

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2007 AND 2006

Report of Independent Auditor

To the Shareholders of Bangkok Life Assurance Public Company Limited
(Formerly known as “Bangkok Life Assurance Limited”)

I have audited the balance sheets of Bangkok Life Assurance Public Company Limited as at 31 December 2007 and 2006, and the related statements of income, changes in shareholders’ equity and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management as to their correctness and the completeness of the presentation. 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 Bangkok Life Assurance Public Company Limited as at 31 December 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 20 March 2008

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)

BALANCE SHEETS

AS AT 31 DECEMBER 2007 AND 2006

	<u>Note</u>	<u>2007</u>	<u>2006</u>
			(Unit: Baht)
ASSETS			
INVESTMENTS IN SECURITIES			
Bonds		24,166,672,624	20,792,772,808
Notes		3,667,983,072	2,543,606,334
Stocks		3,515,562,509	2,824,136,474
Debentures		7,421,758,768	4,071,705,299
Unit trusts		1,237,134,068	2,457,233,750
Total investments in securities	5, 7	<u>40,009,111,041</u>	<u>32,689,454,665</u>
LOANS			
Policy loans		827,678,104	620,123,084
Mortgage loans		664,643,911	718,708,874
Other loans		9,242,920	4,684,749
Total loans		<u>1,501,564,935</u>	<u>1,343,516,707</u>
Less: Allowance for doubtful accounts		<u>-2,539,314</u>	<u>-3,029,718</u>
Loans - net	6	1,499,025,621	1,340,486,989
CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS			
	8	760,039,978	633,988,099
PREMISE AND EQUIPMENT - NET			
	9	260,935,735	275,992,759
DUE FROM REINSURERS			
		491,443	4,989,286
PREMIUM DUE AND UNCOLLECTED			
	10	1,042,299,591	959,159,942
ACCRUED INVESTMENT INCOME - NET			
		623,731,810	479,546,129
OTHER ASSETS			
Intangible assets - net	11	16,589,421	16,871,844
Others	7, 12	197,535,330	207,463,692
TOTAL ASSETS		<u><u>44,409,759,970</u></u>	<u><u>36,607,953,405</u></u>

The accompanying notes are an integral part of the financial statements.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)

BALANCE SHEETS (Continued)
AS AT 31 DECEMBER 2007 AND 2006

	Note	2007	2006
(Unit: Baht)			
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIFE POLICY RESERVE		34,221,696,714	27,991,945,349
UNPAID POLICY BENEFITS	7	3,310,972,655	2,625,554,663
DUE TO REINSURERS	7	85,100,694	84,932,141
ADVANCE PREMIUM RECEIPTS		1,699,242,005	1,842,690,768
OTHER LIABILITIES			
Accrued dividends		1,000,000,000	-
Corporate income tax payable		156,005,035	117,780,133
Others	7, 13	857,049,561	652,537,811
TOTAL LIABILITIES		41,330,066,664	33,315,440,865
SHAREHOLDERS' EQUITY			
Share capital			
Registered share capital	16		
1,220,000,000 ordinary shares of Baht 1 each			
(2006: 100,000,000 ordinary shares of Baht 10 each)		1,220,000,000	1,000,000,000
Issued and paid-up share capital	16		
1,000,000,000 ordinary shares of Baht 1 each			
(2006: 100,000,000 ordinary shares of Baht 10 each)		1,000,000,000	1,000,000,000
Premium on share capital		275,000,000	275,000,000
Surplus on revaluation of investments		1,128,945,591	861,743,275
Retained earnings			
Appropriated			
Statutory reserve	17	39,498,923	1,000,000
General reserve	18	400,000,000	400,000,000
Unappropriated		236,248,792	754,769,265
TOTAL SHAREHOLDERS' EQUITY		3,079,693,306	3,292,512,540
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,409,759,970	36,607,953,405
		0	0

The accompanying notes are an integral part of the financial statements.

