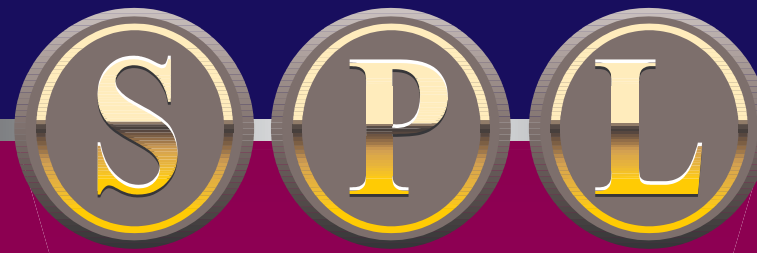


ANNUAL REPORT



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SIAM PANICH LEASING PLC.

CONTENTS

<i>Financial Highlights</i>	<i>2</i>
<i>Organization Chart</i>	<i>4</i>
<i>Board of Directors</i>	<i>6</i>
<i>Executive Officers</i>	<i>10</i>
<i>Directorship Structure</i>	<i>16</i>
<i>Corporate Governance</i>	<i>20</i>
<i>Report from the Chairman of Audit Committee</i>	<i>29</i>
<i>Business Overview</i>	<i>30</i>
<i>Risk Factors</i>	<i>34</i>
<i>Major Shareholders</i>	<i>37</i>
<i>Management Discussion and Analysis</i>	<i>38</i>
<i>Conflict of Interest Persons and Related Transactions</i>	<i>46</i>
<i>General Information</i>	<i>50</i>
<i>Report of the Auditors</i>	<i>54</i>
<i>Financial Statements</i>	<i>55</i>

FINANCIAL HIGHLIGHTS

Unit : Million Baht

Description

ASSETS

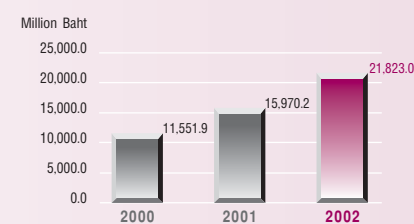
	2002	2001	2000
Total Assets	21,823.0	15,970.2	11,551.9
Net Hire Purchase Accounts Receivable	19,427.4	13,832.5	9,575.9
Net Lease Accounts Receivable	923.7	713.1	777.3
Net Factoring Accounts Receivable	587.8	547.0	367.9

LIABILITIES AND SHAREHOLDERS' EQUITY

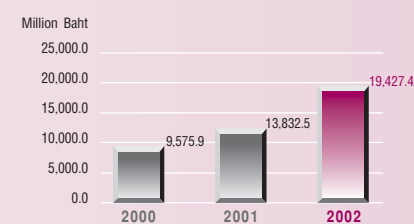
	2002	2001	2000
Total Liabilities	17,338.1	12,120.6	8,376.5
Overdraft and Loans	16,682.9	11,644.2	8,020.1
Shareholders' Equity	4,484.9	3,849.6	3,175.4

OPERATIONAL PERFORMANCE

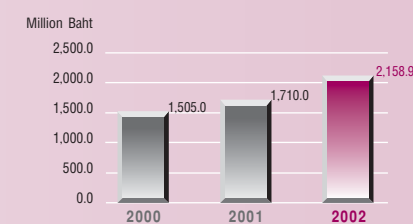
	2002	2001	2000
Total Revenues	2,158.9	1,710.0	1,505.0
Income from Hire Purchase Contracts	1,830.5	1,468.2	1,307.2
Income from Lease Contracts	76.8	79.3	79.6
Income from Factoring Contracts	59.4	66.5	38.5
Total Expenses	1,190.1	1,023.5	827.8
Net Profit (Loss) after Income Tax	775.2	673.9	611.8



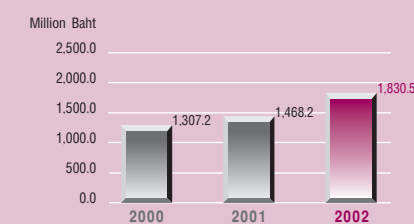
Total Assets



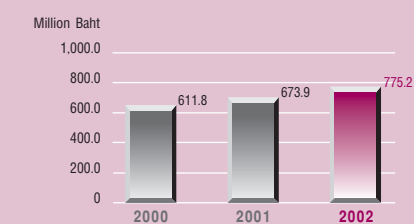
Net Hire Purchase Account Receivable



Total Revenues



Income from Hire Purchase Contracts



Net Profit (Loss) after Income Tax

Unit : Million Baht

Description

PROFITABILITY RATIO

	2002	2001	2000
Profit Margin (%) *	25.83%	34.73%	22.72%
Interest Earn (%) **	10.76%	12.15%	14.18%
Interest Expense (%) **	5.35%	7.20%	8.34%
Interest Spread (%) **	5.41%	4.95%	5.84%
Return on Total Revenues (%)	35.91%	39.41%	40.65%
Return on Equity (%)	18.60%	19.19%	21.32%

EFFICIENCY RATIO

	2002	2001	2000
Return on Assets (%)	4.10%	4.90%	5.90%
Asset Turnover	0.11	0.12	0.15

FINANCIAL POLICY RATIO

	2002	2001	2000
Debt to Equity	3.87	3.15	2.64
Loans to Loan Borrowings	1.29	1.35	1.40
Earning (Loss) per Share (Baht/Share)	3.89	3.39	3.07
Book Value per Share (Baht/Share)	22.51	19.35	15.96
Dividend Payout Ratio	19.27%	-	-

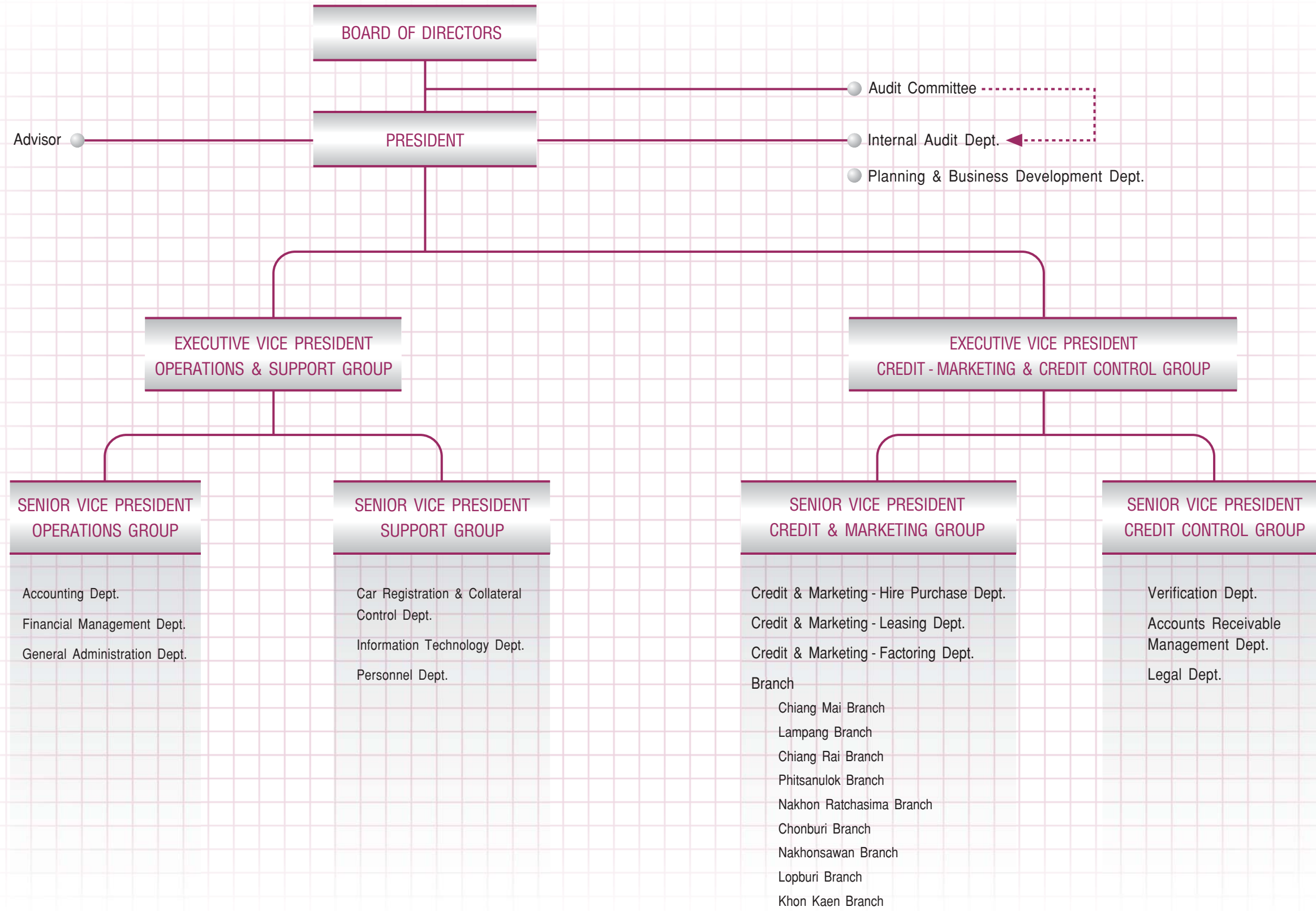
The Company has no dividend payout for its shareholders because of the accumulated losses that were carried forward from 1998 to 2001, resulting from the 1997 baht floatation

* In case of Operating Lease

** In case of Financial Lease

ORGANIZATION CHART

SIAM PANICH LEASING PUBLIC COMPANY LIMITED



BOARD OF DIRECTORS

CHAIRMAN

MR. AMORN ASAVANUNT

Education : M.B.A. Finance Bowling Green State University, Ohio, U.S.A.

Experience : 1999 - Present Chairman of the Board of Directors,
Siam Panich Leasing Plc.
1986 - 1999 Director, Siam Panich Leasing Plc.
1994 - April 2002 Chairman of the Board of Directors,
SPL Transport Co.,Ltd.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

CHAIRMAN OF AUDIT COMMITTEE

MR. SOMPOCH INTRANUKUL

Education : B.A. (Accounting), Chulalongkorn University

Experience : 1999 - Present Chairman of Audit Committee and Director,
Siam Panich Leasing Plc.
1999 - Present Chairman of Audit Committee,
Deves Insurance Plc.
1999 - April 2001 Chairman, Board of Executive Directors,
Siam City Bank Plc.
1999 Chairman of the Board of Directors,
Siam City Factoring Plc.

Training on the Role and Responsibilities of a Director :

- The Audit Committee organized by The Thai Institute of Directors Association
- Directors Certification Program Class 24/2002 from The Thai Institute of Directors Association

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

DIRECTOR OF AUDIT COMMITTEE

MR. PRATIP WONGNIRUND

Education : School of Commerce, Sydney Technical College,
New South Wales, Australia

Experience : 1999 - Present Director of Audit Committee,
Siam Panich Leasing Plc.
1997 - Present Director,
Siam Panich Leasing Plc.
December 2002 - Present Chairman of the Board of Directors,
BT Securities Co.,Ltd.
1998 - Present Chairman of the Board of Directors,
Indara Insurance Plc.
1999 - November 2002 Advisor to the Audit Committee,
Bank Thai Plc.

Training on the Role and Responsibilities of a Director :

The Role and Responsibilities of Audit Committee organized
by The Stock Exchange of Thailand

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

MR. KOPR KRITAYAKRIRANA

Education : Ph.D. (Physics), Harvard University, U.S.A.

Experience : 2000 - Present Director of Audit Committee,
Siam Panich Leasing Plc.
1997 - September 2001 Director and Executive Director,
Bangkok Metropolitan Bank Plc.

Training on the Role and Responsibilities of a Director :

Director Certification Program from The Thai Institute of
Directors Association

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

DIRECTOR

MR. NIBONDH NAMDHAVAJ

Education : M.B.A. Kasetsart University

Experience : 2000 - Present Director, Siam Panich Leasing Plc.
November 2002 - Present Senior Vice President Regional Manager,
Siam Commercial Bank Plc.
April 2001 - October 2002 Senior Vice President and Manager,
Credit Development Department,
Asset Management Group,
Siam Commercial Bank Plc.
1995 - March 2001 Senior Vice President Business
Development Department 3,
Retail Banking and SME Group,
Siam Commercial Bank Plc.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

MR. BUNLUE KAMPANARTSANYAKORN

Education : M.S.C (Civil) Engineering, University of Hawaii, U.S.A.

Experience : 2001 - Present Director,
Siam Panich Leasing Plc.
(No work experience related
to the Company's business)

Training on the Role and Responsibilities of a Director :

Good Corporate Governance organized by The Thai Institute of
Directors Association

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

DIRECTOR AND PRESIDENT

MR. SHATCHAWAN KIATGRAIGANGWAN

Education : M.B.A. Kasetsart University

Experience : 1993 - Present President,
Siam Panich Leasing Plc.
1997 - Present Director,
Dhanavat Insurance Co.,Ltd.
1994 - April 2002 Director,
SPL Transport Co.,Ltd.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

EXECUTIVE OFFICERS

PRESIDENT

Mr. Shatchawan Kiatgraigangwan

EXECUTIVE VICE PRESIDENT

Mr. Suwat Pathnopas

Operations & Support Group

Mr. Songvuti Sangvoravuttikun

Credit-Marketing & Credit Control Group

SENIOR VICE PRESIDENT

Mr. Nipon Manasboonpermpool

Credit & Marketing Group

Mr. Narain U-nanupap

Credit Control Group

VICE PRESIDENT

Miss Siriporn Tangchanachaijanun

Planning & Business Development Dept.

