

The Navakij Insurance Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2010 and 2009

1. General information

1.1 Corporate information

The Navakij Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of non-life insurance and its registered address, which is the head office, is 100/48-55, 25th-27th Floor, Sathorn Nakorn Tower Building, and 90/3-6, 1st Floor, Sathorn Thani Building, Sathorn Thani Complex, North Sathorn Road, Silom, Bangrak, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with accounting standards No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheet, and the statements of income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

2. Investments in securities

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | | | |
|--|---|----------------|--------------------------|----------------|
| | 31 March 2010 | | 31 December 2009 | |
| | Cost / Amortised cost | Fair value | Cost / Amortised cost | Fair value |
| Available-for-sale securities | | | | |
| Equity securities | | | | |
| Stocks | 399,466 | 546,309 | 394,823 | 501,217 |
| Unit trusts | 421,632 | 413,658 | 439,071 | 419,244 |
| Surplus on changes in values of investments | 138,869 | - | 86,567 | - |
| Total available-for-sale securities | <u>959,967</u> | <u>959,967</u> | <u>920,461</u> | <u>920,461</u> |
| Held-to-maturity debt securities | | | | |
| Bonds | 643,743 | | 639,539 | |
| Notes | 149,364 | | 99,965 | |
| Debentures | 729,500 | | 725,015 | |
| Total held-to-maturity debt securities | <u>1,522,607</u> | | <u>1,464,519</u> | |
| Other investments | | | | |
| Equity securities | | | | |
| Stocks | 34,179 | | 34,179 | |
| Allowance for loss on impairment | (2,567) | | (2,567) | |
| Total other investments | <u>31,612</u> | | <u>31,612</u> | |
| Total investments in securities - net | <u>2,514,186</u> | | <u>2,416,592</u> | |

(Unaudited but reviewed)

Surplus on changes in values of investments are detailed below.

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|--|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Equity securities | | |
| Stocks | 146,843 | 106,394 |
| Unit trusts | (7,974) | (19,827) |
| Total | 138,869 | 86,567 |
| Deferred tax liabilities | (34,717) | (21,642) |
| Surplus on changes in values of investments - net of income tax | 104,152 | 64,925 |

Investments in debt securities as at 31 March 2010 will be due as follows:

(Unit: Thousand Baht)

| | Financial statement in which the equity method is applied / Separate financial statement in which the cost method is applied | | | |
|---|---|-------------|--------------|-----------|
| | Period to maturity | | | |
| | 1 year | 1 - 5 years | Over 5 years | Total |
| Held-to-maturity debt securities | | | | |
| Bonds | 351,345 | 251,489 | 40,909 | 643,743 |
| Notes | 149,364 | - | - | 149,364 |
| Debentures | 151,285 | 562,215 | 16,000 | 729,500 |
| Total | 651,994 | 813,704 | 56,909 | 1,522,607 |

As at 31 March 2010, the Company has pledged bonds totaling Baht 4.0 million (31 December 2009: Baht 5.5 million) as bail bond in cases where insured drivers have been charged with criminal offence.

As at 31 March 2010 and 31 December 2009, the Company has pledged bonds totaling Baht 20 million as a security with the Registrar of the Office of Insurance Commission under the Non-life Insurance Act.

As at 31 March 2010, the Company pledged bonds with fair value totaling Baht 146.7 million as non-life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance under the Non-life Insurance Act.

3. Related party transactions

The relationship between the Company and its related parties are summarised below.

| Name of related parties | Nature of relationship |
|---|---|
| The Falcon Insurance Pcl. | Associated company |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 10% of shares held by the Company |
| Nipponkoa Insurance Co., Ltd. | 10% of shares held in the Company |
| The United Indemnity Co., Ltd. | 6.16% of shares held in the Company |
| Thai Reinsurance Pcl. | Common directors and through shareholding |
| Thai Metal Drum Manufacturing Pcl. | Common directors and through shareholding |
| Varopakorn Pcl. | Common directors and through shareholding |
| Thai-German Ceramic Industry Pcl. | Common directors and through shareholding |
| Thanakorn Vegetable Oil Products Co., Ltd. | Common directors and through shareholding |
| Rangsit Plaza Co., Ltd. | Common directors and through shareholding |
| Sathorn Thani Co., Ltd. | Common directors and through shareholding |
| Dusit Thani Pcl. | Common directors |
| Siam Motors Co., Ltd. | Common directors and through shareholding |
| Wanglee Co., Ltd. | Common directors and through shareholding |
| Sitthinan Co., Ltd. | Common directors |
| Chaitip Co., Ltd. | Common directors |
| Siam Modified Starch Co., Ltd. | Common directors |
| P Interior & Associates Co., Ltd. | Common directors |