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DIRECTORS

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

	<u>Note</u>	<u>2007</u>	<u>2006</u>
			(Unit: Baht)
REVENUES			
Net premiums written		12,295,890,472	10,434,037,210
Net investments income		1,984,951,348	1,706,044,354
Gain on investment in securities		130,763,576	19,785,739
Other income			
Gain on sales of assets		1,466,242	2,831,848
Others		13,522,986	17,936,388
TOTAL REVENUES		<u>14,426,594,624</u>	<u>12,180,635,539</u>
EXPENSES			
Underwriting expenses			
Life policy reserve increase from the previous year		6,229,751,365	5,250,622,660
Benefit payments to life policies during the year		4,278,290,323	3,599,790,972
Dividends to policyholders		309,000	60,000
Commissions and brokerages		1,787,021,925	1,601,317,834
Sales promotion expenses		172,387,571	131,190,342
Other underwriting expenses		15,579,878	12,311,602
Total underwriting expenses		<u>12,483,340,062</u>	<u>10,595,293,410</u>
Operating expenses			
Personnel expenses		425,638,753	363,050,102
Premises and equipment expenses		101,393,387	104,077,195
Taxes and duties		58,584,356	44,987,222
Directors' remuneration		10,330,000	10,930,000
Operating expenses - branches		47,548,794	45,003,129
Other operating expenses		227,460,152	147,997,907
Total operating expenses		<u>870,955,442</u>	<u>716,045,555</u>
Loss on exchange		11,591,097	1,585,350
TOTAL EXPENSES		<u>13,365,886,601</u>	<u>11,312,924,315</u>
INCOME BEFORE INCOME TAX		1,060,708,023	867,711,224
CORPORATE INCOME TAX		290,729,573	215,368,009
NET INCOME FOR THE YEAR		<u><u>769,978,450</u></u>	<u><u>652,343,215</u></u>
BASIC EARNINGS PER SHARE			
Net income	19	<u>0.77</u>	<u>0.65</u>
Weighted average number of ordinary shares (shares)		<u>1,000,000,000</u>	<u>1,000,000,000</u>

The accompanying notes are an integral part of the financial statements.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

	<u>2007</u>	<u>2006</u>
		(Unit: Baht)
Cash flows from (used in) operating activities		
Net premiums written	11,894,899,798	10,090,074,307
Net investments income	2,069,334,992	1,709,717,097
Other income	14,989,229	17,936,388
Benefit payments to life policies during the year	-3,598,704,629	-2,922,268,922
Dividends to policyholders	-309,000	-60,000
Commissions and brokerages	-1,738,875,673	-1,615,460,762
Other underwriting expenses	-147,448,214	-135,911,135
Operating expenses	-678,161,269	-673,591,274
Income tax	-252,504,672	-168,090,884
Net cash from operating activities	<u>7,563,220,562</u>	<u>6,302,344,815</u>
Cash flows from (used in) investing activities		
<u>Cash flows from</u>		
Investments in securities	20,910,843,695	21,237,575,788
Loans	257,572,271	89,777,981
Deposits at financial institutions	197,304,178	12,000,000
Premises and equipment	2,248,033	15,706,672
Net cash from investing activities	<u>21,367,968,177</u>	<u>21,355,060,441</u>
<u>Cash flows used in</u>		
Investments in securities	-28,009,907,028	-26,889,765,193
Loans	-318,893,102	-417,987,845
Deposits at financial institutions	-227,304,178	-182,000,000
Premises and equipment	-29,032,552	-38,607,682
Net cash used in investing activities	<u>-28,585,136,860</u>	<u>-27,528,360,720</u>
Net cash used in investing activities	<u>-7,217,168,683</u>	<u>-6,173,300,279</u>
Cash flows from (used in) financing activities		
Dividend paid	-250,000,000	-200,000,000
Net cash used in financing activities	<u>-250,000,000</u>	<u>-200,000,000</u>
Net increase (decrease) in cash and cash equivalents	96,051,879	-70,955,464
Cash and cash equivalents at beginning of year	463,988,099	534,943,563
Cash and cash equivalents at end of year (Note 8)	<u><u>560,039,978</u></u>	<u><u>463,988,099</u></u>

The accompanying notes are an integral part of the financial statements.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Surplus on revaluation of investments	Retained earnings			Total
				Appropriated			
				Statutory reserve	General reserve	Unappropriated	
Balance as at 31 December 2005	1,000,000,000	275,000,000	723,301,752	1,000,000	-	702,426,050	2,701,727,802
Unrealised gain from change in value of investments	-	-	138,441,523	-	-	-	138,441,523
Net income for the year	-	-	-	-	-	652,343,215	652,343,215
Transfer to general reserve (Note 18)	-	-	-	-	400,000,000	-400,000,000	-
Dividend paid (Note 22)	-	-	-	-	-	-200,000,000	-200,000,000
Balance as at 31 December 2006	1,000,000,000	275,000,000	861,743,275	1,000,000	400,000,000	754,769,265	3,292,512,540
Unrealised gain from change in value of investments	-	-	267,202,316	-	-	-	267,202,316
Net income for the year	-	-	-	-	-	769,978,450	769,978,450
Transfer to statutory reserve (Note 17)	-	-	-	38,498,923	-	-38,498,923	-
Dividend paid (Note 22)	-	-	-	-	-	-1,250,000,000	-1,250,000,000
Balance as at 31 December 2007	1,000,000,000	275,000,000	1,128,945,591	39,498,923	400,000,000	236,248,792	3,079,693,306
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

The accompanying notes are an integral part of the financial statements.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS “BANGKOK LIFE ASSURANCE LIMITED”)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

1. GENERAL INFORMATION

Bangkok Life Assurance Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged in the provision of life insurance business. The Company has 65 branches (2006: 64 branches) and its registered office is located at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok 10310.