Mr. Santi Sutipanwihan

Internal Audit Dept.

Mr. Congsin Congcar

Support Group

Mr. Saroj Yongyosrungreung

Credit & Marketing - Hire Purchase Dept. *(Appointed on January 15, 2003)*

Mr. Prasert Teerasawat

Credit & Marketing - Leasing Dept.

Mr. Pornchai Komolpis

Credit & Marketing - Factoring Dept.

Mr. Sutas Pinsuey

Verification Dept.

VICE PRESIDENT

Mrs. Chanphen Rungwattana

Accounts Receivable Management Dept.

Mr. Wattanaporn Pitakzaksaree

Legal Dept.

Miss Vilairat Worapongpichet

Accounting Dept.

Mrs. Kannika Jarantankul

Financial management Dept.

Mr. Prasert Gitveradaecha

General Administration Dept.

Mrs. Puangkaew Jarernsawan

Car Registration & Collateral Control Dept.

Mrs. Ruangratana Unaphumnag

Information Technology Dept.

Maj. Wichun Pooparnthong

Personnel Dept.

VICE PRESIDENT - BRANCH

Mr. Prachan Inchai

Chiang Mai Branch *(Appointed on January 1, 2003)*

Mr. Prasert Wattanasinpongs

Lampang Branch

Mr. Surachai Boonwiwattanakan

Chiang Rai Branch

Mr. Kata Phornphiboul

Phitsanulok Branch *(Appointed on January 15, 2003)*

Mr. Surapon Royintharat

Nakhon Ratchasima Branch

Mr. Chatchai Lo-utai

Chonburi Branch

Mr. Sompong Pongtanasate

Nakhonsawan Branch *(Acting as Vice President on December 15, 2002)*

Mr. Phanom Sangsuwan

Lopburi Branch

Mr. Apinan Tanasatit

Khon Kaen Branch

PRESIDENT

MR. SHATCHAWAN KIATGRAIGANGWAN

Education : M.B.A. Kasetsart University

Experience : 1993 - Present President,
Siam Panich Leasing Plc.
1997 - Present Director,
Dhanavat Insurance Co.,Ltd.
1994 - April 2002 Director,
SPL Transport Co.,Ltd.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

EXECUTIVE VICE PRESIDENT OPERATIONS & SUPPORT GROUP

MR. SUWAT PATHNOPAS

Education : B.A. (Accounting), Chulalongkorn University
Advance Certificate, American Institute of Banking,
New York, U.S.A.

Experience : 1996 - Present Executive Vice President
Operations & Support Group,
Siam Panich Leasing Plc.
1997 - Present Director,
SPL Transport Co.,Ltd.

Training on the Role and Responsibilities of a Director :
Good Corporate Governance (Key to Success for Business
in the New Era) organized by The Stock Exchange of Thailand
and The Thai Institute of Directors Association

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

EXECUTIVE VICE PRESIDENT CREDIT-MARKETING & CREDIT CONTROL GROUP

MR. SONGVUTI SANGVORAVUTTIKUN

Education : Barrister at Law
B.A. (Law), Chulalongkorn University

Experience : 1996 - Present Executive Vice President
Credit - Marketing & Credit Control Group,
Siam Panich Leasing Plc.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

SENIOR VICE PRESIDENT CREDIT CONTROL GROUP

MR. NARAIN U-NANUPAP

Education : Barrister at Law
B.A. (Law), Thammasat University

Experience : 1998 - Present Senior Vice President
Credit Control Group,
Siam Panich Leasing Plc.
1986 - 1998 First Senior Vice President
Credit Control Group,
Siam Panich Leasing Plc.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

SENIOR VICE PRESIDENT CREDIT & MARKETING GROUP

MR. NIPON MANASBOONPERMPOOL

Education : B.A. (Accounting), Chulalongkorn University

Experience : 2001 - Present Senior Vice President
Credit & Marketing Group,
Siam Panich Leasing Plc.
1992 - 2000 First Senior Vice President
Credit & Marketing Group,
Siam Panich Leasing Plc.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

VICE PRESIDENT - ACCOUNTING DEPT.

MISS VILAIRAT WORAPONGPICHET

Education : M.B.A. Kasetsart University

Experience : 1999 - Present Secretary of Audit Committee,
Siam Panich Leasing Plc.
1994 - Present Vice President-Accounting Dept.,
Siam Panich Leasing Plc.

Training on the Role and Responsibilities of a Director :

Good Corporate Governance (Key to Success for Business
in the New Era) organized by The Stock Exchange of Thailand
and The Thai Institute of Directors Association

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

VICE PRESIDENT - FINANCIAL MANAGEMENT DEPT.

MRS. KANNIKA JARANTANKUL

Education : Master of Economics, Chiang Mai University

Experience : 2001 - Present Vice President-Financial Management Dept.,
Siam Panich Leasing Plc.
2000 - 2001 Vice President Support Group,
Siam Panich Leasing Plc.
1998 - 2000 Vice President-Lampang Branch,
Siam Panich Leasing Plc.
1998 Executive Officer Northern Region,
Siam Panich Leasing Plc.
1995 - 1998 Vice President-Planning & Business
Development Dept., Northern Region,
Siam Panich Leasing Plc.

No. of shareholding as of Dec 31, 2002, compared to year 2001 : No change.

The Company's directorship structure comprises of both the Board of Directors and the Audit Committee.

The Board of Directors

Members of the Board of Directors

- Mr. Amorn Asvanunt	Chairman
- Mr. Sompoch Intranukul	Director
- Mr. Pratip Wongnirund	Director
- Mr. Kopr Kritayakrirana	Director
- Mr. Nibondh Namdhavaj	Director
- Mr. Bunlue Kampanartsanyakorn	Director
- Mr. Shatchawan Kiatgraigangwan	Director / President

Secretary of the Board of Directors

- Miss Jarinee Satyapan

Scope of responsibilities

- The Board of Directors may appoint a Director to be the Managing Director, having such authority as the Board of Directors deems appropriate.
- No Director may undertake commercial transactions of the same nature as and competing with those of the Company, nor may he be a partner in a partnership, a partner with unlimited liability in a limited partnership, a director in another limited company or public limited company carrying on business of the same nature as and competing with that of the Company, either on his own account or on behalf of a third party unless he will have first notified the Shareholders Meeting before a resolution appointing him is passed.
- A Director shall notify the Company without delay in the event that he has any interest, whether direct or indirect, in any contract entered into by the Company, or in the event that the number of shares or debentures in the Company or any subsidiary held by him is increased or decreased.
- The Directors will have the power to borrow or raise money in order to operate the Company's business in accordance with its objects.

- The Directors will have the power to sell or mortgage any immovable property of the Company, or let on lease any immovable property of the Company for more than three years, or make any gift or enter into any compromise or institute any action in Court or submit any dispute to arbitration.
- If any Director purchases any property of the Company or sells any property to the Company or does any other transaction with the Company, regardless of whether it is in his or her own name or in the name of any other person, such purchase, sale or other transaction will not bind the Company unless approved by the Board of Directors.
- All transactions of the Company undertaken on behalf of the Company by the Board of Directors, the Directors or persons assigned by the Board of Directors shall be valid and binding on the Company notwithstanding any defect in the election, appointment or qualification of any of the Directors which may later be discovered.
- Any two Directors authorized by the Board of Directors may jointly sign their names under the seal of the Company. The Board of Directors may designate and change the names of the Directors who are authorized to sign on behalf of the Company.

The Audit Committee

Members of the Audit Committee

- Mr. Sompoch Intranukul	Chairman of Audit Committee
- Mr. Pratip Wongnirund	Director of Audit Committee
- Mr. Kopr Kritayakrirana	Director of Audit Committee

Secretary of the Audit Committee

- Miss Vilairat Worapongpichet

Scope of responsibilities

- Review to ensure the correctness and sufficiency of the Company's financial reporting.
- Review to ensure the suitability and effectiveness of the Company internal audit and control system.
- Review to ensure the Company abides by all relevant regulation including both legal and SET regulations.

- Consider and propose the appointment of the Company's external auditor and fee.
- Consider the correctness and adequacy of disclosure for both related and conflict of interest transactions.
- Prepare the Audit Committee Report, which has been approved by the Audit Committee Chairman, and present this report in the Company's annual report.
- Consider other matters, as assigned by the Board of Directors, given acceptance from the Audit Committee.

Members of the Executive Officers and Vice President of Accounting and Financial Department

Executive Officers

1. Mr. Shatchawan Kiatgraigangwan	President
2. Mr. Suwat Pathnopas	Executive Vice President Operations & Support Group
3. Mr. Songvuti Sangvoravuttikun	Executive Vice President Credit-Marketing & Credit Control Group
4. Mr. Narain U-nanupap	Senior Vice President Credit Control Group
5. Mr. Nipon Manasboonpermpool	Senior Vice President Credit & Marketing Group

Note : The position of Senior Vice President Support Group and Senior Vice President Operations Group are vacant.

Vice President - Accounting and Financial Department

1. Miss Vilairat Worapongpichet	Vice President-Accounting Department
2. Mrs. Kannika Jarantankul	Vice President-Financial Management Department

Electing the Company's Board of Directors and Management

Board of Directors

The Company does not have an election committee to elect its Board of Directors. As stipulated in the Company's Memorandum and Articles of Association,

Directors of the Company are specified in the Shareholder's Meeting, in which, the election of Directors is decided by the votes of not less than one-half of votes from the shareholders whom are present and entitled to vote.

If an office of Director is vacant otherwise than by rotation, the Board of Directors shall elect a person who is qualified and is not prohibited under the applicable laws, as a Director in his place at the meeting of the Board of Directors next following unless the remaining tenure of the Director vacating office is less than 2 months. The resolution of the meeting of the Board of Directors pursuant to the first paragraph will require the votes of not less than three-fourths of the number of the remaining Directors. A Director who has been elected as a replacement shall retain his office only for the remaining tenure of his predecessor.

Directors of the Audit Committee

The Company does not have an election committee to elect its Directors of the Audit Committee. The Board of Directors elects the Directors of the Audit Committee for a two-year term and those retiring by rotation may be eligible for re-election if the Board of Director considers it appropriate.

Remuneration of Management

Remuneration Monies Paid

- The Directors, totaling 7 persons, received remuneration in the form of meeting allowances totaling 960,000 baht for the year 2002. Due to the fact that the Company had accumulated retained losses in the year 2001, the Directors did not receive any further remuneration for the Company's 2001 operational results.
- The Directors of the Audit Committee, totaling 3 persons, received remuneration in the form of meeting allowances totaling 960,000 baht for the year 2002.
- Management, totaling 5 persons, received salaries and bonuses based on performance totaling 16,287,450 baht for the year 2002.

Other Remuneration

- Management, totaling 5 persons, received additional monies applied to their provident funds totaling 537,760 baht for the year 2002.

The Company's Board of Directors conducts its activities and practices in accordance to the Stock Exchange of Thailand's Code of Best Practices for Listed Companies.

Structure and Establishment of the Board of Directors

The Company's 7 member Board of Directors team consists of 6 non-managing Directors and one managing Director. Of the non-managing Directors, 3 are members of the Audit Committee, whom have neither management participation nor major shareholdings in the Company.

The managing Director is Khun Shatchawan Kiatgraigangwan, who holds the executive title of President for the Company. Having to serve no other such executive appointments outside of the Company, he is able to fully commit his efforts into managing this Company.

In electing new Directors, a list of candidates is submitted to the Board of Directors and through a Shareholder Meeting for their consideration. Preference is given to those candidates, whom are knowledgeable, skillful, and experienced in providing direct benefit to the Company's business operations. The procedure for electing new Directors can be referred to the section on "Electing the Company's Board of Directors and Management" of the Annual Report.

As for the announcement of the change in Directors, the Company would immediately notify sources at the Stock Exchange of Thailand and the Securities and Exchange Commission, abiding and adhering to all time frames and regulatory procedures. New directors will be briefed on their responsibilities to the Company in accordance to the Stock Exchange of Thailand's Code of Best Practices for Listed Companies.

Duties and Responsibilities of the Board of Directors

The Board of Directors is fully aware of the importance of corporate governance and its implication towards the maximization of shareholder value. In order to maintain quality and efficiency in the Company's operations, the Board of Directors specifies that a minimum of one Board meeting be held on a quarterly basis. During this meeting, the Board would be updated with the Company's operational results, address

any important management issues of concern, and assist in the overall guidance of the Company. On an annual basis, the Board is also responsible for acknowledging full year operational results, which includes considering and approving the annual budget to reflect the goals, objectives, and strategies of the Company's business plan, which was initially set forth for the Company's management team.

The President, being one of the members of the Board of Director's management team, sets out policies, which are consistent to that of the Board, for all company staff to abide by.

Audit Committee

The Company's Board of Directors has established an Audit Committee, whose duty is to coordinate and oversee management operations. Within the Audit Committee's scope of responsibilities and authority, the Audit Committee currently specifies that meetings be held on a quarterly basis, prior to the Board of Director's Meeting, in which the Audit Committee will acknowledge the Company's operational results and financial statements.

Remuneration for Directors

The remuneration for Directors is in accordance to the Annual Shareholder's Meeting resolutions, with all amounts paid, including meeting allowances and other remuneration from the Company, disclosed in the Company's annual report. As for Directors whom are also members of the Audit Committee, they are progressively remunerated for their additional responsibilities.

Responsibility of the Board of Directors on the Company's Financial Reporting

The Company's Board of Directors is fully aware of the importance of having credible financial statements and emphasizes the use of independent auditors whom are not influenced by the Company in any manner. These independent auditors are directly responsible for providing a fair assessment of the Company, providing assertions of any unbiased opinions they may have on Company's operations.

