

## Notice of the Annual General Meeting of Shareholders for the Year 2006

No. TCAP.MDO. 090/2006

April 11<sup>th</sup>, 2006

To: Shareholders

The Meeting of the Board of Directors of Thanachart Capital Public Company Limited, or formerly called National Finance Services Public Company Limited, No. 3/2549, held on March 23<sup>rd</sup>, 2006, has a resolution to summon the Annual General Meeting of Shareholders for the Year 2006 on Thursday April 27<sup>th</sup>, 2006, 14.30 hours, at the Ballroom, G Floor, Four Season Hotel, Rachadumri Road, Bangkok, to mutually conduct business in accordance with the following agenda:

**Agenda 1.**        **Considering Adoption of the Minutes of Extraordinary Meeting of Shareholders No. 1/2006**

**Objective and Reason**

The Extraordinary Meeting of Shareholders was held on 30<sup>th</sup> January 2006 to consider various matters as required by law. The minutes of such meeting was required to be proposed for mutual consideration by the shareholders. Please refer to the details of the said minutes in Attachment 1 hereto.

**Opinion of the Board of Directors**

After due consideration, the Board of Directors found that the minutes of the Extraordinary Meeting of Shareholders No. 1/2006 were correctly recorded, the Board of Directors thus deemed it appropriate for the shareholders to adopt the said minutes.

**Agenda 2.**        **Considering Acknowledgement of the Report on the 2005 Operational Results of the Company**

**Objective and Reason**

This agenda is to report the 2005 operational results of the Company, the details of which are shown in Attachment 3, the CD Rom of the Annual Report, as delivered together with this Notice to the shareholders.

**Opinion of the Board of Directors**

After due consideration, the Board of Directors deemed it appropriate to propose the report on the operating results of the Company and significant changes in the past year, as detailed in the 2005 Annual Report, for the acknowledgement of the Meeting of shareholders. No resolution is required for this agenda.

**Agenda 3.**        **Considering Approval of the Audited Balance Sheets and Profits and Loss Statements ending on December 31<sup>st</sup>, 2005 as Audited by the Certified Auditors and Considered by the Audit Committee**

**Objective  
and  
Reason**

Pursuant to the Public Company Limited Act B.E. 2535 and the Articles of Association of the Company, the Company is required to prepare balance sheets and profits and loss statements ending on the accounting year of the Company and to have the same audited by an auditor before submitting them to the shareholders for approval.

**Opinion of  
the Board of  
Directors**

The balance sheets and the profits and loss statements ending on 31<sup>st</sup> December 2005 as shown in the 2005 Annual Report as attached to this Notice have been duly prepared in accordance with the generally accepted accounting standards and have undergone the consideration of the Audit Committee and the Board of Directors of the Company. They have also been audited and certified by the auditors. Accordingly, they were deemed appropriately to be approved by the shareholders.

**Agenda 4.**

**Considering Allotment of the Profit and Payment of Dividend for the Operational Results for the Year 2005**

**Objective  
and  
Reason**

According to the operational results of the Company for the year 2005, the Company had a net profit of Baht 3,104,099,294.97. This enabled the Company to consider paying a dividend to the shareholders by virtue of Section 115 of the Public Company Limited Act B.E. 2535. In addition, the Company had to set aside part of the annual net profit at a rate of 5% of the said net profit as legal reserves pursuant to Section 116 of the said Act.

**Opinion of  
the Board of  
Directors**

The Board of Directors deemed it appropriate for the Meeting's acknowledgement and consideration of approving the allotment of the 2005 annual net profit of Baht 3,104,099,294.97 as follows:

1. To set aside 5% (Five Percent) of the net profit, equivalent to Baht 155,204,964.75, as legal reserves;
2. To approve the payment of a dividend for the operational results in the second half year 2005, ended at December 31<sup>st</sup>, 2005 at the rate of Baht 0.50 (Fifty Satang) per share to every ordinary shareholder and preferred shareholder, equivalent to Baht 666,577,001.50. The total payment of dividend, after including the dividend paid for the first half year at the rate of Baht 0.30 (Thirty Satang) per share, equivalent to Baht 399,946,200.90, to the dividend payment for the second half year operational results, for the operational results for the year 2005 will be at the rate of Baht 0.80 (Eighty Satang) per share, equivalent to Baht 1,066,523,202.40. The closure of the Shareholders Register to determine the right of the shareholders to a dividend payment, will begin on May 15<sup>th</sup>, 2006 at 12.00 hours. The dividend payment will be made on May 26<sup>th</sup>, 2006.