During the periods, the Company had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which
the equity method is applied /
Separate financial statements in
which the cost method is applied

For the three-month
periods ended

| | 2010 | 2009 |
|---|--------|---------|
| Transactions with associated company - The Falcon Insurance Pcl. | | |
| Reinsurance Premium written | 665 | - |
| Premium ceded | 1,439 | 1,128 |
| Commission paid | 233 | - |
| Commission received | 374 | 335 |
| Rental income | 890 | - |
| Transactions with related companies | | |
| Direct premium written | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd.* | 41,726 | 12,553 |
| The United Indemnity Co., Ltd.* | 88,892 | 215,837 |
| Thanakorn Vegetable Oil Products Co., Ltd. | 2,339 | 2,339 |
| Rangsit Plaza Co., Ltd. | 2,778 | 2,783 |
| Sathorn Thani Co., Ltd. | 444 | 444 |
| Siam Motors Co., Ltd. | (40) | 3 |
| Wanglee Co., Ltd. | 318 | 296 |
| Sitthinan Co., Ltd. | 109 | 67 |
| Chaitip Co., Ltd. | 528 | 428 |
| Siam Modified Starch Co., Ltd. | 2,533 | 339 |
| Reinsurance premium written | | |
| Thai Reinsurance Pcl. | 8,343 | 9,675 |
| Premium ceded | | |
| Thai Reinsurance Pcl. | 44,315 | 34,705 |
| Claims | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 285 | 159 |
| Thai Metal Drum Manufacturing Pcl. | 4,521 | - |
| Thanakorn Vegetable Oil Products Co., Ltd. | 6,285 | 104 |
| Rangsit Plaza Co., Ltd. | 42 | 22 |
| Sathorn Thani Co., Ltd. | 80 | - |
| Sitthinan Co., Ltd. | 228 | - |
| Chaitip Co., Ltd. | 9 | - |
| Commission paid from direct premium written | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 7,559 | 1,411 |
| The United Indemnity Co., Ltd. | 15,754 | 36,444 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|--|---|--------|
| | For the three-month periods ended | |
| | 2010 | 2009 |
| Commission paid from reinsurance premium written | | |
| Thai Reinsurance Pcl. | 3,233 | 3,796 |
| Commission received | | |
| Thai Reinsurance Pcl. | 18,953 | 15,490 |
| Dividend income | | |
| Thai Reinsurance Pcl. | 7,030 | 6,112 |
| Rental and service of building space for branch office | | |
| Rangsit Plaza Co., Ltd. | 64 | 235 |

* Direct premium written from non-life insurance brokers

Transfer Pricing Policy

Transactions with associated company

| | |
|--|---|
| Reinsurance premium written/ Premium ceded/ Commission paid from reinsurance premium written/Commission received | Ordinary course of business ceded rates, based on the type of reinsurance and the reinsurance contracts |
| Rental income | Contract price |

Transactions with related parties

| | |
|---|---|
| Direct premium written | Ordinary course of business premium rate |
| Reinsurance premium written/Premium ceded/ Commission paid from reinsurance premium written/Commission received | Ordinary course of business ceded rates, based on the type of reinsurance and the reinsurance contracts |
| Claims | Actual paid |
| Commission paid from direct premium written | In accordance with the announcement of the Office of Insurance Commission concerning commission rates for non-life insurance brokers |
| Dividend income | As declared |
| Rental and service of building space for branch office | Contract price |

(Unaudited but reviewed)

The Company has the following significant balances of assets and liabilities with its related parties.