Coordinating with the Company's operational team, the Company's Directors are responsible for the financial information presented, ensuring that the financial reporting provided is true, accurate and complete in accordance with Thai generally accepted accounting principles and in conformity with Thai Accounting Standards issued by the Institute of Certified Accountants and Auditors of Thailand. The Company's Directors must consider carefully and reasonably the disclosed information that is used in analyzing the Company's financial status and operational performance.

The Company's Directors is also fully aware of the importance of having effective internal control systems in place. Effective internal controls help to ensure that financial information are reported accurately and complete. In addition, these internal controls are used to mitigate theft, fraud, and/or any other unusual activities that are materially adverse to the Company. The Company's Board of Directors has established an Audit Committee to review that the Company's internal control system, including audits are both appropriate and efficient, and to ensure that the Company's financial statements are both accurate and adequate.

Managing the Company's Internal Information

The Company manages its internal information as follows.

The Company has notified all of its Directors and management personnel, from the Vice Presidency level and onwards, of their duties and responsibilities in reporting any share holdings to the Securities and Exchange Commission and any changes in the type of reporting as stipulated by the Securities and Exchange Commission.

Use of financial information. Financial information that has been prepared but not yet publicly announced are accessible to only limited personnel, that being, Top Level management - from Executive Vice Presidency level and onwards and Directors of the Audit Committee, whom review the information before submitting it to the Board of Directors for announcement. Both the Company's management and Board of Directors are conducive to not release any financial information or use this information for any personal benefit before the information is publicly released through the Stock Exchange of Thailand.

The 15 Principles of Corporate Governance

In accordance to the Stock Exchange of Thailand's fifteen principles of good corporate governance, which acts as a set of guidelines for promoting corporate governance among Listed Companies, the Company has addressed these following issues.

Corporate Governance Policy

The Company's Board of Directors is fully aware of the importance of good corporate governance. Aside from adhering to the Stock Exchange of Thailand's Code of Best Practices, as referred to in the section "Corporate Governance" of the Annual Report, the Board of Directors provides the Company with a Corporate Governance Policy, used to ensure that the Company abides by clear and transparent policies and that the shareholders, investors, and related parties can be confident in the management of the Company.

The Company's Corporate Governance Policy covers the following areas :

- The Company must be transparent and disclose sufficient information that is equally accessible to all relevant parties.
- The Company must ensure fairness and equitable treatment to all shareholders and various groups of stakeholders.
- The Company must consider all operation risks and have appropriate internal controls and risk management.
- The Board of Directors must be responsible for ensuring maximum shareholder value and eliminate conflict of interests.
- The Board of Directors, management, and all Company employees must perform their duties and responsibilities in adherence to corporate ethics.

With respect to risk management and corporate ethics, the Company's management already abides by such standards; nevertheless, to increase the awareness and conciseness of these policies, the Company's management is currently in the process of producing a risk management and Corporate Ethics handbook for its employees to acknowledge and use.

Rights of Various Groups of Stakeholders

A company's operational efficiency is a result of strong support from various stakeholders. The Company recognizes the importance of all stakeholders, whether the support derives internally from the Company's employees or externally through its shareholders, investors, creditors, customers, and auditors. The Company is also

aware that it has to be accountable to all stakeholders, ensuring that stakeholders receive both legal rights and other rights in which the Company deems appropriate. Such examples include the reporting of disclosed information - ensuring that all shareholders and investors receive equitable access to data, abiding by all covenants in various agreements set by creditors, assisting to disclose the Company's operational information to the auditors, and ensuring fairness in the contracts signed by its customers.

Rights of Shareholders

The Company conducts its shareholder's meetings in accordance to the legal framework and the Company's Articles of Association. Upon a Board of Director's resolution to hold a Shareholder's Meeting, the Company will announce the resolution inviting its shareholders to attend, through the Stock Exchange of Thailand and the Securities and Exchange Commission, immediately within the timeframe allowed for publicly releasing such material information. Nevertheless, shareholders also have the right to request a shareholder's meeting, at any point in time, by combining to prepare a letter of notification to the Board of Directors for this request, in accordance with the Company's Articles of Association.

For each shareholder's meeting, the Company gives a minimum of 14 days advanced notice, in which it will close the share register book, for the purpose of determining which shareholders have the right to attend the meeting. All schedules, agendas, and other details of the shareholder's meeting will be sent to the shareholders before the date of the meeting as legally prescribed.

Shareholder's Meeting

At all of the previous Shareholder's Meeting, most of the Directors were present. The Chairman of the meeting would give shareholders unlimited opportunity to ask questions. All Directors, including the Chairman and Managing Director of the Company, would combine in fielding the questions, as well as acknowledging and listening to any recommendations shareholders had for the Company.

Leadership and Vision

The Company's current Board of Directors has both extensive credentials and management experience from various other companies. Their knowledge and skilled experience is used in developing and formulating efficient corporate policies and strategies for the Company abide by, as referred to in the Corporate Governance sector of this report.

Conflict of Interests

The Company's Directors and management carefully consider ways of removing conflict of interest issues. By carefully managing the Company's internal information, its attempts to prevent management or other related parties from using "inside information" for their own personal gain.

Possible Conflict of Interest Transactions The Company's Directors and management are aware that conflicts of interest may arise in certain transactions. Acting within the regulatory framework outlined by the Stock Exchange of Thailand, consideration must be given to identify these conflicts of interest, even to the extent of preventing the execution of certain transactions. Possible conflict of interest transactions are treated in the same manner as those that are executed with normal persons. These transactions are publicly reported in the Company's annual report as well as the presentation form 56-1.

Managing the Use of the Company's Internal Information Please refer to the section on "Managing the Company's Internal Information" of the annual report.

Business Ethics

The Company is currently in the process of producing Corporate Ethics handbook for its employees to acknowledge and use as operational guidance within the Company. In addition, the Company's Directors and management has no history of conducting any unethical business behavior.

Balance of Power for Non-Managing Directors

As reported under the heading "Structure and Establishment of the Board of Directors", the Company's balance of power is also distributed to three non-managing Directors, whom are members of the audit committee, that account for 40 percent of the Company's Board of Directors.

Aggregation or Segregation of Positions

Currently, the title of Chairman and President are held by two separate persons. The Company's balance of power is also distributed to Members of the Audit Committee whom assist in reviewing the overall operations of the Company.

Remuneration for Directors and Management

The Company does not have a committee for considering the remuneration of Company Directors and Executive Management but the remuneration for the Company's Directors is in accordance to section "Remuneration for Directors" of the annual report. As for the Executive Management, the Board of Directors authorizes their remuneration.

Board of Director's Meeting

The Company's Directors conduct a minimum of one Board Meeting per quarter. The agendas to be discussed in the meeting are scheduled clearly in advance, with the Secretary of the Meeting responsible for mailing both the Meeting's invitational letter and information package. During each Meeting, the Secretary of the Meeting will also be responsible for the recording and filing of the "Chairman's Approved Minutes of the Director's Meeting" in order that the Directors and other related parties have a chance to review this information.

In addition, the Company's Directors can also obtain legal advice from the Company's internal legal department.

In 2002, the Company Directors held a total of 5 Board of Director Meetings. The attendance record for each Director can be seen below.

Director's Name	Number of Meetings in Attendance
1. Mr. Amorn Asvanunt	5
2. Mr. Sompoch Intranukul	4
3. Mr. Pratip Wongnirund	5
4. Mr. Kopr Kritayakirana	4
5. Mr. Nibondh Namdhavaj	4
6. Mr. Bunlue Kampanartsanyakorn	5
7. Mr. Shatchawan Kiatgraigangwan	4

Committees

The Company has only one committee, that being, the Company's Audit Committee as outlined under the heading "The Audit Committee" of the annual report. Although the Company has not set up a committee to assess remuneration, the remuneration for Company's Directors and Executive Management is clearly outlined in the section "Remuneration for Directors and Management".

Control System and Internal Audit

The Company has an Audit Committee that is responsible for the review and management of operational workflow, ensuring that the Company's internal controls are effective and that the Company's financial information is credible. The Company also has an internal audit department, which reports directly to the President, and is directly responsible for auditing and reviewing the Company's internal controls. During each quarterly Audit Committee meeting, the Vice President of the internal audit department will report pertinent internal audit results for the Audit Committee for their acknowledgement, including any other issues in which the Audit Committee had delegated to the internal audit department. The Audit Committee would then send its recommendations of improvement for management to consider.

As for risk management, including the detection of early warning signals and extraordinary items, the Company's management gives great attention to this matter. Risk management is prevalent in all stages of the business, beginning with credit underwriting, the collection management process, and management's use of operational reports to track progress and detect unpredictable risk. In addition, the Company's management also gives great importance to the training of its employees, especially those involved in the marketing and collection departments. There are policies and procedures in place for each of these employees to follow and these policies and procedures are continuously audited and reviewed by the Company's internal audit department.

The Company is currently in the process of producing a Risk Management handbook to be used in the future as operational guidance.

Director's Reporting

The Company's Directors is fully aware of its responsibilities in preparing financial statements as outlined in the heading "Responsibility of the Board of Directors on the Company's Financial Reporting".

Relations with Investors

The Company is fully aware that the disclosure of both financial and non-financial information is of great significance to the investment community. The Company gives great importance in disclosing information, which is both accurate and complete, through the Stock Exchange of Thailand's medium of communication for publicly listed companies.

Nevertheless, the Company has relatively few investor relation activities. The President, with assistance from the Executive Vice President - Operations and Support Group and the Vice President - Support Group, are responsible for communicating important information with institutional/individual investors and stock analysts.

As for the release of information to its shareholders, the Company abides by the regulatory framework outlined by the Stock Exchange of Thailand, with the Executive Vice President - Operations and Support Group, responsible for coordinating these activities with the Stock Exchange of Thailand, the Securities and Exchange Commission, and shareholders. The Company releases its information publicly through the Stock of Exchange of Thailand's medium of communication, as well as through the presentation form (56-1 form) and the annual reports. In 2002, the Company also prepared a section titled "Management Discussion and Analysis" for the investors to acknowledge. This section was sent on a quarterly basis to the Stock Exchange of Thailand and the Securities and Exchange Commission and can be found on either of their websites.

Internal Control System

Owing to the Company's current organization structure, the Company allocates and shares its duties and responsibilities within the Company. With the internal Audit Department responsible for auditing the workflow within each department, the Company has continuously developed its internal control systems. As a result, management reporting has improved, ensuring that management has the capability to follow up on any department they wish to monitor, including their financial contribution to the Company as a whole.

External auditors have also been involved in studying, assessing, and evaluating the effectiveness of the Company's internal controls, as deemed necessary for defining their scope of duties, and have not encountered any material weaknesses in the Company's internal controls.

The Company's Audit Committee holds quarterly meetings in order to assess and review the Company's financial reports, operational workflow, and internal controls.

The Company's Board of Directors holds quarterly meetings to monitor management activity. With the Director of the Audit Committee likely in attendance at these meetings, the President, acting on behalf management, is questioned on the quarterly performance, future business outlook, and any other concerns or problems the Board of Directors may have pertaining to the Company's operations.

To: The Shareholders

In the year 2002, the Audit Committee conducted a total of 4 meetings in order to verify and monitor the Company's business activity. Acting within the scope of their assigned responsibilities, their main duties are summarized in the following points below.

1. To review the credibility of the Company's financial reporting. Both the quarterly and year-end financial statements are discussed in a meeting conducted between the Audit Committee and the Company's external auditors. During this meeting, opinions are exchanged on audit findings and an assessment is made on the overall quality of the Company's financial reporting and sufficiency of its internal control systems.

2. To review the operational workflow efficiency of the Company's Factoring department. The Vice President of the factoring department presented its credit underwriting policies and criterias used for loan origination to the Audit Committee. After assessment, the Audit Committee provided its opinions and recommendations on improving the overall efficiency of the factoring department.

3. To review and acknowledge the Company's internal audit department's operations. This includes a review of the yearly audit plans and recommendations on improving work efficiency for management to consider.

4. To consider, screen, recommend, and set the remuneration for the external auditors to be used by the Company in the year 2003, including this recommendation to the Board of director.

The Audit Committee has been given the freedom to perform its duties independently and have received full support and contribution from all parties concerned.



SOMPOCH INTRANUKUL

Chairman of Audit Committee

21 February 2003

Presently, The Company's major business operations are to provide hire purchase, leasing and factoring services, in which hire purchase accounts for 85% of the Company's total revenues and 93% of the Company's total income from its three financing services.

Hire Purchase - bonded contractually by a hire purchase contract, hire purchase is a form of consumer financing which requires customers to make installment payments for the use of an asset. The ownership of the asset is that of the Company but the useful benefit of that same asset belongs to the customer. Ownership is transferred to the customer only when the hire-purchase contract has been fully paid and complete.

The Company offers hire purchase credit to both individuals and companies for a vast array of products. Although automobile financing of both new and used vehicles are the Company's main products, it also provides hire purchase for both telecommunication and computer equipment.

Leasing - another credit service offered by the Company for the financing of vehicles, machinery, and construction equipment i.e. cranes and forklifts, but targeted to mainly corporate clientele. In practice, the Company leases out such assets to the lessees, who then pay the Company a monthly rental fee. Upon expiration of the lease contract, the lessees have an option to purchase the leased asset at a price previously agreed upon.

Factoring - the buying/selling and assignment of trade accounts receivable in which the supplier transfers its rights on its account receivable to the Company. In return the Company finances the supplier's trade receivable, discounting a charge for its debt management services.