**Policy of the dividend payment of the Company.** The Company's business performance, long term returns to the shareholders and sufficient capital funds will be taken into account prior to the Company's considering the dividend payment. The total dividend payment however is equal to 34.36% of the annual net profit.

**Agenda 5.      Considering Acknowledgement of the Payment of Remuneration for the Board of Directors for the Year 2005 and Approval of Remuneration and Allocation of Performance Allowances for the Board of Directors**

**Objective and Reason**

According to the resolution of the General Meeting of Shareholders for the year 2003 held on 28<sup>th</sup> May 2003, approving the payment of remuneration for the Board of Directors in the amount of Baht 6,825,000 per annum, the remuneration shall be allotted to all the Directors in the form of position allowance and meeting allowance. The amount actually paid in 2005 was Baht 6,677,800, excluding the remuneration paid to other sub-committees. The Meeting however authorized the Board of Directors to fix the remuneration to sub-committees, as the Board of Directors deemed appropriate. In 2006, the Remuneration Committee submitted their proposal to the Board of Directors for proposing the same for the shareholders Meeting's consideration of approval for adjustment of the annual remuneration budget for the Board of Directors from Baht 6,825,000 to Baht 7,800,000 in order to make it appropriate with the Board of Directors' obligations and responsibilities. The additional amount to be paid according to this proposal is Baht 975,000 per year. Furthermore, the performance allowances to the Board of Directors shall be proposed for the shareholders' consideration as in accordance with the shareholders' resolution in 1993, the payment of such performance allowances was approved to be in line with the dividend payment to the shareholders at the rate of one percent of the dividend.

**Opinion of the Board of Directors**

After due consideration, the Board of Directors agreed with the recommendation of the Remuneration Committee to propose the following matter for the shareholders' consideration:

1. approval of increase of the annual remuneration budget for the Board of Directors from Baht 6,825,000 as approved by the 2003 Annual General Meeting of Shareholders held on May 28<sup>th</sup>, 2003 to Baht 7,800,000, which will result in additional payment of Baht 975,000 per year. This remuneration will be allocated by the Board of Directors, with recommendation of the Remuneration Committee, for meeting allowances and directorship position allowances.
2. payment of the performance allowances, which will be allocated by the Board of Directors, to the Directors at the rate of one percent of the dividend paid from the operational results of the year 2005 (a whole year), which was the rate applicable from 1993.

In addition, the Board of Directors deemed it appropriate to report for the Meeting's acknowledgement on the remuneration payment to the Board of Directors and other committees for the year 2005 as attached hereto as Attachment 3.

**Agenda 6.**      **Considering Appointment of Directors to replace the Directors Retiring by Rotation**

**Objective and Reason**

Article 18 of the Articles of Association of the Company requires directors to retire from office on a yearly basis at the rate of one-third or in the number of four persons, out of the whole number of twelve directors of the Company. The matter shall thus be proposed the shareholders to consider appointing directors to replace the directors retiring by rotation. In this regard, the shareholders will be able to re-elect the retiring directors. The Nomination Committee, excluding the director with conflict of interest, passed a resolution proposing the shareholders meeting to reappoint 4 directors to be directors of the Company.

**Opinion of the Board of Directors**

With the recommendation of the Nominating Committee, the Board of Directors, exclusive of the director having conflict of interest, deemed it appropriate to propose that the shareholders consider reelecting the directors retiring by rotation in 2006, numbering 4 persons, hereunder namely:

1. Mr. Sommart Poonpakdee
2. Miss Suvarnapa Suvarnaprateep
3. Miss Chantima Chaturaphat
4. Rear Admiral Vitura Sangsingkeo

The personal history of the four directors is appeared in Attachment 4 hereto.