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|---|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Investments in securities - stocks | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 600 | 600 |
| Thai Reinsurance Pcl. | 180,538 | 166,159 |
| Thai Metal Drum Manufacturing Pcl. | 82,904 | 76,368 |
| Thai-German Ceramic Industry Pcl. | 7,848 | 6,480 |
| Varopakorn Pcl. | 1,403 | 1,283 |
| Thanakorn Vegetable Oil Products Co., Ltd. | 9,944 | 9,944 |
| Rangsit Plaza Co., Ltd. | 6,560 | 6,560 |
| Sathorn Thani Co., Ltd. | 12,780 | 12,780 |
| Total | 302,577 | 280,174 |
| Due from (to) reinsurers | | |
| The Falcon Insurance Pcl. | (350) | (2,692) |
| Thai Reinsurance Pcl. | (1,029) | 2,062 |
| Total | (1,379) | (630) |
| Premium due and uncollected | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 41,726 | 35,254 |
| The United Indemnity Co. Ltd. | 51,428 | 72,345 |
| Total | 93,154 | 107,599 |
| Accrued investment income | | |
| Thai Reinsurance Pcl. | 7,030 | - |
| Amounts withheld on reinsurance treaties | | |
| Thai Reinsurance Pcl. | 26,746 | 27,234 |
| Accrued commissions | | |
| Nipponkoa Insurance Broker (Thailand) Co., Ltd. | 1,683 | 3,406 |
| The United Indemnity Co. Ltd. | 10,739 | 13,178 |
| Total | 12,422 | 16,584 |

4. Investment in associate

4.1 Details of associate

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Financial statements in which the equity method is applied | | | | | |
|---------------------------|---------------------------------|--------------------------|--|-------------|----------|-------------|---|-------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
| | | | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December |
| | | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | | % | % | | | | |
| The Falcon Insurance Pcl. | Provision of non-life insurance | Thailand | 36.27 | 36.27 | 70,739 | 70,739 | 95,326 | 87,461 |

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Separate financial statements in which the cost method is applied | | | | | |
|---------------------------|---------------------------------|--------------------------|---|-------------|----------|-------------|---------------------------------------|-------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on cost method | |
| | | | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December |
| | | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | | % | % | | | | |
| The Falcon Insurance Pcl. | Provision of non-life insurance | Thailand | 36.27 | 36.27 | 70,739 | 70,739 | 34,176 | 34,176 |

4.2 Share of income

(Unit: Thousand Baht)

Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied

| Company's name | Share of income from investment in associate for the three-month periods ended 31 March | |
|---------------------------|---|-------|
| | 2010 | 2009 |
| The Falcon Insurance Pcl. | 3,169 | 2,383 |

4.3 Summarised financial information of associate

(Unit: Thousand Baht)

| Company's name | Total assets as at | | Total liabilities as at | | Total revenues for the three-month periods ended | | Net income for the three-month periods ended | |
|---------------------------|--------------------|----------|-------------------------|----------|--|---------|--|-------|
| | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | March | December | March | December | March | March | March | March |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| The Falcon Insurance Pcl. | 642,018 | 577,305 | 369,644 | 326,617 | 154,654 | 110,023 | 8,737 | 6,572 |

5. Cash and deposits at financial institutions

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|---|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Cash | 154 | 525 |
| Deposits at banks with no fixed maturity date | 37,162 | 43,926 |
| Deposits at banks with fixed maturity date | 150,160 | 140,160 |
| Total | 187,476 | 184,611 |

As at 31 March 2010, the Company has pledged deposits at banks totaling Baht 3.3 million (31 December 2009: Baht 3.3 million) as bail bond in cases where insured drivers have been charged with criminal offence and to secure against the issuance of bank guarantee by the bank on behalf of the Company.

6. Premises and equipment

Movements of premises and equipment account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied |
|---|---|
| Net book value as at 1 January 2010 | 209,541 |
| Acquisitions during period - at cost | 2,122 |
| Disposals during period - net book value at disposal date | (1,251) |
| Depreciation for period | (8,032) |
| Net book value as at 31 March 2010 | <u>202,380</u> |

7. Premium due and uncollected

The balances of premium due and uncollected are classified by aging as below:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|---------------------------------------|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Age of receivable | | |
| Less than or equal to 6 months | 276,754 | 337,916 |
| Over 6 months to 12 months | 2,549 | 2,143 |
| Over 12 months | 1,328 | 2,576 |
| Total premium due and uncollected | 280,631 | 342,635 |
| Less: Allowance for doubtful accounts | (635) | (1,434) |
| Premium due and uncollected - net | <u>279,996</u> | <u>341,201</u> |