On 17 December 2007, the Company registered the transformation of the Company to a Public Company Limited and the change of its name to “Bangkok Life Assurance Public Company Limited” with the Ministry of Commerce.

As at 31 December 2007 and 2006, the Company had 949 employees and 864 employees, respectively.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the investments in securities (see Note 4.5) are accounted for based on the relevant US Generally Accepted Accounting Principles since the related Thai Accounting Standards do not address the life insurance business, and where applicable Thai Accounting practices related to life insurance and the accounting and reporting guidelines prescribed by the regulatory authority of life insurance business. The presentation of the financial statements has been made in compliance with the order of the Registrar dated 6 March 2002, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 regarding Accounting Standards. The notifications mandate the use of the following new Accounting Standards.

a) Accounting Standards which are effective for the current year

TAS 44 (revised 2007)	Consolidated Financial Statements and Separate Financial Statements
TAS 45 (revised 2007)	Investments in Associates
TAS 46 (revised 2007)	Interests in Joint Ventures

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. However, these three revised accounting standards are not relevant to the business of the Company.

b) Accounting Standards which are not effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

(a) Premium income

Premium income is recognised as income when underwriting of the insurance is approved. Premium due and uncollected at the end of year is recognised as revenue only if the policy is still in force.

(b) Interest, discount and dividends income on investments

Interest is recognised on accrual basis based on the effective interest rate. Dividends are recognised as income when the right to receive the dividend is established.

Discounts included in the face value of the notes receivable are deferred and taken up as income evenly throughout the term of the notes, while discounts on debentures are deferred using the effective rate method.

(c) Interest incomes on loans

Interest is recognised over the term of the loans based on the amount of principal outstanding, except for interest of past due over six months recognised based on cash basis.

4.2 Benefit payments to life policies

Benefit payments to life policies are recorded when notices of the claims are received or when policies reach maturity.

4.3 Commissions and brokerages

Commission and brokerage fees are expensed when incurred.

4.4 Life premium reserve

- (a) Life assurance policy reserve represents the accumulated total liability for policies in force on the balance sheet date. Life assurance policy reserve is calculated according to the procedures prescribed by the Regulation on Life Assurance Policy Reserve as promulgated by the Commerce Ministry on 23 November 2001.

- (b) For other insurance and group insurance, unearned premium reserve is set aside at the rate of 40 percent of net premium written for the year.

4.5 Investments in securities

Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the value of securities are included in determining income.

Investments in available-for-sale securities are stated at fair value. Changes in value of securities are recorded as a separate item in shareholders' equity under the caption of "Surplus on revaluation of investments" until the securities are sold, when the change are then included in the income statement.

Investments in held-to-maturity debt securities are recorded at amortised cost. The premiums / discounts on debt securities is amortised by the effective interest rate method with the amortised amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which the Company classifies as other investments are stated at cost net of allowance for loss on impairment (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the price required rate of return on the yield rate quoted by the Thai Bond Market Association or discounted cash flow with appropriated risk. The fair value of unit trusts is determined based on their net asset value.

Loss on impairment (if any) of investments in available-for-sale securities, held-to-maturity debt securities, and other investments is included in determining income.

The weighted average method is used for computation of the cost of investments.

4.6 Loans and allowance for doubtful accounts

Loans are presented at their realisable value. The Company provides allowance for doubtful accounts on the basis of collection experience, analysis of debtor aging, a review of current status of the loan receivables and the appraisal value of the collateral of each debt.

4.7 Premium due and uncollected and allowance for doubtful accounts

Premium due and uncollected is carried at its net realisable value. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium due, on the basis of collection experience and a review of current status of premium due as at the balance sheet date.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Premises and equipment and depreciation

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of premises and equipment are calculated by reference to their costs on a straight-line basis over the following estimated useful lives, or the period of the lease: -

Building	- 20	years
Building improvements	-	Period of lease
Furniture and fixtures and office equipment	- 5	years
Motor vehicles	- 5	years

Depreciation is included in determining income.

No depreciation is provided for land and building in progress.

4.10 Intangible assets and amortisation

Computer software is stated at cost less accumulated amortisation. Amortisation of computer software is calculated by reference to its cost on a straight-line basis over its estimated useful life of 10 years.

Amortisation is included in determining income.

No amortisation is provided for system development in progress.

4.11 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

4.12 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

4.13 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.14 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date. Gains and losses on exchange are included in determining income.