Revenue Structure for Company's Businesses

Unit : Million baht

Service	2 0 0 2		2 0 0 1		2 0 0 0	
	Revenue	%	Revenue	%	Revenue	%
Hire Purchase	1,830.50	93.07%	1,468.20	90.97%	1,307.15	91.71%
Leasing	76.84	3.91%	79.29	4.91%	79.65	5.59%
Factoring	59.40	3.02%	66.53	4.12%	38.50	2.70%
Total three businesses	1,966.74	100.00%	1,614.02	100.00%	1,425.30	100.00%
Other income *	192.19	8.90%	95.99	5.61%	79.74	5.30%
Total Revenues	2,158.93	100.00%	1,710.01	100.00%	1,505.04	100.00%

Note : * Other income includes income from terminated debts and recoveries after sale of repossessed assets

Aside from the above businesses, the Company has holdings in SPL Transport Co.,Ltd., which is its associated company, in the portion 49% of total registered shares. Although it has closed down its operations since the beginning of 2001, the Company has recognized a loss on investment, under the equity basis for the full investment amount of 49 million baht.

Super Cars Co.,Ltd., which is a subsidiary company, was officially registered closed on October 14,2002 and the Company has amortized the remaining investment value of 1 baht as an expense in statement of income for the year 2002.

Business Competition

Hire Purchase Business

Since most of the Company's hire purchase business is for the financing of automobiles, the automobile industry has a direct impact on this business. In 2002, vehicles sales amounted to 409,362 units * or steadily increased 38 percent from 2001 figures. This increase was attributed to many factors, that being, the introduction of new automobile models, promotional campaigns throughout the year that were brought about by automobile manufacturers, the fall in deposit rates, and the continuous drop in hire - purchase interest rates, which stimulated consumers spending on vehicles. In 2003, it is expected that vehicles sales for Thailand will grow 10-15 percent over 2002 figures. *

In 2002, it was clearly evident that more and more hire purchase competitors came to participate in the used vehicle financing market. With the continuation of fierce pricing competition in the new vehicle market, the used vehicle financing rates also fell to accommodate the newer players. In 2003, the Company believes that pricing strategies will still be a major factor in competing in this hire purchase business.

The hire purchase growth in 2003 will also be dependent on the risk of war between the United States and Iraq as well as the impact on local interest rates from the expected cut in Federal interest rates. Although the United States has not indicated any clear policies for cutting the Federal rates, the Company expects that business activity will slow down in the event of war, but this slowdown will only be for a short period of time since the war is not expected to linger.

* Source : Krungthep Turakij newspaper dated January 14, 2003 and Prachachart Turakij newspaper dated January 6, 2003

Leasing Business

Although public expenditures figures shown an increase in investment in 2002 over that of 2001, this growth was limited to only certain industrial sectors such as automobiles and real estate. Given this situation, the Company's leasing activities for 2002 were similar to that of 2001, focusing on mainly automobile lending.

In 2003, the growth in the leasing business will be dependant on only a few major factors; that being, the recovery of all industrial sectors and the risk of war between United States and Iraq. Eliminating the war concerns, the Company expects that the growth in this lending business for 2003 will increase in only sectors. One such sector is real estate development, which has witnessed positive signals since the end of 2002.

Factoring Business

In 2002, the factoring business continued to grow from 2001. As a result of increased funding needs required by the small-medium enterprises and the fact that financial institutions still are quite cautious in extending new loans to these small-medium enterprises, factoring has received favorable attention despite its higher lending rates.

As for the growth of the factoring business in 2003, the risk of war between United States and Iraq will be the only major factor; otherwise, this business is expected to continuously prosper.

The following risk factors have a direct impact on the Company's business.

Risk Factors from the Business

Risk in the Growth of Motor Vehicle Sales

With hire-purchase financing accounting for 93% of the Company's total three financing services, in which approximately 90% are automobile financing, the state of motor vehicle sales is one of the Company's main risk factors. The segregation of new and used vehicle sales is also important in setting the Company's marketing strategies, with both new and used vehicles differing in their credit risk and yield returns. In extending used car financing, the risk lies in the vehicle valuation but is offset by its higher lending rates.

Being fully aware of this risk factor, the Company attempts to minimize its impact by expanding its hire-purchase market to include various automobile dealers whom offer both new and used vehicles, and continue building and maintaining a strong relationship base with its existing automobile dealers. To help minimize the credit exposure in the used vehicle business, the Company assigns only its most experienced staff for the generation of this business.

Risk from Interest Rate Fluctuations

Since the Company's main source of revenue is from interest financing, the interest rate climate has a substantial impact on the Company's business. In the last 2 - 3 years, a reduction in hire purchase interest rates, from fierce competition in the new vehicle financing business, has led to a decrease in the Company's hire purchase yields. Nevertheless, the Company minimizes this risk by expanding its hire purchase to the used vehicle financing business, which it has done so since 1999. The higher yields in the used vehicle financing business assists in halting the overall revenue from falling despite intense pricing competition in the hire purchase market.

As the Company's major cost, interest expense accounts for 62% of total expenses. Given that the Company is partially susceptible to mismatched funding and net margin variances during interest rate fluctuation periods, the Company must be able to manage funds at lower costs, while not exposing itself to a high level of mismatched funding. In 2002, the Company has utilized short-term loans. Due to the excess liquidity in the financial money markets, the Company was able to raise short-term loans at very low rates. However, to reduce the potential risk of short-term loans, the short-term loans will be replaced with long-term loans when they reach an appropriate level. In addition, to reduce the risk of mismatched funding and maintain reasonable interest spreads under current market conditions, these loans are on a fixed rate basis and the term coincides with the tenor of its newly generated receivables. At the end of 2002, the Company's average tenor on its receivables is 2.5 years and average tenor on its loans is 2 years.

Risk from Competitors

Currently, an oligopoly with only 3 or 4 major players exist and competition for market share, from the last 2 - 3 years, has mainly been in the form of pricing. Having to compete in this market, the Company must maintain both its market share and interest spreads to ensure that this form of competition will not force the Company to suffer potential losses while extending new business. The Company continues to maintain and build new relationships with the various automobile dealers of Thailand and feel that these relationships lead to reduced risk from competition.

Risk from Business Operations

Since there is no specific-related regulation pertaining to the hire purchase and leasing business, potential risk stems from the fact that industry players are free to grow their business as they choose. Problems concerning the quality of receivables could arise depending on factors such as fraud, efficiency in collection, or economic environment. If these players lack prudent management and sound operational policies it is very likely that they will experience collection delinquencies, especially under these poor economic conditions.

MAJOR SHAREHOLDERS

as of March 18, 2002

The Company is fully aware of this risk factor and has carefully monitored all new loans extended under this business climate to ensure quality growth in its receivables. In addition, it has set measures to protect itself from higher risk debtors by increasing both its down payments and personal guarantees. Through the use of internal audits and its internal control systems, management is able to trace and follow up on the status of these receivables, thereby, reducing the risk of increasing non-performing loans. In addition, the effectiveness of the Company's internal control system accompanied with "cross-checking" and job rotation techniques for employees reduces the risk of fraud and theft within the Company.

	No. of Share	Portion of Shareholding
1. SIAM COMMERCIAL BANK PLC.	44,587,471	22.38%
2. THAI NVDR CO., LTD.	24,177,700	12.14%
3. HSBC (SINGAPORE) NOMINEES PTE LTD	8,793,200	4.41%
4. MORGAN STANLEY & CO INTERNATIONAL LIMITED	5,339,500	2.68%
5. CHASE NOMINEES LIMITED 1	5,198,200	2.61%
6. STATE STREET BANK AND TRUST COMPANY	4,800,200	2.41%
7. DBS BANK SINGAPORE	4,313,400	2.17%
8. CHASE NOMINEES LIMITED 15	3,730,000	1.87%
9. ALBOUYS NOMINEES LIMITED	3,535,500	1.77%
10. NORTRUST NOMINEES LTD.	2,812,200	1.41%

Operational Performance

Summary of Operational Results

In the year 2002, pricing competition in the hire purchase interest rates still continued from 2001. With used vehicle lending rates higher than that of new vehicle lending rates, the Company witnessed increased pricing competition in the used vehicle market and easing price competition in the new vehicle market. Nevertheless, on the back of strong hire purchase expansion growth, the Company successfully increased its profitability each and every year. In 2001, the Company reported a net profit after tax of 674 million baht, or a 10 percent increase from 2000, and for the year 2002, the Company's profitability increased 15% over 2001, reporting a net profit after tax from operations of 775 million baht for 2002.

In 2002, the Company was able to wipe out its accumulated retained losses and made an interim dividend payment of 0.75 baht per share to its shareholders.

Income from Major Businesses

From 2000 to 2002, the Company has continuously increased its annual revenues. In 2001, total revenue grew by 14 percent over the year 2000 and in 2002; total revenue grew by 26 percent over 2001.

The Company was able to generate total revenues of 2,159 million baht in 2002, or an increase of 449 million baht from 2001. This increase in total revenue was mainly attributed to an increase in hire purchase income and recovery income from bad debt of approximately 132 million baht.

Highlighted below is an income breakdown of the Company's businesses.

Hire Purchase The Company's total hire purchase income for the year 2002 amounted to 1,830 million baht or a 25 percent increase from 2001. Attributing the increase to the growth in new hire purchase contracts, the Company continuously grew its hire purchase portfolio in 2002.

Leasing The Company's total leasing income for the year 2002 amounted to 77 million baht or remained relatively at the same levels as that of 2001 and 2000. With no substantial improvement in the industrial sector, new leasing activity was quite stagnant. Although there are some areas of industrial growth, the Company is quite selective in its asset quality; thereby, hampering any material growth in its leasing activities.

Factoring The Company's total factoring income for the year 2002 amounted to 59 million baht, or a 10 percent decrease from 2001. In 2001, the Company's revenue base was quite high due to the extensive lending to the small medium enterprise (SME) sector. Given that many of these companies, in need of funding assistance, were unable to obtain financing from banks, factoring was very popular for SME's and other companies, which tendered government projects. With many of these government projects completed in 2002 and with demand slower than that of 2001, funding needs for these companies also declined.

Expenses

In the year 2002, the Company's total expenses amounted to 1,190 million baht, or an increase of 17 percent from 2001. This increase was attributed to its interest and provisioning expenses.

Interest Expense The Company's total interest expense amounted to 739 million baht in 2002, or an increase of 8 percent from 2001. Although the Company's average cost of funds has fallen for three consecutive years, the increase in interest expense was a result of the Company's substantial increase in loan borrowings.

Bad debts and Allowance for Doubtful Accounts The Company's bad debts and allowance for doubtful accounts in 2002 amounted to 84 million baht, increasing by 59 million baht from 2001. This increase was mainly attributed to the direct write off of "Debts under Restructuring" and terminated receivables - in which collection was no longer possible.

Net Income

Profit-generating Ability

As a result of continuous pricing competition for hire purchase financing, which accounts for the majority of the Company's business, the Company's yields have fallen from 14.18 percent in 2000, to 12.15 percent in 2001, and 10.76 percent in 2002. Nevertheless, the Company has been able to successfully manage its interest spread by lowering its funding costs and minimize falling yields by increasing its concentration in the used vehicle market. As a result, interest spreads in 2002 have increased from 4.95 percent in 2001 to 5.41% in 2002, despite having fallen from 5.84 percent in 2000 to 4.95 percent in 2001.

Although interest spreads have increased from 2001 to 2002, the continuous drop in yields has caused the return on equity to fall from 21.32 percent in 2000 to 19.19% in 2001, and 18.60% in 2002. Nevertheless, the decline in the return on equity for 2002 was substantially less than that of 2001. This is attributed to the successful management of the Company's corporate funding and asset portfolio, in which management minimized downward yield pressure by expanding in the used vehicle sector.

In addition, the Company has shown its ability to increase its profitability each year. In 2001, it reported a net profit from operations of 674 million baht or a 10 percent increase from 2000 and in 2002, net profit from operations increased by 15 percent over 2001, amounting to 775 million baht. The Company's cost to income ratio for 2002 amounted to 20 percent, remaining relatively stable from 2001.

Company's Financial Status

Total Assets

With no less than 37 percent annual growth in total assets from 2000 to 2002, the Company's total assets amounted to 21,823 million baht as at the end of 2002. As a result of falling deposit rates, numerous automobile campaigns, and the decline in hire purchase rates, which stimulated consumers to use their personal savings for the purchase of automobile sales, hire purchase financing enjoyed considerable growth over the past two to three years. In 2002, the Company extended new hire purchase loans of approximately 13.2 billion baht, or an increase of 12 percent over 2001, with used vehicle financing accounting for 30 percent of this figure. As at the end of 2002, hire purchase receivables amounted to 19,427 million baht or grew by 40 percent over 2001.

Quality of Receivables

As a result of the Company's prudent credit underwriting process, which is similar to the banks personal balance sheet loan assessment, and the Company's continued focus on its core hire purchase business, which are mainly Japanese automobile with good secondary market value, the Company has been very successful in growing high quality receivables. With corporate lending policies emphasizing the importance of customer quality and hire purchase lending that is diversified to numerous small customers, the Company minimizes its lending concentration risk by not being too dependent on any particular group of customers.

As for the leasing and factoring receivables, the Company's main criterion for extending new receivables rests on the type of business the customer is involved in. To minimize and diversify lending exposure, the Company differentiates customers by giving various credit limits to each customer based on their operational performance and financial position.