8. Claims receivable from litigants

Claims receivable from litigants classified by the years the claims incurred are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|--|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Claim years | | |
| Year 2010 | 15,879 | - |
| Year 2009 | 38,000 | 44,126 |
| Year 2008 | 11,765 | 14,418 |
| Year 2007 | 5,398 | 5,981 |
| Year 2006 | 4,394 | 4,569 |
| Prior to year 2006 | 23,114 | 24,100 |
| Total claims receivable from litigants | 98,550 | 93,194 |
| Less: Allowance for doubtful accounts | (37,994) | (37,804) |
| Claims receivable from litigants - net | 60,556 | 55,390 |

9. Corporate income tax/deferred income tax

Corporate income tax has been calculated at the rate of 25% of income before tax for the period after adding back certain provisions and expenses which are disallowable for tax computation purposes and deducting dividend income which is exempted from tax. The tax rate applied is in compliance with the provisions of Royal Decree (475) B.E. 2551 dated 29 July 2008, issued under the Revenue Code, regarding the reduction of income tax rates.

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|---|---|----------|
| | For the three-month periods ended 31 March | |
| | 2010 | 2009 |
| Income tax on taxable income | 13,565 | 20,826 |
| Increase in deferred income tax | (6,017) | (11,208) |
| Income tax as included in the income statements | 7,548 | 9,618 |

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|---|---|------------------|
| | 31 March 2010 | 31 December 2009 |
| Deferred tax assets | | |
| Allowance for loss on impairment of investments | 642 | 642 |
| Allowance for doubtful accounts | 9,943 | 10,095 |
| Unrealised gain on intra-group sale of assets | 10,789 | 11,195 |
| Unearned premium reserves | 26,497 | 26,088 |
| Loss reserves | 62,375 | 57,935 |
| Incurred but not reported (IBNR) loss reserves | | |
| Reserve for employees' bonus | 8,764 | 9,439 |
| Others | 9,138 | 8,475 |
| Total | 5,029 | 3,291 |
| | 133,177 | 127,160 |
| Deferred tax liabilities | | |
| Unrealised gains on changes in values of investments - available-for-sale securities | 34,717 | 21,642 |

10. Intangible asset - computer software

Movements of intangible assets - computer software account during the three-month period ended 31 March 2010 are summarized below.

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied |
|--|---|
| Net book value as at 1 January 2010 | 12,621 |
| Amortisation | (946) |
| Net book value as at 31 March 2010 | 11,675 |

11. Additional unearned premium reserves

As at 31 March 2010, the retained earnings of the Company excluded Baht 1.4 million on of additional unearned premium reserves (31 December 2009: Baht 0.2 million) which the Company should set aside for the premium ceded to a foreign reinsurer, in compliance with the regulations of the Office of Insurance Commission. Since the Company opined that its risk from insurance has been transferred to the reinsurers and no longer has a commitment in respect of debt settlement, therefore no unearned premium reserve is recorded as liability.

12. Loss reserves for claim which incurred but not reported – IBNR

According to the notification of Ministry of Commerce regarding “Allocation of Unearned Premium Reserve and Loss Reserve”, the Company is to allocate IBNR at 2.5% of the total net written premium written in the twelve months prior to the allocation date. However, from 1 January 2010, the Company is to allocate IBNR in accordance with the actuarial method, but it is not to be less than 2.5% of the total net written premium written on all types of risk in the twelve months prior to the allocation date. Subsequently, the Office of Insurance Commission (“OIC”) issued “Guidance for Calculating Monthly Loss Reserves for Non-life Insurance”, which allows the Company to record IBNR reserve at 2.5% of the total net written premium written on all types of risk in the previous twelve months for January to April 2009.

The OIC's "Guidance for Calculating Monthly Loss Reserves for Non-life Insurance" allows the Company to record IBNR for each reporting month by using what is considered to be an appropriate actuarial method, or by estimation based on a calculation model included in the Guidance. During the first quarter of 2010, the Company chooses to calculate IBNR in accordance with the Guidance.