4.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits at financial institutions with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Derivatives - Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the balance sheet. Gains and losses from the translation are included in determining income. Premium and discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.18 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

5. INVESTMENTS IN SECURITIES

(Unit: Baht)

	As at 31 December			
	2007		2006	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Trading securities				
<i>Equity securities</i>				
Common stock	209,292,030	193,350,000	324,284,026	311,642,414
Less: Loss from changes in value of investments	(15,942,030)	-	(12,641,612)	-
	<u>193,350,000</u>	<u>193,350,000</u>	<u>311,642,414</u>	<u>311,642,414</u>
<i>Debt securities</i>				
Government bonds - net	344,988,316	339,258,485	198,468,615	197,763,511
Less: Loss from change in value of investments	(5,729,831)	-	(705,104)	-
	<u>339,258,485</u>	<u>339,258,485</u>	<u>197,763,511</u>	<u>197,763,511</u>
Total trading securities	<u>532,608,485</u>	<u>532,608,485</u>	<u>509,405,925</u>	<u>509,405,925</u>

(Unit: Baht)

	As at 31 December			
	2007		2006	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Available-for-sale securities				
<i>Equity securities</i>				
Common stock	2,099,691,619	3,286,852,807	1,645,786,353	2,500,611,360
Unit trusts	1,217,175,096	1,237,134,068	2,447,564,288	2,457,233,750
Add: Unrealised gain from change in value of investments	1,207,120,160	-	864,494,469	-
	<u>4,523,986,875</u>	<u>4,523,986,875</u>	<u>4,957,845,110</u>	<u>4,957,845,110</u>
<i>Debt securities</i>				
Government bonds - net	2,178,658,078	2,094,468,587	386,886,264	380,345,756
Debentures - net	100,001,396	106,016,319	150,006,189	153,795,503
Less: Unrealised loss from change in value of investments	(78,174,568)	-	(2,751,194)	-
	<u>2,200,484,906</u>	<u>2,200,484,906</u>	<u>534,141,259</u>	<u>534,141,259</u>
Total available-for-sale securities	<u>6,724,471,781</u>	<u>6,724,471,781</u>	<u>5,491,986,369</u>	<u>5,491,986,369</u>
Held-to-maturity debt securities				
Government and state enterprise bonds - net	21,732,945,552		20,214,663,541	
Notes - net	3,667,983,072		2,543,606,334	
Debentures - net	7,326,342,449		3,928,509,796	
Less: Allowance for impairment	(10,600,000)		(10,600,000)	
Total held-to-maturity debt securities	<u>32,716,671,073</u>		<u>26,676,179,671</u>	
Other investments				
Ordinary shares	<u>35,359,702</u>		<u>11,882,700</u>	
Total other investments	<u>35,359,702</u>		<u>11,882,700</u>	
Total investments in securities	<u><u>40,009,111,041</u></u>		<u><u>32,689,454,665</u></u>	

Investments in debt securities as at 31 December 2007 and 2006 will be due as follows: -

(Unit: Baht)

	2007			
	Due within			
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Trading securities				
Government bonds	-	80,474,118	258,784,367	339,258,485
Available-for-sale securities				
Government bonds	-	-	2,094,468,587	2,094,468,587
Debentures	-	52,622,087	53,394,232	106,016,319
	-	52,622,087	2,147,862,819	2,200,484,906
Held-to-maturity debt securities				
Government and state enterprise				
bonds - net	-	159,776,110	21,573,169,442	21,732,945,552
Notes - net	1,130,000,000	48,691,401	2,489,291,671	3,667,983,072
Debentures - net	1,848,418	1,263,533,988	6,050,360,043	7,315,742,449
	1,131,848,418	1,472,001,499	30,112,821,156	32,716,671,073
Total	1,131,848,418	1,605,097,704	32,519,468,342	35,256,414,464

(Unit: Baht)

	2006			
	Due within			
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Trading securities				
Government bonds	-	58,557,212	139,206,299	197,763,511
Available-for-sale securities				
Government bonds	-	-	380,345,756	380,345,756
Debentures	50,338,806	51,354,028	52,102,669	153,795,503
	50,338,806	51,354,028	432,448,425	534,141,259
Held-to-maturity debt securities				
Government and state enterprise				
bonds - net	180,547,481	2,144,743,458	17,889,372,602	20,214,663,541
Notes - net	666,043,181	312,563,153	1,565,000,000	2,543,606,334
Debentures - net	17,798,418	1,115,111,378	2,785,000,000	3,917,909,796
	864,389,080	3,572,417,989	22,239,372,602	26,676,179,671
Total	914,727,886	3,682,329,229	22,811,027,326	27,408,084,441

The Company has pledged government and state enterprise bonds of Baht 6,891.30 million (2006: Baht 5,901.01 million) as life assurance policy reserve and assets pledged with the Life Assurance Registrar in accordance with the Life Assurance Act. B.E. 2535 as mentioned in Notes 14 and 15.

- (a) As at 31 December 2007, the Company has investments of Baht 1,200 million in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by local banks and branches of foreign commercial banks, have remaining lives of 7-14 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 31 December 2007, the Company has investments of Baht 400 million in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 7 years, and contain conditions linking the interest to be received to financial indices.
- (c) As at 31 December 2007, the Company has investments of Baht 560 million in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial bank, have remaining lives of 8 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.

