before attend and vote.

40. Any voting, the one share shall have one vote. In case of a tie vote, the chairman of the meeting is entitled for a casting vote.

41. Agenda for annual ordinary meeting shall at least consists of following topics:-

- (1) To consider the report of the board of directors on the Company's business operation of the previous year end.
- (2) To approve balance sheet and profit and loss statement.
- (3) To approve appropriation of profit.
- (4) To appoint new director(s) to replace retired director(s).
- (5) To appoint auditors and determine their remuneration.

Attachment 5

Map To The Venue

The Landmark Bangkok Hotel Sukhumvit Rd., Bangkok 10330