13. Cash flow statements

Cash and cash equivalents as reflected in the cash flow statements for the three-month periods ended 31 March 2010 and 2009 consist of:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied / Separate financial statements in which the cost method is applied | |
|--|---|---------------|
| | 31 March 2010 | 31 March 2009 |
| Cash and deposits at financial institutions | 187,476 | 302,339 |
| Less: Amounts with maturity of more than 3 months and subject to restrictions | (150,160) | (270,506) |
| Cash and cash equivalents | <u>37,316</u> | <u>31,833</u> |

14. Financial information by segment

The Company's business operations involve a single segment, the provision of non-life insurance, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographic area.

15. Letter of guarantees

As at 31 March 2010, there were outstanding bank guarantees of Baht 3.1 million (31 December 2009: Baht 3.1 million) issued by a bank on behalf of the Company in respect of certain performance bonds required in the normal course of the Company's business.

16. Commitments

As at 31 March 2010, the Company has outstanding significant commitments as follows:

| (Unit: Thousand Baht) | | | |
|---|------------|------------------|--------|
| Agreements | Pay within | | |
| | 1 year | More than 1 year | Total |
| Rental and service of building space for branch offices | 4,772 | 12,436 | 17,208 |

17. Contingent liabilities

As at 31 March 2010, lawsuits have been brought against the Company, as the insurer, in relation to claims totaling approximately Baht 154.8 million (31 December 2009: Baht 153.7 million). The ultimate outcome of these cases is not determinable. However, the Company's management expects the verdicts to be mostly favorable. The Company therefore has recorded a certain amount of provision for potential losses in the financial statements. The Company's management believes that such provision is adequate.

The Company has been sued for Baht 122 million by an insured party with respect to fire damage to assets of the insured that were not covered by its policy because the majority of the damage was not stipulated in the conditions of the policy. The Company has recorded allowance for the claim under this policy of Baht 1.5 million, in proportion to its exposure (the policy was jointly insured with other insurance companies and the Company accepted 15% of the insured amount of Baht 10 million).

18. Financial instruments**Credit risk**

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the book value of assets after deduction of allowance for doubtful debts as presented in balance sheets.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its investments in debt securities and deposits at financial institutions. However, since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate, the Company does not use derivatives to manage its interest rate risk.

Significant financial assets as at 31 March 2010 classified by type of interest rates are summarized in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

| | Financial statement in which the equity method is applied / Separate financial statement in which the cost method is applied | | | | | |
|---------------------------------------|---|----------------|----------------------|---------------------------|------------------|----------------------------|
| | Fixed interest rates | | | | | |
| | Within 1 year | 1-5 years | Over than 5 years | Floating interest rate | Total | Interest rates (% p.a.) |
| Investments in securities | | | | | | |
| Bonds | 351,345 | 251,489 | 40,909 | - | 643,743 | 1.09 - 8.50 |
| Notes | 149,364 | - | - | - | 149,364 | 1.00 - 1.70 |
| Debentures | 151,285 | 562,215 | 16,000 | - | 729,500 | 3.00 - 11.56 |
| Deposits at financial institutions | 150,160 | - | - | 37,162 | 187,322 | 0.50 - 3.50 |
| Total | <u>802,154</u> | <u>813,704</u> | <u>56,909</u> | <u>37,162</u> | <u>1,709,929</u> | |

Fair value

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as traded in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique such as discounted cash flow.

The following methods and assumptions are used by the Company in estimating the fair values of financial instruments:

Investments in securities/deposits at financial institutions

The fair value of listed securities is based on their quoted market prices.

The fair value of other securities cannot be properly calculated, and therefore no disclosure is made.

The fair value of bonds, notes, debentures and deposits at financial institutions with periods to maturity of less than 90 days is based on their carrying value. For those with periods to maturity of longer than 90 days, fair value is estimated using a discounted cash flow method based on the current interest rate and the remaining period to maturity.

19. Subsequent event

On 29 April 2010, the Annual General Meeting No. 78 of the Company's shareholders approved the payment of a dividend of Baht 3.50 per share to the shareholders, a total of Baht 105 million. The Company will pay dividend on 17 May 2010.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2010.