The promissory notes and bills of exchange contain embedded derivatives that are not closely related to the host contract instruments, except for one structured note as described in (c).

6. LOANS AND ACCRUED INTEREST

As at 31 December 2007 and 2006, the balances of loans and accrued interest are aged by principal and accrued interest as follows: -

(Unit: Baht)

Outstanding period	2007								
	Policy loans		Mortgage loans		Other loans		Total		
	Accrued		Accrued		Accrued		Accrued		
	Principal	interest	Principal	interest	Principal	interest	Principal	interest	Total
Current	827,678,104	57,151,228	655,411,222	2,203,466	9,049,350	-	1,492,138,676	59,354,694	1,551,493,370
Overdue:									
Less than 6 months	-	-	2,643,309	31,131	121,942	-	2,765,251	31,131	2,796,382
Over 12 months	-	-	6,589,380	387,827	71,628	6,807	6,661,008	394,634	7,055,642
Total	827,678,104	57,151,228	664,643,911	2,622,424	9,242,920	6,807	1,501,564,935	59,780,459	1,561,345,394
Less: Allowance for doubtful accounts	-	-	(2,539,314)	(260,528)	-	-	(2,539,314)	(260,528)	(2,799,842)
Loans and accrued interest - net	827,678,104	57,151,228	662,104,597	2,361,896	9,242,920	6,807	1,499,025,621	59,519,931	1,558,545,552

(Unit: Baht)

Outstanding period	2006								
	Policy loans		Mortgage loans		Other loans		Total		
	Accrued		Accrued		Accrued		Accrued		
	Principal	interest	Principal	interest	Principal	interest	Principal	interest	Total
Current	620,123,084	45,709,563	711,048,702	2,310,470	4,368,343	-	1,335,540,129	48,020,033	1,383,560,162
Overdue:									
Less than 6 months	-	-	527,740	1,301	49,014	-	576,754	1,301	578,055
Over 12 months	-	-	7,132,432	408,115	267,392	11,479	7,399,824	419,594	7,819,418
Total	620,123,084	45,709,563	718,708,874	2,719,886	4,684,749	11,479	1,343,516,707	48,440,928	1,391,957,635
Less: Allowance for doubtful accounts	-	-	(3,029,718)	(299,335)	-	-	(3,029,718)	(299,335)	(3,329,053)
Loans and accrued interest - net	620,123,084	45,709,563	715,679,156	2,420,551	4,684,749	11,479	1,340,486,989	48,141,593	1,388,628,582

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rate of 6 and 5 percent per annum, respectively. As at 31 December 2007, loans to employees and agents totaled Baht 18.26 million (2006: Baht 7.52 million).

7. RELATED PARTY TRANSACTIONS

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

The relationship between the Company and its related parties are summarized below: -

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common directors and shareholding
Bangkok Insurance Pcl.	Insurance	Related by way of common directors and shareholding
Thai Reinsurance Pcl.	Insurance	Related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common directors and shareholders
The Phyathai 1 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 2 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 3 Hospital Co., Ltd.	Health care services	Related by way of common directors
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Holding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common directors and shareholders
Royal Cliff Beach Hotel Co., Ltd.	Tourism & Leisure	Holding by an individual related to a director of the Company
Thai Rating and Information Services Co., Ltd.	Services	Related by way of common directors and shareholding
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders

During the years, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

	<u>2007</u>	<u>2006</u>	(Unit: Baht)
			<u>Pricing policy</u>
Premium written	3,533,334	3,552,200	Normal commercial terms for underwriting
Commission and brokerages	287,475,477	200,962,584	By mutual agreement
Claim payment	55,645,460	52,244,053	Normal commercial terms for underwriting
Premium ceded	6,595,003	5,682,195	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Interest income	26,963,205	7,341,388	Same rates as those offered by financial institutions and related companies to general customers

			(Unit: Baht)
	<u>2007</u>	<u>2006</u>	<u>Pricing policy</u>
Dividend income	28,173,542	23,760,778	The declared amount
Bank charges	38,729,963	39,640,605	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	1,048,582	1,096,713	Normal commercial terms for underwriting
Building space rental and services	64,289,186	63,161,254	Price per rental contracts Baht 100,000 - Baht 1,200,000 per month

The Company had the following significant balances of assets and liabilities with its related parties: -

	(Unit: Baht)			
	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
<u>Investments in securities - stock</u>				
Bangkok Bank Pcl.	389,319,558	531,600,000	380,753,622	489,475,400
Bangkok Insurance Pcl.	43,562,868	114,888,200	43,552,777	93,076,386
Thai Reinsurance Pcl.	37,667,275	101,961,256	37,667,275	88,589,288
Bumrungrad Hospital Pcl.	10,000,000	80,500,000	10,000,000	74,000,000
Union Textile Industries Pcl.	166,700	166,700	166,700	166,700
Thai Rating and Information Services Co., Ltd.	1,000,000	1,000,000	1,000,000	1,000,000
BBL Asset Management Co., Ltd.	10,000,000	10,000,000	10,000,000	10,000,000
	<u>491,716,401</u>	<u>840,116,156</u>	<u>483,140,374</u>	<u>756,307,774</u>