**Agenda 7.**      **Considering Appointment of Auditors and Determination of Auditing Fees for the Year 2006.**

**Objective and Reason**

As Section 120 of the Public Company Limited Act B.E. 2535 requires the General Meeting of Shareholders to appoint auditors and to fix the auditing fee of the Company every year, the shareholders will be able to re-elect the existing auditors to continue serving the Company as its auditors. The Audit Committee considered electing the auditors for 2006 and then submitted the same for the Board of Directors' proposing to the shareholders meeting for considering appointment of Miss Rattna Jala, a certified auditor No. 3737, or Miss Rungnapa Lertsuwankul, a certified auditor No. 3516, or Mr. Narong Patawongs, a certified auditor No. 3315, of Ernst & Young Company Limited to be the 2006 auditors of the Company.

The Nomination Committee was of opinion that as Ernst & Young has experience in auditing financial institutions and has worldwide network which is acceptable by many countries, it will create the accounting audit standard of the Company to be in an international standard and will transfer knowledge to the Company. Additionally, the auditing fee as proposed for the year 2006 is reasonable and the said 3 auditors has been approved by the Bank of Thailand. They, couple with Ernst & Young,

have no relationship or entry into any transaction which might create any conflict of interest to the Company. In the meantime, the Nomination Committee would like to propose the auditing fee of the subsidiary companies for the shareholders' acknowledgment.

**Opinion of the Board of Directors**

The Board of Directors agreed with the consideration and recommendation of the Audit Committee regarding the appropriateness of the work volume and the overall change to take place in 2006. The Board of Directors thus passed a resolution to propose that the Meeting of Shareholders consider appointing:

1. Ms. Rattana Jala Certified Auditor No. 3734; or
2. Miss Rungnapa Lertwankul Certified Auditor No. 3516; or
3. Mr. Narong Patawongs Certified Auditor No. 3315;

of Ernst & Young Company Limited, being the 2005 auditors of the Company, to be the auditors of the Company for the year 2006. Either of them shall be the Company's auditor who provides opinions and signs the Company's 2006 balance sheet. The auditing fee was proposed to be fixed at Baht 2,000,000, which was reduced from the year 2005 auditing fee by Baht 720,000. The Board of Directors acknowledged the 2006 auditing fee of the subsidiary companies. Please refer to the information of the auditors as appeared in Attachment 5 hereto.

**Agenda 8.**

**Consider Decreasing the Registered Capital of the Company by Decreasing 1,000,000 (One Billion) Registered Shares which Have not Been Offered for Sale**

**Objective and Reason**

Whereas the 2003 Annual General Meeting of Shareholders passed a resolution approving the Company to increase its registered capital for additional 1,000,000,000 shares, or Baht 10,000,000,000 equivalent, in addition to 1,333,154,003 shares, or Baht 13,333,154,030 equivalent. The total shares were 2,333,154,003 shares, or Baht 23,331,540,030 equivalent. At that time, the Meeting passed a resolution selling 500,000,000 newly issued ordinary shares to the existing shareholders and the remaining 500,000,000 newly issued ordinary shares to financial institution investors.

Pursuant to the regulations of the relevant governmental authorities, such as the Ministry of Finance and the Securities Exchange of Commission Office (the "Office"), in relation to application for approval of offering new shares from the capital increase for sale, they provide that an application for approval of offering new shares from the capital increase for sale must be approved by the shareholders meeting. The Ministry of Finance approved that the offer for sale of the newly issued ordinary shares from the capital increase of the Company must be within 1 year from the date of approval by the Ministry of Finance, commencing from 22<sup>nd</sup> August 2003. The Office also prescribes that an application for offering the newly issued ordinary shares for sale to financial institution investors must be approved by the resolution of the

shareholders meeting and such resolution must be passed no later than 1 year.

As the Company has sufficient capital funds, it is not necessary to request payment of the said increased capital and as the period of time as stipulated by both governmental authorities has been expired, the original resolution of the shareholders meeting cannot apply to this case. If the Company continues remaining its capital unchanged, it will face the problem on difference between the registered capital and the paid-up capital. As it is not necessary to ask for the payment of the capital as increased, the Board of Directors deemed it appropriate to amend the registered capital of the Company to be decreased by reducing the number of the registered shares which have not been offered for sale pursuant to Section 40 of the Public Company Limited Act B.E. 2535. This is to have the registered capital been equally to the paid-up capital.

