This English Translation has been prepared solely for the convenience of foreign shareholders of The Deves Insurance Public Company Limited and should not be relied upon as the definitive and official opinions of the Company and of the Independent Financial Advisor on the Tender Offer. The Thai language version of the opinions of the Company and of the Independent Financial Advisor is the definitive and official document of the Company and of the Independent Financial Advisor and shall prevail in all respects in the event of any inconsistency with this English translation.

[Translation]

Opinions of the Business Regarding the Tender Offer

June 6, 2008

To Securities Holders:

On May 1, 2008, The Deves Insurance Public Company Limited (hereinafter called "DVS" or "the Company") received from the Crown Property Bureau (hereinafter called "CPB" or "the Tender Offeror") a copy of the tender offer to purchase the Company's securities, details of which are as follows:

Type of securities	Amount of securities tendered		Percentage of securities tendered		Offering price per unit (Bt.) [1/]	Offering value (Bt.)
	Shares/Units	Voting rights	To the total issued securities	To the total voting rights		
Ordinary shares	1,524,008	1,524,008	12.70	12.70	188.00	286,513,504
Preferred shares						
Warrants						
Convertible debentures						
Other securities (if any)						
			Total	12.70	Total	286,513,504

[1/] *Since the Offerees are obliged to pay a selling fee of 0.25% of the offering price and the value-added tax of 7% of the said selling fee, the net price to be received by the Offerees is Bt. 187.4971 per share.*

The tender offer period covers 45 business days, from May 22 to July 25, 2008 during working hours of 9.00 - 16.00 hrs.

After considering the tender offer by paying regard for the benefits of the securities holders, we would like to express opinions for your consideration as follows:

1. The status of the Company in respect of its past and future operating results together with assumptions

<u>Past performance</u>

The Company was established by the Crown Property Bureau ("CPB"). It commenced operations on January 17, 1947 and was listed on the Stock Exchange of Thailand ("SET") in November 1990. In August 1994, the Company was registered under the Public Limited

Companies Act. Currently, the Company's paid-up registered capital is Bt. 120 million. It is engaged in non-life insurance business which covers fire, marine, motor and miscellaneous insurance. The Company's headquarter is located in Bangkok. It has 13 branch offices in major provinces. The main source of income is insurance premiums which are further invested in various types of investment assets to further generate income, in accordance with the Non-Life Insurance Act B.E. 2535 (1992), such as lendings and investment in securities, promissory notes, bonds, debentures, and bank deposits.

On February 22, 2006, CPB, DVS's major shareholder, filed to the Office of the Securities and Exchange Commission ("SEC") a tender offer (Form 247-4) to take up all securities of the Company, in order to delist the Company's shares from the SET. The tender offer price was set at Bt. 140 per share. The tender offer would result in an increase of CPB's holding from 25% to 86.68%.

On June 30, 2006, the Company's 1/2006 Extraordinary General Meeting of Shareholders ("EGM") approved the securities delisting, and CPB on August 21, 2006 made the tender offer to purchase all securities from all the remaining minor shareholders at the tender offer price of Bt. 138 per share. Later, the Company's 2/2006 EGM on December 18, 2006 resolved for the repeal of the earlier resolution on the Company's securities delisting following the adjustment of the financial statements pursuant to the notification of the Department of Insurance (currently the Office of the Insurance Commission or "OIC") regarding the change in the accounting method for unearned premium reserves, which resulted in a sharp increase in the revalued share price, hence failing to comply with the criteria of the tender offer price for securities delisting under the SEC notification regarding the acquisition of securities for business takeovers.

As the shareholder meeting's repeal of the resolution on the delisting of securities from the SET met the condition for the cancellation of the tender offer to purchase the Company's securities, CPB submitted the withdrawal of the tender offer earlier filed to the SEC on August 21, 2006. To protect the retail shareholders that may be affected by such tender offer, CPB took up the Company's shares traded on the stock exchange at Bt. 138 per share for a period of 30 days starting from the date on which CPB was notified by the SEC to cancel the tender or from December 22, 2006 until January 22, 2007.