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
<u>Deposits at financial institution</u>		
Bangkok Bank Pcl.	<u>427,148,242</u>	<u>313,624,468</u>
<u>Mortgage loans</u>		
Sorachai Vivatn Co., Ltd.	<u>234,110,817</u>	<u>270,000,000</u>
<u>Accrued commission expenses</u>		
Bangkok Bank Pcl.	<u>52,873,430</u>	<u>38,598,312</u>
<u>Claim payables</u>		
Bumrungrad Hospital Pcl.	3,641,989	3,620,379
The Phyathai 1 Hospital Co., Ltd.	1,586,645	1,066,609
The Phyathai 2 Hospital Co., Ltd.	2,937,103	3,411,348
The Phyathai 3 Hospital Co., Ltd.	1,641,557	1,587,103
	<u>9,807,294</u>	<u>9,685,439</u>

	(Unit: Baht)	
	2007	2006
<u>Due to (from) reinsurer</u>		
Thai Reinsurance Pcl.	3,084,970	2,702,008
<u>Prepaid office rental</u>		
Narai Ruamphiphat Co., Ltd.	152,441,565	164,234,946
<u>Accrued office rental and services charge</u>		
Bangkok Insurance Pcl.	47,068	47,427
Sorachai Vivatn Co., Ltd.	16,554	20,357
Rajburi Sugar Co., Ltd.	-	67,281
Narai Ruamphiphat Co., Ltd.	164,864	201,731
Bangkok Business Building (1987) Co., Ltd.	63,023	82,036
	<u>291,509</u>	<u>418,832</u>

Directors and management's remuneration

In 2007 the Company paid meeting allowances, bonuses, contributions to the provident fund and others to their directors and management totaling Baht 23.06 million (2006: Baht 22.58 million).

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as reflected in the statements of cash flows consist of the followings: -

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Cash	3,214,570	3,109,604
Deposits at banks with no fixed maturity date	256,825,408	160,878,495
Deposits at banks with fixed maturity date and negotiable certificates of deposits	500,000,000	470,000,000
Total cash and deposits at financial institutions	760,039,978	633,988,099
Less: Deposits at financial institutions with maturity of more than 3 months	(200,000,000)	(170,000,000)
Cash and cash equivalents	<u>560,039,978</u>	<u>463,988,099</u>

9. PREMISES AND EQUIPMENT

(Unit: Baht)

	Land	Building and building improvements	Furniture and fixtures and office equipment	Vehicles	Building in progress	Total
Cost:						
31 December 2006	53,676,800	301,787,083	263,312,255	38,410,905	1,982,000	659,169,043
Purchases	-	6,455,642	16,956,500	1,264,000	4,356,410	29,032,552
Disposals/written-off	-	(4,154,375)	(8,723,181)	(5,670,000)	-	(18,547,556)
Transfer in (out)	-	1,982,000	-	-	(1,982,000)	-
31 December 2007	53,676,800	306,070,350	271,545,574	34,004,905	4,356,410	669,654,039
Accumulated depreciation:						
31 December 2006	-	150,534,746	206,247,053	26,394,485	-	383,176,284
Depreciation for the year	-	17,126,252	20,197,164	5,984,370	-	43,307,786
Depreciation - disposals/ written-off	-	(4,115,399)	(8,670,162)	(4,980,205)	-	(17,765,766)
31 December 2007	-	163,545,599	217,774,055	27,398,650	-	408,718,304
Net book value:						
31 December 2006	53,676,800	151,252,337	57,065,202	12,016,420	1,982,000	275,992,759
31 December 2007	53,676,800	142,524,751	53,771,519	6,606,255	4,356,410	260,935,735
Depreciation charged in income statements for the year						
2006						43,337,983
2007						43,307,786

As at 31 December 2007, certain of the premises and equipment items of the Company have been fully depreciated but is still in use. The cost before deducting accumulated depreciation of those assets amounted to Baht 220.98 million (2006: Baht 212.41 million).