**Opinion of the Board of Directors**

The Board of Directors deemed it appropriate to propose that the meeting of shareholders consider approving the decrease of the Company's registered capital by reducing the 1,000,000,000 (One Billion) registered shares which have not been offered for sale, or Baht 10,000,000,000 (Baht Tern Billion) equivalent. The purpose is to have the registered capital to conform to the paid-up capital of Baht 13,331,540,030 (Baht Thirteen Billion Three Hundred Thirty One Million Five Hundred Forty Thousand and Thirty), which divides into 1,333,154,003 (One Billion Three Hundred Thirty Three Million One Hundred Fifty Four Thousand and Three) shares at Baht 10 (Ten) par value each.

**Agenda 9.**

**Considering Approval of Amendment to Clause 4 of the Memorandum of Association for Consistency with the Capital Decrease**

**Objective and Reason**

Since the Company proposed the Meeting to consider approving the registered capital decrease by reducing the number of the unpaid capital shares, the Company, upon the shareholders meeting's approval, can immediately register the capital decrease with the Registrar of the Department of Business Development, the Ministry of Commerce, within 14 days from the date on which the resolution is passed. The Company is also required to amend Clause 4 (Capital of the Company) under the Memorandum of Association of the Company for consistency.

**Opinion of the Board of Directors**

The Board of Directors deemed it appropriate to propose that the Meeting consider approving amendment to Clause 4 of the Memorandum of Association of the Company to be consistent with its capital decrease, the details of which are as follows:

Clause 4. The registered capital of Baht 13,331,540,030 (Baht Thirteen Billion Three Hundred Thirty One Million Five Hundred Forty Thousand and Thirty) divides into 1,333,154,003 (One Billion Three Hundred Thirty Three Million One Hundred Fifty Four Thousand and

Three) shares at Baht 10 par value each, which consist of 1,333,134,457 (One Billion Three Hundred Thirty Three Million One Hundred Thirty Four Thousand Four Hundred and Fifty Seven) ordinary shares and 19,546 (Nineteen Thousand Five Hundred and Forty Six) preferred shares.

**Agenda 10. Other Business (if any)**

**Objective and Reason** This agenda is open for the shareholders' inquiries, discussion and/or suggestion, other than the matters as proposed in the abovesaid agenda, to the Board of Directors and/or the management for conducting the Company's business.

**Opinion of the Board of Directors** The Board of Directors deemed it appropriate to have this agenda available in every shareholders meeting for the shareholders' inquiries, discussion, and/or suggestions to the Board of Directors and/or the management of the Company.

In this regard, the Company sent a CD-ROM of the 2005 Annual Report together with this Notice. Should any shareholder wish to apply for the documentary 2005 Annual Report, please fill in your details in the acceptance form attached hereto and send it back by mail to the specified address. Upon such request, the Company will subsequently send the document version of the 2005 Annual Report to you accordingly.

You are invited to attend the Meeting on the day, time and place as set forth above. For prompt registration for attending the Meeting, the Company would appreciate it if the shareholders and/or their proxies would present the proxy instruments to the registration officer on the date of the Meeting. If you wish to appoint any director or independent director of the Company to attend and vote at the Meeting on your behalf, please send the proxy instrument by using the business acceptance envelope enclosed herein to the Company prior to the date of the Meeting.

The Company schedules the closing of the register to suspend the share transfer for determination of the right to attend the General Meeting of Shareholders for April 7<sup>th</sup>, 2006, at 12.00 hours, until the Meeting is adjourned.

Yours Sincerely,  
Thanachart Capital Public Company Limited

(Suphadej Poonpipat)  
President and Chief Executive Officer

- Attachments:
1. Copy of the Minutes of the Extraordinary Meeting of Shareholders No. 1/2006.
  2. CD-ROM of the 2005 Annual Report.
  3. Details of the remuneration for the Board of Directors of the Company, and summary on the remuneration for other Committees.
  4. List of names and personal history of the directors proposed for re-election
  5. List of names and personal history of the certified auditors.
  6. Proxy instrument (Form B).
  7. Request for the Documentary 2005 Annual Report.
  8. Business acceptance envelop for delivery of the proxy instrument to the Company (in case of proxy to the Company's directors)

The Corporate Secretariate Group  
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Mrs. Natkrita P. Swetpatcharaporn      Tel. 0-2217-8160  
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