The Company's 1/2008 Annual General Meeting of Shareholders ("AGM") held on April 29, 2008 resolved to approve the securities delisting, and on May 6, 2008 the SET gave approval thereof on condition that the Company arranged to have the Tender Offeror make a tender offer for all securities from the shareholders in general under the SEC criteria and with a maximum tender offer period of 45 business days before the SET's determination of the delisting date.

Income structure during 2005-2007 and quarter 1 of 2008

- Underwriting income can be classified by type of insurance as follows:

Type of insurance	2005		2006		2007		Jan-Mar 2008	
	Bt. mil	%	Bt. Mil	%	Bt. mil	%	Bt. mil	%
Fire	251.02	7.68	226.65	8.30	228.66	8.09	52.51	7.49
Marine	115.25	3.52	109.12	4.00	98.19	3.47	27.52	3.92
Motor	903.70	27.64	581.46	21.29	756.40	26.75	296.89	42.31
Miscellaneous	2,000.00	61.16	1,813.77	66.41	1,744.13	61.69	324.71	46.28
Total	**3,269.97**	**100.00**	**2,731.00**	**100.00**	**2,827.37**	**100.00**	**701.63**	**100.00**

- Income classified by type is shown below:

	2005		2006		2007		Jan-Mar 2008	
	Bt. mil	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**
Premium	3,269.97	97.40	2,731.00	97.56	2,827.37	96.07	701.63	95.75
Investment income								
- Net interest and dividend income	79.86	2.38	105.30	3.76	112.41	3.82	24.21	3.30
- Gain (loss) on investments in securities	2.94	0.09	(66.20)	(2.36)	0.35	0.01	4.35	0.59
Total investment income	82.80	2.47	39.10	1.40	112.75	3.83	28.56	3.90
Other income	4.52	0.13	29.24	1.04	2.86	0.10	2.61	0.36
Total	**3,357.30**	**100.00**	**2,799.34**	**100.00**	**2,942.98**	**100.00**	**732.80**	**100.00**

Summary of financial position and operational performance during 2005-2007 and quarter 1 of 2008:

The Company's financial position and operational performance for the years ended December 31, 2005-2007 and quarter 1 ended March 31, 2008 according to the audited and reviewed financial statements are concluded here:

	2005		2006		2007		Quarter 1/2008	
	Bt. mil	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**
Gross premium written	3,270	100.00	2,731	100.00	2,827	100	702	100.00
Less: Premium ceded	(2,078)	(63.54)	(1,853)	(67.85)	(1,683)	(59.54)	(332)	(47.27)
Net premium written	1,192	36.46	878	32.15	1,144	40.46	370	52.73
Unearned premium reserves (increased) decreased from previous year	(103)	(3.15)	142	5.19	(184)	(6.52)	(73)	(10.39)
Earned premium written	1,089	33.32	1,020	37.35	960	33.94	297	42.34
Total underwriting expenses	725	22.16	592	21.67	576	20.38	214	30.52
Underwriting profit	365	11.15	428	15.68	384	13.56	83	11.82
Net investment income	80	2.44	105	3.86	112	3.98	24	3.45
Gain (loss) on investments in securities	3	0.09	(66)	(2.42)	0	0.01	4	0.62
Other income	5	0.14	29	1.07	3	0.1	3	0.37
Total income	**452**	**13.82**	**497**	**18.18**	**499**	**17.65**	**114**	**16.26**
Total operating expenses	313	9.58	330	12.08	350	12.38	88	12.55
Other expenses	4	0.11	8	0.29	6	0.23	-	-
Earning before corporate income tax	135	4.13	159	5.81	143	5.05	26	3.72
Corporate income tax	(41)	(1.26)	(39)	(1.42)	(28)	(0.99)	(8)	(1.13)
Net profit	**94**	**2.87**	**120**	**4.39**	**115**	**4.06**	**18**	**2.59**
Financial position								
Investment in securities	2,279	50.76	1,709	44.02	2,091	48.83	2,059	47.7
Total loans - net	20	0.45	12	0.31	17	0.39	16	0.37
Cash and deposits with financial institutions	230	5.11	719	18.53	534	12.46	763	17.69