10. PREMIUM DUE AND UNCOLLECTED

As at 31 December 2007 and 2006, the balances of premium due and uncollected are classified in relation to the grace period granted on the condition of the policy, as follows: -

	2007	2006
Grace period not exceeded	1,029,425,604	951,440,257
Grace period exceeded	12,873,987	7,719,685
Total premium due and uncollected	1,042,299,591	959,159,942

(Unit: Baht)

11. INTANGIBLE ASSETS

(Unit: Baht)

	Software	System development in progress	Total
Cost:			
31 December 2006	28,045,269	300,352	28,345,621
Increase	2,363,614	-	2,363,614
31 December 2007	30,408,883	300,352	30,709,235
Accumulated amortisation:			
31 December 2006	11,473,777	-	11,473,777
Amortisation charged for the year	2,646,037	-	2,646,037
31 December 2007	14,119,814	-	14,119,814
Net book value:			
31 December 2006	16,571,492	300,352	16,871,844
31 December 2007	16,289,069	300,352	16,589,421
Amortisation charged in income statements for the year			
2006			2,770,157
2007			2,646,037

12. OTHER ASSETS

(Unit: Baht)

	<u>2007</u>	<u>2006</u>
Prepaid rental expenses	152,441,565	164,234,946
Accounts receivable from sales of investments	4,843,500	4,843,500
Prepaid expenses	12,806,585	13,927,959
Deposits	15,436,401	15,014,246
Others	12,007,279	9,443,041
Total	197,535,330	207,463,692

13. OTHER LIABILITIES

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Accrued commission expenses	386,437,669	338,291,417
Accrued expenses	125,210,803	78,241,159
Withholding tax payable	32,841,499	23,307,475
Amounts received awaiting transfer	174,996,077	115,551,597
Unpaid benefits to life policies exempted premium	75,215,584	61,327,626
Forward contracts payables	18,820,150	7,228,650
Others	43,527,779	28,589,887
Total	<u>857,049,561</u>	<u>652,537,811</u>

14. ASSETS PLEDGED WITH REGISTRAR

As at 31 December 2007 and 2006, the following assets have been pledged with the Life Assurance Registrar in accordance with Section 20 of the Life Assurance Act B.E. 2535.

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Government bonds	<u>20,000,000</u>	<u>20,000,000</u>
Total	<u>20,000,000</u>	<u>20,000,000</u>

15. ASSETS RESERVE WITH REGISTRAR

As at 31 December 2007 and 2006, the following assets have been pledged as life assurance policy reserve with the Life Assurance Registrar in accordance with Section 24 of the Life Assurance Act. B.E. 2535.

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Government bonds	2,362,597,078	2,368,290,651
State enterprise bonds	<u>4,508,698,307</u>	<u>3,512,717,048</u>
Total	<u>6,871,295,385</u>	<u>5,881,007,699</u>

16. SHARE CAPITAL AND WARRANTS

On 23 November 2007, Extraordinary General Meeting No. 2 of the Company's shareholders passed the following resolutions:

- 16.1 Confirmed the resolution of the first Extraordinary General Meeting of the Company's shareholders held on 8 November 2007 to approve the change of the Company's status to a public company limited and submit an application for listing on the Stock Exchange of Thailand.
- 16.2 Approval of change the par value of an ordinary share of the Company from Baht 10 to Baht 1 and approval of increase the Company's registered capital by Baht 220 million by issuing 220 million new shares with a par value of Baht 1 per share. The total registered share capital of the Company is thus Baht 1,220 million. The Company registered the change in par value of the share and the increase in its registered share capital with the Ministry of Commerce on 17 December 2007.
- 16.3 Approval of the initial public offering of 200 million of additional shares and the reservation of 20 million shares for the exercise of the convertible warrants which will be issued and allotted to employees.
- 16.4 Approval of the issuance of the 20 million registered and non-transferrable warrants to subscribe to the Company's ordinary shares, to be allotted to employees. These warrants expire within 5 years from the earlier of the issue date or the termination date of employment. The exercise ratio is 1 warrant to 1 new ordinary share at the public offering price or equivalent to the selling price on the Stock Exchange of Thailand (SET) if the allocation to employees takes place after the Company is listed on the SET. Employees can exercise their rights the first time 3 years after the subscription date.

17. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

In 2007, the Company transferred net income amounting to Baht 38.5 million to the statutory reserve.

In 2006, the Company did not set aside additional retained earnings to the statutory reserve because the Company had premium on share capital in excess of 10 percent of registered capital.

18. GENERAL RESERVE

On 25 April 2006, the Annual General Meeting of the Company's shareholders approved the appropriation of Baht 400 million to the general reserve in order to ensure stability in the Company's financial position.

19. BASIC EARNINGS PER SHARE

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

20. FINANCIAL INFORMATION BY SEGMENT

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

21. PROVIDENT FUND

The Company and its employees jointly established a provident fund in accordance with the Provident Fund Act, B.E. 2530. Such fund is monthly contributed to both by the employees at rates ranging from 5 percent to 8 percent of their basic salaries and the Company at rates ranging from 5 to 8 percent of the employees' basic salaries, based on length of service. The fund will be paid to the employees upon termination in accordance with the rules of fund. During the year, a total of Baht 16.16 million (2006: Baht 14.06 million) has been contributed to the fund and recorded as expenses by the Company.