The Company's total non-performing loans from its hire purchase, leasing, factoring, and terminated receivables amounted to 1,112 million baht as at the end of 2001 and 1,100 million baht as at the end of 2002. Given the fact that the combined growth from the Company's hire purchase, leasing, and factoring receivables grew by 39 percent year-on-year while the absolute non-performing loans remained relatively at the same level, the Company non-performing loans are quite small given the growth in receivables.

Adequacy of Allowance for Doubtful Accounts

The Company sets its allowance for doubtful accounts based on the aging analysis of each type of receivable. As for hire purchase and leasing receivables, consideration must also be given to the Company's probability of collecting its receivables and the recovery on the sale of its receivables upon repossession. The Company calculates its provisions by deducting the unearned interest income, an adjustment for the probability of collection, and the proceeds from the sale of repossessed assets from the outstanding receivables in each aging period. For factoring receivables, provisioning is done on a case-by-case basis. This provisioning policy has been used consistently since 1998.

The Company's ratio of allowance for doubtful accounts to total outstanding receivables as at the end of 2000, 2001, and 2002 were respectively 8.80 percent, 4.82 percent, and 3.28 percent. Due to a general improvement in asset quality and the transfer of 145 million baht of "restructured debt" to "Other Assets", this ratio nearly halved from 2000 to 2001. In 2002, the 3.28 percent ratio is attributed to an improvement in asset quality and the growth expansion in 2002 of the Company's total outstanding receivables.

The 145 million baht of receivables, which were restructured in 2001, consists of 7 parties. In 2001, the Company collected a total of 7 million baht from 1 party and took a restructuring loss of 4.52 million baht from that same party. As at the end of 2001, a total of 6 parties, accounting for 133 million baht of restructured debt, still remained outstanding but the Company had set aside 121 million baht of allowance for these accounts. Of these 6 parties, 4 parties are under rehabilitation having a value of 100 million baht.

In 2002, the Company's restructured debt increased by 43 million baht but was the same party as that of 2001. The Company collected from a total of 3 parties in 2002. 0.86 million baht was received in cash and 65.84 million baht was received in common shares from the party and party guarantors through a debt to equity conversion. Although 31.38 million baht will be bad debt writeoffs, due to a bankruptcy claim, the Company has provided allowance for the entire outstanding debt.

Of the 65.84 million baht in common shares received through the debt to equity conversion, the Company has recognized a loss of 0.05 million baht from an adjustment to market value of the common shares and reported an investment value of 1 baht for 65.67 million baht in common shares of an unlisted company which reported a negative shareholder equity in its financial statements. Nevertheless, the Company has set provisions for most of this entire account and expects a loss on restructuring of approximately 5 million baht.

As at the end of 2002, the Company's total restructured debt consists of 4 parties amounting to 78.32 million baht and the Company has provided an allowance of 73.62 million baht for these accounts.

SCHEDULE OF RESTRUCTURED DEBT DURING THE FISCAL YEAR

	2001		2002	
	No. of parties	Outstanding Debt Pre-restructuring (Million Baht)	No. of parties	Outstanding Debt Pre-restructuring (Million Baht)
Restructured debt during the year	7	145	1	43

The restructured debts during each fiscal year can be classified in accordance to their restructuring methodology.

	Restructured debt during the year 2001		Restructured debt during the year 2002	
	No. of parties	Million Baht	No. of parties	Million Baht
Method of restructuring *				
- Debt for equity swap	2	31	1	35
- Asset transfer	1	7	1	8
- Change of payment conditions (Including capital write down / bad debt write off)	3	44	-	-
- Negotiation still in process	4	63	-	-

* Some parties use more than 1 restructuring methodology; therefore, the accumulated number of parties, classified under each method, is greater than that the number of debt restructuring parties.

Shareholder Equity

As at the end of 2002, the Company's shareholders equity totaled 4,485 million baht or an increase of 635 million baht from 2001. The Company increased its annual earnings, successfully reporting a net profit after tax in 2002 that was higher than 2001, as explained in the Profit-generating Ability section of the Annual Report, and managed to pay out interim dividends totaling 149 million baht to its shareholders.

As a result of falling yields in such competitive market conditions, the Company's return on equity has fallen from the year 2000 to 2002. Nevertheless, the fall in return on equity for 2002 was less than that of 2001, as explained in the Profit-generating Ability section of the Annual Report.

Total Liabilities

As at the end of 2001 and 2002, the Company's total liabilities amounted to respectively, 12,121 million baht and 17,338 million baht. With total Thai baht borrowings amounting to 16,683 million baht at the end of 2002, loan borrowings grew by 5,039 million baht over the previous year on the back of strong lending growth.

With respect to the Company's source of funding, one of its financial goals is to seek low cost funding in order to reduce overall operating expenses. Over the past two years, the Company has been able to attract financial institutions, which offer both long and short term funding at low interest rates, and have used these sources to support its continuous hire purchase growth. Nevertheless, the Company is fully aware that short term financing offers both lower rates and potentially higher liquidity risks; therefore, the Company has diversified its funding sources to include both long and short-term loans, despite the attractiveness of the current short-term rates.

As presented in the Company's funding structure for 2001 and 2002, short-term loans are approximately 49 percent of total funding. For the past two years, the Company managed to fund its loan growth through the issuance of long-term debentures. Part of the proceeds from the debentures was used to repay short-term debt and other higher cost debt; thereby, reducing the level of short term funding to approximately 30% after issuance. Short-term funding would then be used as temporary working capital until other long term debt is issued. In 2003, the Company plans to issue approximately 3,500 million baht of debentures and after the issuance, expects short term funding levels to be approximately 30 to 35% of total funding.

COMPANY'S FUNDING STRUCTURE

(unit : million baht)	2002	2001
Bank overdraft and Short term loans	6,136	3,638
Current long term loans due within 1 year	2,261	2,132
Long term loans	8,286	5,874
Total	16,683	11,644

Liquidity and Capital Structure

As a result of increased borrowings, the Company's debt to equity ratio has increased from 3.15 at the end of 2001 to 3.87 as at the end of 2002. The sources of these loan borrowings are as follows:

(unit : million baht)	2002	2001
Bank overdraft and Short term loans	6,136	3,638
Long term loans :		
Debentures	8,500	7,500
Loans from bank and financial institutions	2,047 = 10,547	506 = 8,006
Shareholders' equity	4,485	3,850

The Company has been able to attract a stable source of funding from bank and financial institutions. As at the end of 2002, the Company had unutilized credit lines from bank and financial institutions totaling 3 million baht. In addition, the Company expects to receive 23,406 million baht of future payment from receivables, excluding past due receivables, with the expected maturity as follows.

Receivable Due Schedule	Million Baht
Within 1 year	9,789
Later than 1 year but not later than 2 years	7,018
Later than 2 years but not later than 3 years	4,370
Later than 3 years	2,229

From total borrowings of 16,683 million baht at the end of 2002, 8,397 million baht will be due payable in 2003. Therefore, the future payments from receivables and the unutilized credit lines provide sufficient liquidity to repay all of the Company's borrowings.

Main Factors Influencing the Company's Operations or Future Financial Status

The highly competitive pricing environment, which has continuously pushed down hire purchase rates for the past two to three years, remains to be the major factor in operating this business. Although lower hire purchase rates have helped stimulate consumer demand for hire purchase financing, hire purchase yields have also fallen. Therefore, in order to operate in this competitive climate, while maintaining a continuous profit level, the Company must be able to efficiently manage its asset growth and funding costs. For the past two to three years, the Company has successfully shown its ability to manage continuous growth in both its profits and receivables.

CONFLICT OF INTEREST PERSONS AND RELATED TRANSACTIONS

SPL TRANSPORT COMPANY LIMITED

Relationship : The Company has invested in SPL Transport Co.,Ltd. in the portion 49% of total registered shares.

The Related Transactions for The Year 2002	Million Baht
Recovery loss after sales repossession assets	10.21

SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED

Relationship : Siam Commercial Bank Public Company Limited is the Company's major shareholder and some of the Bank's management officers hold the position of Company directors.

The Related Transactions for The Year 2002	Million Baht
Income from financing service	0.02
Interest received from deposit held at call	0.16
Interest expense for loan borrowings and bank charge	31.78
Prepaid on loan arrangement fee as of December 31, 2002	8.03
Outstanding loan borrowings as of December 31, 2002	488.08
Outstanding deposit as of December 31, 2002	44.48
Interest payable as of December 31, 2002	0.02

DHANAVAT INSURANCE COMPANY LIMITED

Relationship : Some of the Company's management officers hold the position of directors of Dhanavat Insurance Co.,Ltd.

The Related Transactions for The Year 2002	Million Baht
Interest expense	1.97
Outstanding debentures as of December 31, 2002	29.00
Interest payable on debentures as of December 31, 2002	0.19

SIAM ADMINISTRATIVE MANAGEMENT COMPANY LIMITED

Relationship : Some of the Company's management officers and directors hold the position of directors of Siam Administrative Management Co.,Ltd.

The Related Transactions for The Year 2002	Million Baht
Income from financing service	7.47
Interest income	0.58
Outstanding accounts receivable balance as of December 31, 2002	99.44
Outstanding loans receivable balance as of December 31, 2002	19.78

SIAM PRESS MANAGEMENT COMPANY LIMITED

Relationship : Some of the Company's management officers hold the position of directors of Siam Press Management Co.,Ltd.

The Related Transactions for The Year 2002	Million Baht
Income from financing service	0.08
Outstanding accounts receivable balance as of December 31, 2002	0.47

THE BNH MEDICAL CENTRE LIMITED

Relationship : Some of the Company's directors hold the position of directors of The BNH Medical Centre Ltd.

The Related Transactions for The Year 2002	Million Baht
Income from financing service	0.04
Outstanding accounts receivable balance as of December 31, 2002	0.50

INTERLIFE JOHN HANCOCK ASSURANCE PUBLIC COMPANY LIMITED

Relationship : Some of the Company's directors hold the position of directors of Interlife John Hancock Assurance Public Co.,Ltd.

The Related Transactions for The Year 2002	Million Baht
Interest expense (January 1, 2002 - December 1, 2002)	1.25
Outstanding debentures as of November 18, 2002	15.00

Note : - The latest interest payment made was on December 1,2002 .
- Debentures holding is of the scripless type and the Company is unaware of the number of outstanding debenture remaining as at the end of 2002.

Price Setting Policy for The Related Transactions :

The Company's Financing Service

The Company offers financing service to the above companies in accordance to normal trade practice, as offered to its general customers and charges market price interest rate to these companies.

Loan Borrowings

Loan borrowings from the above companies are in accordance to normal trade practice with the company paying interest at the market rate.

Necessary and Reasonableness for The Related Transactions

The related transactions mentioned above and those to occur in the future are done in accordance to normal trade practice. The Company performs these transactions with reasonableness, whereby the fair value will be determined by the market price.

Approval Procedure for The Related Transactions

To prevent any conflict of interest, the Company sets the pricing, approval process and the approval limits to authorized persons involved in the related transactions, which are in accordance to normal trade practice as offered to general customers.

Commitment :

Siam Commercial Bank Plc. has provided guarantees on factoring customers, letter of guarantee providing for building and telephone rental amounting to 35.40 million baht, 0.58 million baht and 0.02 million baht, respectively.

GENERAL INFORMATION

COMPANY INFORMATION

COMPANY'S NAME : Siam Panich Leasing Public Company Limited

ADDRESS : Head Office 3rd - 5th, 9th, 23rd Sino - Thai Tower,
32 / 24 - 26, 32 / 30, 32 / 53 Soi Sukhumvit 21 (Asoke)
Sukhumvit Road, Klongtoeynua, Wattana,
Bangkok 10110
Telephone 0-2260-1200, 0-2661-7020
Fax 0-2260-1209

BUSINESS TYPE : Hire-Purchase Financing, Leasing Service and
Factoring Service

REGISTER NO. : Bor. Mor. Jor. 465

NUMBER AND TYPE OF SHARES ISSUED : 199,230,897 Common Shares

INFORMATION OF EQUITY INVESTMENT MORE THAN 10% OWNERSHIP

COMPANY'S NAME : SPL Transport Co.,Ltd.

ADDRESS : 125 / 24 - 25 Sukhumvit Road, Tambol Map Ta Put,
Amphur Muang, Rayong 21150
Telephone 0-3868-2268
Fax 0-3868-1552

BUSINESS TYPE : As of the beginning of 2001, the company has closed
down this operation due to continuous losses since 1997.

NUMBER AND TYPE OF SHARES ISSUED : 10,000,000 Common Shares

INFORMATION OF EQUITY INVESTMENT MORE THAN 10% OWNERSHIP

COMPANY'S NAME : Dhanavat Insurance Co.,Ltd.

ADDRESS : 877 - 879 New Road, Thaladnoy, Sampanwong,
Bangkok 10100
Telephone 0-2237-3620, 0-2233-5652
Fax 0-2238-5286

BUSINESS TYPE : Non - Life Insurance

NUMBER AND TYPE OF SHARES ISSUED : 30,000,000 Common Shares

COMPANY'S NAME : Siam Administrative Management Co.,Ltd.

ADDRESS : 109, 111 Soi Ladpraw 84, Wang Thong Lang,
Bangkapi, Bangkok 10310
Telephone 0-2933-6111
Fax 0-2933-8569

BUSINESS TYPE : Document Express Service, Cleaning Service

NUMBER AND TYPE OF SHARES ISSUED : 3,000,000 Common Shares

INFORMATION OF EQUITY INVESTMENT MORE THAN 10% OWNERSHIP

COMPANY'S NAME : Siam Press Management Co.,Ltd.