22. DIVIDENDS PAID

Dividends declared in 2007 and 2006 consist of the following: -

	Approved by	Total dividends	Dividend per share
			(Unit: Baht)
Interim dividends for 2007	Board of Directors' meeting on 18 December 2007	1,000,000,000	1.0
Final dividends for 2006	Annual General Meeting of the shareholders on 26 April 2007	250,000,000	2.5
Total dividends for 2007		<u>1,250,000,000</u>	
Final dividends for 2005	Annual General Meeting of the shareholders on 25 April 2006	<u>200,000,000</u>	2.0

23. COMMITMENTS

As at 31 December 2007, the Company has outstanding commitments as follows:

	Pay within		
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Total</u>
Operating lease agreements	17.9	19.8	37.7
Services agreements	20.2	46.5	66.7
Total	<u>38.1</u>	<u>66.3</u>	<u>104.4</u>

As at 31 December 2006, the Company has outstanding commitments as follows:

	Pay within		
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Total</u>
Operating lease agreements	28.3	29.7	58.0
Services agreements	26.3	52.1	78.4
Total	<u>54.6</u>	<u>81.8</u>	<u>136.4</u>

24. FINANCIAL INSTRUMENTS

24.1 Financial risk management

The Company's financial instruments principally comprise cash and deposits at financial institutions, investments in securities, loans, premium due and uncollected, accrued investment income, unpaid policy benefit, amounts due to reinsurers. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Concentrations of the credit risk with respect to loans and 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 as presented in balance sheet.

There is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets placed as collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans. 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 December 2007 classified by type of interest rates are summarized in the table below.

(Unit: Baht)

	Balance as at 31 December 2007		
	No interest	Floating interest rate	Fixed interest rate
Deposits at financial institutions	63,022,232	197,017,746	500,000,000
Investments in securities-net			
Government and state			
enterprise bonds	-	-	24,166,672,624
Notes	-	40,000,003	3,627,983,069
Debentures	1,900,000	262,015,859	7,157,842,909
Loans - net	-	17,511,010	1,481,514,611
Total	<u>64,922,232</u>	<u>516,544,618</u>	<u>36,934,013,213</u>

Financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	(Unit: Baht)				
	Within 1 year	2 - 5 years	Over 5 years	Total	Average
					interest rate
					(% p.a.)
Deposits at financial institutions	200,000,000	-	300,000,000	500,000,000	5.05
Investments in securities - net					
Government and state enterprise					
bonds	377,524,535	2,930,814,088	20,858,334,001	24,166,672,624	5.42
Notes	1,442,983,069	395,000,000	1,790,000,000	3,627,983,069	4.70
Debentures	177,492,586	1,362,290,371	5,618,059,952	7,157,842,909	5.86
Loans - net	155,670	9,241,229	1,472,117,712	1,481,514,611	6 - 8
Total	<u>2,198,155,860</u>	<u>4,697,345,688</u>	<u>30,038,511,665</u>	<u>36,934,013,213</u>	

Foreign currency risk

The Company's significant exposure to foreign currency risk are in respect of its investments in bonds which are denominated in foreign currencies and reinsurance with foreign reinsurers. The Company utilises forward exchange contracts to manage the risk.

As at 31 December 2007, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets (Million)	Average exchange rate as at 31 December 2007 (Baht per 1 foreign currency unit)
US dollar	56.50	33.72

Foreign exchange contracts outstanding at 31 December 2007 are summarized below.

Foreign currency	Bought amount (Million)	Contractual exchange rate Bought (Baht per 1 foreign currency unit)
US dollar	56.50	33.77 - 41.00

24.2 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 depending on the nature of the instrument.

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.

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

Investments in securities

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

The fair value of debt securities in the form of embedded derivatives are based on the calculations made by the issuers.

Policy loans

The fair value of policy loans is based on the amount presented in the balance sheet.

As at 31 December 2007, the aggregate carrying values of the Company's financial instruments which are significantly different from their aggregate fair values can be defined as follows:

	<u>Carrying value</u>	<u>Fair value</u>
		(Unit: Baht)
Held-to-maturity debt securities		
Government and state enterprise bonds	24,166,672,624	24,815,620,274
- net		
Debentures - net	7,421,758,768	7,649,796,271
Investment in notes in Note 5 (a)	1,200,000,000	1,157,966,471
(exclusion of put option)		
Investment in notes in Note 5 (b)	400,000,000	380,310,231
Investment in notes in Note 5 (c)	560,000,000	652,479,250
Promissory notes	1,507,983,072	the proper value cannot be calculated

The Company has recorded the above government and state enterprise bonds and debentures at their book values because the Company intends to hold the investments to maturity.

Investments in notes as Note 5 (a)

As at 31 December 2007, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements, as summarised below.

Within	Unit: Million Baht
1 - 3 years	700
4 - 6 years	300
Total	<u>1,000</u>

25. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2006 have been reclassified to conform to the current year's classifications, with no effect to previously reported net income or shareholders' equity.

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Authorised Directors on 20 March 2008.