ADDRESS : 18 Tower 1 West SCB Park Plaza 12th Fl.
Ratchadapisek Road, Ladyao, Jatujak,
Bangkok 10900
Telephone 0-2318-6463-5, 0-2319-4567
Fax 0-2937-6400

BUSINESS TYPE : Printing, Artwork, Graphic Design

NUMBER AND TYPE OF SHARES ISSUED : 6,000,000 Common Shares

Security Registrar : Thailand Securities Depository Co.,Ltd.

Address : 62 The Stock Exchange of Thailand Building
4, 6 - 7 th Fl. Ratchadapisek Road,
Klongtoey, Bangkok 10110
Telephone 0-2359-1200-1
Fax 0-2359-1259-63

Debenture Registrar : Siam Commercial Bank Public Company Limited

Address : Head Office 9 Ratchadapisek Road, Ladyao,
Jatujak, Bangkok 10900
Telephone 0-2544-1111, 0-2937-7777

Auditors : Miss Nangnoi Charoenthaveesub
CPA License No. 3044
or Mr. Somchai Chinnovat,
CPA License No. 3271
PricewaterhouseCoopers ABAS Ltd.

Address : 15 th Fl. Bangkok City Tower, 179/74-80
South Sathorn Road, Bangkok 10120
Telephone 0-2286-9999, 0-2344-1000
Fax 0-2286-5050

To the Shareholders of Siam Panich Leasing Public Company Limited

I have audited the accompanying balance sheets of Siam Panich Leasing Public Company Limited as at 31 December 2002 and 2001 and the related statements of income, statements of retained earnings, changes in shareholders' equity, and cash flows for the years then ended. 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Siam Panich Leasing Public Company Limited as at 31 December 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



NANGNOI CHAROENTHAVEESUB
Certified Public Accountant (Thailand) No. 3044
PricewaterhouseCoopers ABAS Limited
Bangkok
21 February 2003



BALANCE SHEETS

Siam Panich Leasing Public Company Limited
As at 31 December 2002 and 2001

	Notes	2002 Baht	2001 Baht
ASSETS			
Assets			
Cash and cash equivalents	3	60,803,724	65,453,457
Hire-purchase accounts receivable, net	4, 7	19,427,365,580	13,832,481,426
Lease accounts receivable, net	5, 7	923,734,841	713,093,038
Factoring accounts receivable, net	6, 7	587,793,138	546,976,873
Notes and interest receivable, net	8	229,968,555	224,511,109
Receivable from and loans to employees	9	24,670,570	24,220,528
Assets for sale	10	72,293,104	91,880,216
Investments	11	54,794,124	57,918,609
Property and equipment, net	12	151,198,539	139,030,469
Other assets	13	290,347,551	274,667,971
Total Assets		21,822,969,726	15,970,233,696

The notes to the company financial statements form an integral part of these financial statements

BALANCE SHEETS

Siam Panich Leasing Public Company Limited
As at 31 December 2002 and 2001

	Notes	2002 Baht	2001 Baht
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdrafts and loans from banks	14	4,808,303,586	2,515,586,190
Short-term loans	14	1,327,462,006	1,122,633,431
Current portion of long-term loans	14	2,260,628,490	2,132,175,120
Income tax payable		126,880,003	-
Long-term loans	14	8,286,464,488	5,873,822,752
Lease guarantee contracts		200,470,675	185,074,020
Other liabilities	15	327,867,389	291,340,160
Total Liabilities		17,338,076,637	12,120,631,673
Shareholders' Equity			
Share capital	16		
Authorised share capital			
ordinary shares		3,470,000,000	3,470,000,000
Issued and paid-up share capital			
ordinary shares		1,992,308,970	1,989,808,970
Premium on share capital	16	1,905,058,530	1,898,808,530
Unrealised gain (loss) in value of investment in available for sale securities		(1,307,112)	(2,090,900)
Retained earnings (deficit)			
Appropriated			
Legal reserve	17	91,262,982	57,211,811
Unappropriated		497,569,719	(94,136,388)
Total Shareholders' Equity		4,484,893,089	3,849,602,023
Total Liabilities and Shareholders' Equity		21,822,969,726	15,970,233,696

The notes to the company financial statements form an integral part of these financial statements

STATEMENTS OF INCOME

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

	Notes	2002 Baht	2001 Baht
Revenues			
Income from hire-purchase contracts		1,830,495,746	1,468,205,116
Income from lease contracts		76,835,509	79,291,688
Income from factoring notes receivable		59,395,736	66,526,560
Other income	18	192,188,107	95,992,599
Total revenues		2,158,915,098	1,710,015,963
Expenses			
Salaries, bonus and benefits		193,563,699	164,234,069
Interest expenses		739,311,464	680,735,070
Fees and services		23,374,697	31,599,929
Taxes and duty stamp		24,036,591	19,410,552
Expenses on company premises and equipment	19	41,942,457	38,694,422
Allowance for doubtful accounts	20	84,326,161	24,627,835
Loss on exchange rate		-	3,501,831
Director remuneration		1,968,000	1,934,667
Other expenses	21	81,621,033	54,606,356
Total expenses		1,190,144,102	1,019,344,731
Profit from ordinary activities		968,770,996	690,671,232
Share of loss in associated company	11	-	(4,113,890)
Net income before tax		968,770,996	686,557,342
Income tax	22	(193,611,185)	(12,612,561)
Net income for the year		775,159,811	673,944,781
Basic earnings per share			
Net income for the year	23	3.89	3.39
Diluted earnings per share			
Net income for the year		3.85	3.39

The notes to the company financial statements form an integral part of these financial statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

	Notes	2002 Baht	2001 Baht
Beginning balance 2002		1,989,808,970	1,989,808,970
Unrealised gain in value of investment in available for sale securities		-	783,788
Net income for the year		-	775,159,811
Dividend paid	24	-	(149,402,533)
Legal reserve		-	(34,051,171)
Exercised warrant		2,500,000	-
Ending balance 2002		1,992,308,970	4,484,893,089
Beginning balance 2001		1,989,808,970	3,175,340,642
Unrealised gain in value of investment in available for sale securities		-	316,600
Net income for the year		-	673,944,781
Ending balance 2001		1,989,808,970	3,849,602,023

The notes to the company financial statements form an integral part of these financial statements

STATEMENTS OF RETAINED EARNINGS

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

	Notes	2002 Baht	2001 Baht
Unappropriated retained earnings (deficit)			
Beginning balance of the year		(94,136,388)	(768,081,169)
Net income for the year		775,159,811	673,944,781
Dividends paid	24	(149,402,533)	-
Legal reserve		(34,051,171)	-
Unappropriated retained earnings (deficit) at end of the year		497,569,719	(94,136,388)
Appropriated retained earnings			
Legal reserve			
Beginning balance of the year		57,211,811	57,211,811
Increase during the year		34,051,171	-
Appropriated retained earnings at end of the year		91,262,982	57,211,811
Retained earnings (deficit) at end of the year		588,832,701	(36,924,577)

The notes to the company financial statements form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

	2002 Baht	2001 Baht
Cash flows from operating activities :		
Net income for the year	775,159,811	673,944,781
Adjustments to reconcile net income for the year to net cash received (paid) from operating activities :		
Depreciation	15,348,611	13,341,543
Allowance for doubtful accounts	84,326,161	24,627,835
Bad debt	5,671,232	-
Allowance for diminution in value of other investments	4,078,232	-
Deferred tax written off	-	12,612,561
Gain on exchange rate from repayment of syndicated loan	-	(816,720)
Recovery loss after sale repossession assets	-	(4,531,369)
Gain from sales of equipment	(6,406,447)	(7,401,978)
Amortisation of prepaid interest	174,428,927	12,874,146
Increase (decrease) in interest payable	(1,354,632)	(5,304,422)
Increase (decrease) in accrued expenses	106,554,238	135,840,139
Income tax payable	126,880,003	-
Loss from disposal of investment in subsidiaries	1	-
Valuation adjustment of Land for sale	12,759,189	-
Share of loss from an associated company	-	4,113,890
Net cash from operating activities before change in operating assets and liabilities	1,297,445,326	859,300,406
Operating assets (increase) decrease :		
Hire-purchase accounts receivable	(5,583,192,189)	(4,231,899,824)
Lease accounts receivable	(197,839,208)	62,072,036
Factoring accounts receivable	(75,708,277)	(202,611,413)
Notes and interest receivable	(21,600,133)	(25,516,492)
Receivable from and loans to employees	(450,041)	(2,118,660)
Assets for sale	(14,949,135)	(140,870,760)
Terminated contracts of hire-purchase receivable	(73,604,463)	195,532,077
Other assets	12,805,197	(15,932,948)

The notes to the company financial statements form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

	2002 Baht	2001 Baht
Operating liabilities increase (decrease) :		
Bank overdrafts and loans from banks	1,227,370,691	367,951,063
Short-term loans	1,083,632,442	861,878,556
Forward exchange contract payable	-	(3,688,054)
Leased guarantee contracts	15,396,655	(6,847,110)
Net cash (used in) operating activities	(2,330,693,135)	(2,282,751,123)
Cash flows from investing activities		
Purchase of property and equipment	(25,792,719)	(68,855,596)
Proceeds from sale of equipment	7,952,014	9,902,565
Net cash (used in) investing activities	(17,840,705)	(58,953,031)
Cash flows from financing activities		
Repayment of long-term loan	(286,500,000)	(1,535,321,000)
Issuance of debentures	3,000,000,000	3,500,000,000
Redemption of debenture	(2,000,000,000)	-
Cash receipt from long-term loans	1,770,430,053	417,535,561
Dividends payment	(148,795,946)	-
Share subscription received from exercised warrant	8,750,000	-
Net cash provided by financing activities	2,343,884,107	2,382,214,561
Net increase (decrease) in cash and cash equivalents	(4,649,733)	40,510,407
Cash and cash equivalents at beginning of the year	65,453,457	24,943,050
Cash and cash equivalents at end of the year	60,803,724	65,453,457
Supplementary cash flow information		
Interest paid	689,606,538	686,039,491
Tax paid	66,731,182	-
Non-cash transactions		
Transfer from assets for sale to property and equipment	3,269,530	4,973,946

NOTES TO THE FINANCIAL
STATEMENTS



The notes to the company financial statements form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

Siam Panich Leasing Public Company Limited
For the years ended 31 December 2002 and 2001

1 General information

Siam Panich Leasing Public Company Limited ("the Company") is a public company limited, incorporated and resident in Thailand. The Company provides hire purchase, leasing and factoring services. The address of its registered head office is as follows:

32/24-26,53 Soi Sukhumvit 21 (Asoke) Sukhumvit Road, North Klong Toey, Vattana, Bangkok 10110. The company has 9 branches located in Chiangmai, Lampang, Chiangrai, Phitsanulok, Nakhon Ratchasima, Chonburi, Nakhonsawan, Lopburi and Khon Khaen.

The Company is listed on the Stock Exchange of Thailand.

As at 31 December 2002, the Company employs approximately 656 people (2001 : 611 people).

2 Accounting policies

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

2.1 Basis of preparation

The 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 accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with other countries and jurisdictions. Consequently, these financial statements are prepared base on the assumption that the users of the financial statements have an understanding of Thai generally accepted accounting principles and practices.

The financial statements have been prepared under the historical cost convention except some type of investment stated at fair value as disclosed in the accounting policies.

For the convenience of the user, an English translation of the financial statements has been prepared from the statutory financial statements that are issued in the Thai language.

2.2 Use of estimates

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

2.3 Income from hire-purchase contract

Income from hire-purchase contracts is recognised on the sum of the digits basis over the period of the contracts. Income will not be accrued for debts which have installment payment overdue over 120 days.

2.4 Income from lease contracts

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income.

Lease contracts are accounted for by financing lease basis. Finance income from lease contracts is recognised on the effective interest method over the period of the contracts. Income will not be accrued for debts which are overdue more than 180 days.

2.5 Income from factoring

Income from factoring is recognised by the effective interest method over the period of contracts. Interest income will not be accrued for debts which are overdue more than 180 days.

2.6 Accounts receivable and allowance for doubtful accounts

Accounts receivable are carried at anticipated realisable value. Allowances for doubtful accounts except for factoring accounts receivable have been made in general at the varying rates based on aging analysis. Allowance for doubtful accounts made on a general basis is consistently reviewed using the actual information from current 12 months. The allowance is calculated with the consideration of collections and proceeds from sales of repossessed assets. Allowance for doubtful accounts relating to terminated hire-purchase contracts is calculated on the same basis as hire-purchase. Allowance for factoring accounts receivable is based on a review of specific debts.

2.7 Assets for sale

Assets for sale represent repossessed assets from the hire-purchase and finance lease business. Assets for sale are valued at the lower of net book value or an estimated net realisable value.

2.8 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. 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 statement of income. Such balances are translated into Thai Baht at the exchange rates ruling at the balance sheet date.

2.9 Financial instruments

Financial assets carried on the balance sheet include cash and bank balances, hire-purchase accounts receivable, lease accounts receivable, factoring accounts receivable, notes and interest receivable and investments. Financial liabilities carried on the balance sheet include bank overdrafts and loans from banks and financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is party are provided in note 28.

2.10 Investments

Investment in associates

Investment in associated undertakings is accounted for by the equity method of accounting. These are undertakings in which the Company has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Allowance is recorded for impairment in value.

Equity accounting involves recognising share of the associated's income or loss for the year in the income statement. The interest in the associated is carried in the balance sheet at an amount that reflects its share of the net assets of the associated. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of associated undertaking.

General investments

Investment in non-marketable equity securities classified as general investments are carried at cost. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

Available for sale investment in securities

Investments classified as available-for-sale are those intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, and are included in non-current assets.

Investments in marketable equity securities are carried at fair value which is determined by reference to the Stock Exchange of Thailand quoted bid price. For other investment, fair value is calculated by reference to net asset value as at the balance sheet date, as announced by the Mutual Fund Management Company to the public. Adjustments in the carrying amount are recorded as unrealized gains or losses in the shareholders' equity.

2.11 Property, plant and equipment

All property, plant and equipment is recorded at cost less accumulated depreciation.

Depreciation is calculated so as to write-off the cost of the assets on a straight-line basis over the expected useful economic lives of the assets concerned.

The principal annual rates used are:

	%
Land improvements	5
Building and building improvements	5 - 20
Furniture and fixtures	20
Office machinery and equipment	10 - 20
Motor vehicles	20

Leasehold improvements are amortised by equal installments over the period of the lease. In case of no lease term contracts, amortisation is for a period of 5 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 cost of disposal. Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

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

2.12 Provident fund

The Company operates a provident fund, being a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the income statement in the year to which they relate.

2.13 Related parties

Enterprises and individuals that directly, or indirectly 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits at banks with original maturity of three months or less.

3 Cash and cash equivalents

	2002	2001
	Baht	Baht
Cash in hand	14,262,088	9,343,645
Deposits held at savings accounts and at call with banks	46,541,636	56,109,812
	<u>60,803,724</u>	<u>65,453,457</u>

The weighted average interest rate of deposit held at saving accounts and at call with banks was 0.35% per annum (2001 : 0.45% per annum).

4 Hire-purchase accounts receivable, net

	2002	2001
	Baht	Baht
Hire-purchase accounts receivable	22,214,148,321	15,870,029,647
<u>Less</u> Unearned hire-purchase charges	(2,785,346,573)	(2,024,413,338)
	19,428,801,748	13,845,616,309
<u>Less</u> Allowance for doubtful accounts	(1,436,168)	(13,134,883)
Hire-purchase accounts receivable, net	19,427,365,580	13,832,481,426

Aging analysis and allowance for doubtful accounts are as follows:

	2002	
	Hire-purchase receivable net unearned hire-purchase charges Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	15,939	-
Past due 1 - 4 months	3,399	1
Past due > 4 - 6 months	66	1
Past due > 6 - 12 months	15	-
Past due > 12 months	10	-
Total	19,429	2

2001

	Hire-purchase receivable net unearned hire-purchase charges Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	11,728	1
Past due 1 - 4 months	2,041	4
Past due > 4 - 6 months	49	2
Past due > 6 - 12 months	5	1
Past due > 12 months	22	5
Total	13,845	13

5 Lease accounts receivable, net

	2002	2001
	Baht	Baht
Lease accounts receivable	1,108,704,111	894,754,730
<u>Less</u> Unearned finance income	(111,650,482)	(93,741,084)
	997,053,629	801,013,646
<u>Less</u> Allowance for doubtful accounts	(73,318,788)	(87,920,608)
Lease accounts receivable, net	923,734,841	713,093,038

Aging analysis and allowance for doubtful accounts are as follows:

	2002	
	Lease receivables net of unearned Finance income Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	643	-
Past due 1 - 4 months	75	1
Past due > 4 - 6 months	-	-
Past due > 6 - 12 months	6	3
Past due > 12 months	73	69
Total	797	73

	2001	
	Lease receivables net of unearned Finance income Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	510	-
Past due 1 - 4 months	15	-
Past due > 4 - 6 months	-	-
Past due > 6 - 12 months	-	-
Past due > 12 months	91	88
Total	616	88

Aging analysis is shown net lease guarantee contracts amounting to Baht 200 million (2001 : Baht 185 million).

6 Factoring accounts receivable, net

	2002	2001
	Baht	Baht
Factoring accounts receivable	734,997,094	737,734,738
<u>Less</u> Unearned finance income	<u>(8,132,030)</u>	<u>(5,820,412)</u>
	726,865,064	731,914,326
<u>Add</u> Interest receivable	<u>11,044,221</u>	<u>15,182,649</u>
	737,909,285	747,096,975
<u>Less</u> Allowance for doubtful accounts	<u>(150,116,147)</u>	<u>(200,120,102)</u>
Factoring accounts receivable, net	587,793,138	546,976,873

Aging analysis and allowance for doubtful accounts are as follows:

	2002	
	Factoring receivable Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	571	-
Installment payment	1	-
Past due 1 - 6 months	8	-
Past due 6 - 12 months	-	-
Past due over 12 months	17	16
Customer under legal preceding	138	134
Total	735	150

	2001	
	Factoring receivable Million Baht	Allowance for doubtful accounts Amount Million Baht
Current	497	-
Installment payment	26	-
Past due 1 - 6 months	12	-
Past due 6 - 12 months	-	-
Past due over 12 months	60	57
Customer under legal proceeding	143	143
Total	738	200

7 Non-performing loans and receivables

As at 31 December 2002, hire-purchase accounts receivable, lease accounts receivable and factoring accounts receivable, and terminated contracts of hire-purchase amounting to Baht 1,100 million have not been accrued for interest income (2001 : Baht 1,112 million).

8 Notes and interest receivable, net

This mainly represents notes and interest receivable due from other debtors. The amount is shown net of allowance for doubtful accounts of Baht 23,704,940 (2001 : Baht 19,812,712).

9 Receivable from and loans to employees

Most of receivable from and loans to employees are hire purchase debts. The amount is shown net of unearned hire purchase charges of Baht 15,452,405 (2001 : Baht 14,506,629).

10 Assets for sale

	2002 Baht	2001 Baht
Reposessed assets from hire purchase contracts	26,441,246	22,807,998
Reposessed inventories from leasing contracts	2,478,358	12,939,529
Land for sale	43,373,500	56,132,689
	72,293,104	91,880,216

Reposessed assets are valued at the net of an estimated net realizable value.

Land for sale are shown net of valuation adjustment of Baht 12,759,189.

11 Investments

Investments in subsidiary, associated and other companies comprise.

	% holding	2002			Equity method
		Paid up capital	Baht Cost	Cumulative share of net income (loss)	
Investment in an associated company					
SPL Transport Co., Ltd. 10,000,000 ordinary shares with a par value of Baht 10 per share	49	100,000,000	49,000,000	(49,000,000)	-
		100,000,000	49,000,000	(49,000,000)	-

Super Car Co., Ltd, a 100% own subsidiary, has not been included in consolidation as the subsidiary suspended its operations since 1988.

The subsidiary has registered for dissolution with the Ministry of commerce on 14 October 2002. The Company has written off net investment of Baht 1 as an expense in statement of income.

SPL Transport Co., Ltd., an associated company, has already ceased its operations since 2001.

2002		
	% Holding	Baht
Other investments		
Dhanavat Insurance Co., Ltd.	10	30,000,000
Siam Administrative Management Co., Ltd.	13	3,800,000
Siampress Management Co., Ltd.	15	11,978,960
SCB Leasing Co., Ltd.	9	4,950,000
Supapirom Co., Ltd.	2	202,316
Sahakarn Wisavakorn Co., Ltd.	1	4,078,232
SG Star Property Co., Ltd.	11	1
		<u>55,009,509</u>
Less Allowance for diminution in value of investment in Sahakarn Wisavakorn Co., Ltd.		<u>(4,078,232)</u>
		<u>50,931,277</u>
Available-for-sale securities		
SCB Asset Management Co., Ltd.	0.1	5,000,000
Raimon land Public Co., Ltd.	0.07	169,959
Less Unrealised loss in value of available for sale investment in securities		<u>(1,307,112)</u>
		<u>3,862,847</u>
Total investments in associated and other companies		<u>54,794,124</u>

During the year 2002, dividends of Baht 1,774,274 have been received from other investments (2001 : Baht 2,304,996).

		2001			
		Baht			
	% holding	Paid up capital	Cost	Provision for diminution in value	Cost method
Investment in a subsidiary company					
Super Cars Co., Ltd. 100,000 ordinary shares with a par value of Baht 100 per share	100	10,000,000	12,000,000	(11,999,999)	1
		<u>10,000,000</u>	<u>12,000,000</u>	<u>(11,999,999)</u>	<u>1</u>
Investment in an associated company					
SPL Transport Co., Ltd. 10,000,000 ordinary shares with a par value of Baht 10 per share	49	100,000,000	49,000,000	(49,000,000)	-
		<u>100,000,000</u>	<u>49,000,000</u>	<u>(49,000,000)</u>	<u>-</u>

		2001	
	% Holding	Baht	
Other investments			
Dhanavat Insurance Co., Ltd.	10	30,000,000	
Siam Administrative Management Co., Ltd.	13	3,800,000	
Siampress Management Co., Ltd.	15	11,978,960	
SCB Leasing Co., Ltd.	9	4,950,000	
Supapirom Co., Ltd.	2	202,316	
Sahakarn Wisavakorn Co., Ltd.	1	4,078,232	
Available-for-sale security			
SCB Asset Management Co., Ltd.	0.1	5,000,000	
Less Unrealised loss in value of available for sales investment in security		(2,090,900)	
		2,909,100	
Total investments in subsidiary, associated and other companies		57,918,609	

12 Property, plant and equipment, net

	Land and land improvement Baht	Buildings and buildings improvement Baht	Leasehold improvement Baht	Furniture, fixture office machinery and equipment Baht	Motor vehicle Baht	License software Baht	Total Baht
As at 31 December 2001							
Cost	67,164,500	24,551,686	15,873,610	61,766,523	45,124,828	3,799,733	218,280,880
Less Accumulated depreciation	(320,399)	(7,197,879)	(10,578,323)	(44,241,152)	(14,841,326)	(2,071,332)	(79,250,411)
Net book amount	<u>66,844,101</u>	<u>17,353,807</u>	<u>5,295,287</u>	<u>17,525,371</u>	<u>30,283,502</u>	<u>1,728,401</u>	<u>139,030,469</u>
Year ended 31 December 2002							
Opening net book amount	66,844,101	17,353,807	5,295,287	17,525,371	30,283,502	1,728,401	139,030,469
Additions	4,058,636	7,325,213	608,606	7,505,109	6,109,654	185,500	25,792,718
Transfer from repossession cars	-	-	-	-	3,269,530	-	3,269,530
Disposals	(452,101)	(19,086)	(1)	(279,569)	(794,810)	-	(1,545,567)
Depreciation charge (Note 19)	-	(1,121,944)	(577,550)	(5,462,352)	(7,792,012)	(394,753)	(15,348,611)
Closing net book amount	<u>70,450,636</u>	<u>23,537,990</u>	<u>5,326,342</u>	<u>19,288,559</u>	<u>31,075,864</u>	<u>1,519,148</u>	<u>151,198,539</u>
As at 31 December 2002							
Cost	70,450,636	30,847,682	16,313,211	54,331,551	49,685,057	3,985,232	225,613,369
Less Accumulated depreciation	-	(7,309,692)	(10,986,869)	(35,042,992)	(18,609,193)	(2,466,084)	(74,414,830)
Net book amount	<u>70,450,636</u>	<u>23,537,990</u>	<u>5,326,342</u>	<u>19,288,559</u>	<u>31,075,864</u>	<u>1,519,148</u>	<u>151,198,539</u>

13 Other assets

	2002	2001
	Baht	Baht
Value added tax refundable	71,177,071	64,018,744
Prepaid loan arrangement fee	19,623,179	25,766,316
Terminated contracts of hire-purchase net with allowance for doubtful accounts of Baht 482,142,260 (2001 : Baht 461,226,403)	145,835,690	135,815,280
Factoring accounts receivable under negotiation for debt restructuring net with allowance for doubtful accounts of Baht 73,616,420	4,701,923	12,442,810
Others	49,009,688	36,624,821
	<u>290,347,551</u>	<u>274,667,971</u>

Allowance for doubtful account of terminated hire-purchase contracts is calculated on the same basis as hire-purchase accounts receivable.

As at 31 December 2002, the Company has 4 factoring accounts receivable of Baht 78,318,344 which were long overdue because the debtors had encountered financial problems. Debt restructuring and negotiation for obtaining new sources of funds are in process. The debt recoverable from the customers depend on debt restructuring and negotiation for obtaining new sources of funds. An allowance for doubtful accounts of Baht 73,616,420 has been made.

14 Borrowings

	2002	2001
	Baht	Baht
Bank overdrafts and loans from bank	4,808,303,586	2,515,586,190
Short-term loans	1,327,462,006	1,122,633,431
Current portion of long-term loans	2,260,628,490	2,132,175,120
Long-term loans	8,286,464,488	5,873,822,752
Total borrowings	<u>16,682,858,570</u>	<u>11,644,217,493</u>

The borrowings are unsecured.

As at 31 December 2002, the Company has unutilized credit facilities amounting to Baht 5,060 million (2001 : Baht 3,082 million).

Long-term borrowings comprise of :

	2002	2001
	Baht	Baht
Debentures	8,500,000,000	7,500,000,000
Loans from local banks	1,864,839,106	269,997,872
Loans from a finance institution	-	236,000,000
Loans from mutual funds	182,253,872	-
Total	10,547,092,978	8,005,997,872
Less Current portion of long-term loans	(2,260,628,490)	(2,132,175,120)
	<u>8,286,464,488</u>	<u>5,873,822,752</u>

Debentures amounting to Baht 8,500 million comprise of debentures amounting to Baht 4,000 million, Baht 3,500 million, and Baht 3,000 million issued on 1 March 2000, on 24 May 2001, and on 6 March 2002 respectively, which have conditions as below:

Debentures issued on 1 March 2000

Unit and value	4,000,000 units of par value of Baht 1,000 each
Period and maturity date	3 years, will be matured in 2003
Interest rate	Fixed rate of 7.75% per annum
Repayment principal	The repayment will be in 2002 and 2003

During 2002, the Company redeemed debentures which were due Baht 2,000 million.

Debentures issued on 24 May 2001

Unit and value	3,500,000 units of par value of Baht 1,000 each
Period and maturity date	4 years, will be matured in 2005
Interest rate	Fixed rate of 6.20% per annum
Repayment principal	The repayment will be in 2004 and 2005

Debentures issued on 6 March 2002

Unit and value	3,000,000 units of par value of Baht 1,000 each
Period and maturity date	4 years, will be matured in 2006
Interest rate	Fixed rate of 5.5% per annum
Repayment principal	The repayment will be in 2005 and 2006

The Company has to maintain certain financial ratios and to comply with certain conditions i.e. maintain dividend payout ratio in accordance with debenture agreements.

At 31 December 2002 and 2001, the future payments to which the Company is committed under long-term borrowings and debentures agreement are as follows:

	2002 Baht	2001 Baht
Not later than 1 year	2,260,628,490	2,132,175,120
Later than 1 year and not later than 2 years	2,874,305,305	2,085,675,119
Later than 2 years and not later than 3 years	3,912,159,183	2,038,147,633
Later than 3 years and not later than 4 years	1,500,000,000	1,750,000,000
	<u>10,547,092,978</u>	<u>8,005,997,872</u>

The interest rate exposures on the borrowings are as follows:

	2002 Baht	2001 Baht
Total borrowings:		
- At fixed interest rates	16,682,858,570	11,277,316,057
- At float interest rates	-	366,901,436
Weighted average effective interest rates (% per annum)		
- Loans from banks and finance institutions	3.31	6.61
- Debentures	6.32	7.23

15 Other liabilities

	2002	2001
	Baht	Baht
Interest payable	53,491,756	54,846,388
Suspense cash received from customers but cannot match debts	16,327,419	12,703,048
Suspense cash received from customers for insurance premium	82,853,907	62,755,296
Collateral deposit received from factoring receivables	29,965,446	37,145,283
Accounts payable	73,870,028	69,278,964
Others	71,358,833	54,611,181
	<u>327,867,389</u>	<u>291,340,160</u>

16 Share capital and share premium

	Number of ordinary shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 31 December 2000	198,980,897	1,989,808,970	1,898,808,530	3,888,617,500
Exercised warrant	-	-	-	-
At 31 December 2001	198,980,897	1,989,808,970	1,898,808,530	3,888,617,500
Exercised warrant	250,000	2,500,000	6,250,000	8,750,000
At 31 December 2002	<u>199,230,897</u>	<u>1,992,308,970</u>	<u>1,905,058,530</u>	<u>3,897,367,500</u>

The total authorized number of ordinary shares is 347,000,000 shares (2001 : 347,000,000 shares) with a par value of Baht 10 per share (2001: Baht 10 per share).

As at 31 December 2002, the company has remaining warrants certificate No. 2 of 63,961,415 units (2001 : 64,211,415 units). The warrants have a period of 5 years and the final exercise date being 17 December 2004. The entitlement to purchase 1 unit of ordinary share per each warrant unit for a price of Baht 35.

17 Legal reserve

The Company is required to set aside as a statutory reserve at least 5 percent of its net income after accumulate deficit brought forward (if any) until the reserve is no less than 10 percent of the registered share capital.

18 Other income

	2002	2001
	Baht	Baht
Income from terminated debts	5,547,629	6,636,882
Income from note receivable	28,811,337	29,492,662
Recovery on bad debt	131,957,669	37,743,538
Other income	25,871,472	22,119,517
	<u>192,188,107</u>	<u>95,992,599</u>

19 Expenses on company premises and equipment

	2002	2001
	Baht	Baht
Rental building and equipment	8,861,694	9,263,959
Depreciation of property, plant and equipment (note 12)	15,348,611	13,341,543
Others	17,732,152	16,088,920
	<u>41,942,457</u>	<u>38,694,422</u>

20 Allowance for doubtful accounts

Loss on sales of repossessed cars has been included in allowance for doubtful accounts of Baht 18 million (2001 : Baht 143 million).

21 Other expenses

	2002	2001
	Baht	Baht
Transportation expenses	15,620,341	14,029,179
Direct collection costs	11,851,040	12,168,071
Valuation adjustment of lands for sale	12,759,189	-
Others	41,390,463	28,409,106
	<u>81,621,033</u>	<u>54,606,356</u>

22 Income tax and deferred income tax

Income tax for the year comprises:

	2002	2001
	Baht	Baht
Current tax	193,611,185	-
Write off deferred income tax assets	-	12,612,561
	<u>193,611,185</u>	<u>12,612,561</u>

The Company has not accounted for the income deferred tax. The Company had written off the long outstanding deferred tax assets during 2001.

23 Basic earnings per share

Basic earnings per share is calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	2002	2001
Net income for the year (Baht)	775,159,811	673,944,781
Weighted average number of ordinary shares in issue during the year (Shares)	199,178,842	198,980,897
Basic earnings per share (Baht)	3.89	3.39
Effect of diluted ordinary shares		
Diluted number of ordinary shares (Share)	201,127,805	198,980,897
Diluted earnings per share (Baht)	3.85	3.39

For the diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary share is warrant.

In the diluted earnings per share calculation, the warrant is assumed to have been converted into ordinary shares. A calculation is made to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the company's share) based on the monetary value of the subscription rights attached to outstanding warrant. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution without adjustment made to net profit.

24 Dividends

At the Board of director meeting held on 9 August 2002, the board approved to pay interim dividend for the six months periods ended 30 June 2002 at Baht 0.75 per share amounting Baht 149,402,533 (2001 : nil).

25 Supplementary accounts receivable information

As at 31 December 2002 and 2001, hire purchase accounts receivable, lease accounts receivable, and factoring accounts receivable are due as follows :

	2002	2001
	Baht	Baht
Within 1 year	9,788,948,439	7,433,576,729
Later than 1 year and not later than 2 years	7,017,523,655	5,192,055,137
Later than 2 years and not later than 3 years	4,370,320,310	3,051,156,147
Later than 3 years	2,229,072,277	1,160,547,862
	<u>23,405,864,681</u>	<u>16,837,335,875</u>
<u>Add</u> Past due amounts	300,314,543	246,657,147
Lease guarantee contracts	200,470,675	185,074,020
Unguaranteed residual value	5,105,773	8,771,584
Past due receivable and customer under legal preceding	162,600,493	240,261,950
<u>Less</u> Hire purchase receivables - Employee	<u>(16,506,639)</u>	<u>(15,581,461)</u>
Total accounts receivable	<u>24,057,849,526</u>	<u>17,502,519,115</u>

Past due amounts represent amount due but have not been received from debtors.

26 Related party transactions

The company is an associated company of Siam Commercial Bank Public Company Limited, incorporated in Thailand.

SPL Transport Co., Ltd. is an associated of the Company. For Siam Administrative Management Co., Ltd., Siampress Management Co., Ltd., The B.N.H. Medical Center Limited, Dhanavat Insurance Co., Ltd., and InterLife John Hancock Assurance Public Company Limited, the Company has 1 director in common.

The company provides financing services to related companies in accordance with a normal trade practice with other customers.

Loans from Siam Commercial Bank Public Company Limited are in accordance with a normal trade practice bearing interest at the market interest rate.

The Company has transactions with related companies as below: -

a) Income from a related company

For the year ended 31 December	2002	2001
	Baht	Baht
Siam Commercial Bank Public Company Limited		
Income from lease contracts	16,125	1,769,422
Interest received from deposits held at call	157,267	181,149
SPL Transport Company Limited,		
Recovery loss after sales repossession assets	10,212,000	8,430,008
Siam Administrative Management Co., Ltd.		
Income from lease contracts	7,467,596	4,785,203
Interest received	583,836	-
Siampress Management Co., Ltd.		
Income from lease contracts	78,189	92,188
The B.N.H. Medical Center Limited		
Income from hire-purchase contracts	44,847	19,426

b) Expenses with an related company

For the year ended 31 December	2002	2001
	Baht	Baht
Siam Commercial Bank Public Company Limited		
Interest expense for bank overdraft	105,020	292,878
Interest expense for loans from bank	8,427,835	56,368,970
Bank charge	23,197,585	35,920,009
Interest expense for debentures	46,948	18,223
Dhanavat Insurance Co.,Ltd.		
Interest expense	1,971,589	3,346,841
Interlife John Hancock Assurance Public Company Limited		
Interest expense	1,251,830	2,515,800

c) Outstanding balances

As of 31 December	2002	2001
	Baht	Baht
Siam Commercial Bank Public Company Limited		
Deposits	44,475,342	55,035,677
Bank overdraft	98,078,103	80,228,378
Interest payable	18,835	283,981
Lease accounts receivable	-	2,077,676
Prepaid loan arrangement fee	8,029,959	13,656,779
Dhanavat Insurance Co., Ltd.		
Interest payable	185,663	180,670
Siam Administrative Management Co., Ltd.		
Lease accounts receivable	99,442,230	61,020,560
Loan receivable	19,775,216	-
Siampress Management Co., Ltd.		
Lease accounts receivable	466,440	897,000
The B.N.H. Medical Center Limited		
Hire-purchase accounts receivable	502,736	820,254

d) Loan from a related party

As of 31 December	2002	2001
	Baht	Baht
Siam Commercial Bank Public Company Limited		
Short term loans	390,000,000	340,000,000
Long term loans	-	50,500,000
Debenture	-	830,000
Dhanavat Insurance Co.,Ltd.		
Debenture	29,000,000	29,000,000
Interlife John Hancock Assurance Public Company Limited		
Debenture	15,000,000	30,000,000

As at 31 December 2002, the Company has unutilised credit facilities from Siam Commercial Bank Public Company Limited amounting to Baht 2,180 million (2001 : Baht 2,245 million).

e) Letters of guarantee

As of 31 December 2002 and 2001, there are guarantees issued by bank, which is a related company, for the Company's customer and for the Company as follows:

	2002	2001
	Baht	Baht
Factoring and leasing customers	35,404,105	44,522,095
Building rental	581,250	581,250
Telephone rental	20,000	-
Total	36,005,355	45,103,345

27 Commitments and contingencies

- a) As of 31 December 2002 and 2001, the Company has commitments in respect of operating leases payments as follows :

	2002	2001
	Baht	Baht
Within 1 year	7,886,400	7,296,000
Later than 1 year and not later than 5 years	344,400	7,296,000
	<u>8,230,800</u>	<u>14,592,000</u>

- b) As of 31 December 2002, the Company has contingent liabilities in respect of bank providing letter of guarantee for factoring and leasing customers, letter of guarantee providing for building and telephone rental of Baht 35,404,150, Baht 581,250 and Baht 20,000 respectively (2001 : Baht 44,522,095 and Baht 581,250).

28 Financial instruments

The Company has 3 major financial risks which are credit risk and interest rate risk and exchange rate variations. For the credit risk, the Company has policies in place to ensure that the contracts are made to customers with an appropriate credit history and cover in various business industries. In addition, the Company has adopted the policy of obtaining personnel guarantee and high down payment for high risk debts.

For interest rate risk, the Company has issued bonds or borrowed long-term loans with fixed interest rate rather than borrowed short-term loans or loans with floating interest rates.

The Company does not encounter exchange rate risk because at present the Company has no loans in foreign currencies.

29 Fair value

The carrying amounts and fair values of long-term borrowings are as follows :

	Carrying amounts		Fair values	
	2002	2001	2002	2001
	Baht	Baht	Baht	Baht
Debentures	8,500,000,000	7,500,000,000	8,895,175,000	7,654,761,870
Loans from local banks	1,864,839,106	269,997,872	1,902,678,605	269,799,371
Loans from financial institutions	-	236,000,000	-	236,000,000
Loans from mutual funds	182,253,872	-	182,150,491	-
	<u>10,547,092,978</u>	<u>8,005,997,872</u>	<u>10,980,004,096</u>	<u>8,160,561,241</u>

The fair values of debentures are calculated by reference to Thai bond Dealing Centre's quoted market prices at the close of business on the balance sheet date.

The fair values of other long-term loans are based on discounted cash flows using a discount rate based upon the borrowing rate which is quoted by the Company's banker at the balance sheet date.

The carrying amount of financial assets and short-term loans approximate fair value.

30 Post balance sheet event

At the director meeting held on 15 January 2003, the directors have approved the issue of bonds amounting to Baht 3,500 million with a repayment period of 4 years after issuing date in March 2003.

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Tel. 0-4426-2711, 0-4426-3141, 0-4426-3145 Fax. 0-4426-2714

CHONBURI

53/127-128 Moo 3 Sukhumvit Road, Tambol Bansuan, Amphur Muang, Chonburi 20000
Tel. 0-3879-7424-6 Fax. 0-3879-7427

NAKHONSAWAN

282/3-4 Moo 10 Phaholyothin Road, Tambol Nakhonsawan-Tok, Amphur Muang,
Nakhonsawan 60000
Tel. 0-5631-0891-4 Fax. 0-5631-0895

LOPBURI

99/7 Moo 1 Phaholyothin Road, Tambol Tasala, Amphur Muang, Lopburi 15000
Tel. 0-3661-6001-5 Fax. 0-3661-6006

KHONKAEN

177/15-16 Moo 17 Mitrapap Road, Tambol Naimuang, Amphur Muang, Khonkaen 40000
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