	2005		2006		2007		Quarter 1/2008	
	Bt. mil	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**	**Bt. mil**	**%**
Premises and equipment - net	84	1.87	83	2.13	78	1.83	74	1.72
Intangible assets - net	78	1.74	71	1.84	63	1.47	61	1.41
Amounts deposited on reinsurance treaties	0.3	0.01	0.08	0.00	0.08	0.00	0.08	0.00
Due from reinsurers	79	1.75	13	0.33	79	1.85	57	1.31
Premium due and uncollected - net	1,230	27.40	832	21.42	913	21.3	783	18.14
Accrued investment income - net	10	0.21	27	0.7	22	0.51	22	0.51
Other assets	480	10.70	416	10.73	486	11.35	481	11.15
Total assets	**4,489**	**100.00**	**3,882**	**100.00**	**4,283**	**100.00**	**4,316**	**100.00**
Unearned premium reserves	581	12.94	439	11.31	623	14.55	696	16.13
Allowance for loss and loss payables	344	7.66	279	7.19	270	6.31	304	7.04
Reinsurance held	195	4.35	191	4.93	154	3.59	156	3.61
Due to reinsurers	844	18.79	439	11.31	514	12	396	9.17
Other liabilities	637	14.19	573	14.77	714	16.66	738	17.1
Total liabilities	**2,601**	**57.93**	**1,922**	**49.5**	**2,275**	**53.12**	**2,290**	**53.06**
Issued and paid-up share capital	120	2.67	120	3.09	120	2.8	120	2.78
Premium on share capital	620	13.81	620	15.97	620	14.47	620	14.36
Deficit on revaluation of investment – net from corporate income tax	(41)	(0.91)	(5)	(0.12)	-	-	-	-
Retained earnings	1,189	26.49	1,225	31.56	1,268	29.6	1,286	29.8
Total shareholders' equity	**1,889**	**42.07**	**1,960**	**50.5**	**2,008**	**46.88**	**2,026**	**46.94**
Total liabilities and shareholders' equity	**4,489**	**100.00**	**3,882**	**100.00**	**4,283**	**100.00**	**4,316**	**100.00**

Cash flows

Unit : Bt. million	**2005**	**2006**	**2007**	**Quarter 1/2008**
Cash flows from (used in) operating activities	239.22	(21.13)	283.69	193.96
Cash flows from (used in) investing activities	(213.59)	235.94	(202.01)	30.65
Cash flows from (used in) financing activities	(108.00)	(86.03)	(76.40)	(1.28)
Net increase (decrease) in cash and cash equivalents	**(82.37)**	**128.77**	**5.28**	**223.33**
Cash and cash equivalents at the beginning of year	166.41	84.04	212.81	218.10
Cash and cash equivalents at end of year	84.04	212.81	218.10	441.43

Source : The audited or reviewed financial statements of the Company are available on the website of the SEC (www.sec.or.th) or the SET (www.set.or.th).

Remark : DVS's auditor for 2005-2007 was Mr. Sophon Permsirivallop of Ernst & Young Office Ltd. DVS's auditor for quarter 1/2008 was Mrs. Nonglak Pumnoi of Ernst & Young Office Ltd.

Financial ratios

Unit : %	2005	2006	2007	Quarter 1/2008
Underwriting profit to net premium written	30.59	48.76	33.52	22.42
Net profit to net premium written	7.87	13.65	10.03	4.91
Net profit to gross premium written	2.87	4.39	4.06	2.59
Return on equity*	5.29	6.23	5.78	3.20**
Return on total assets*	2.23	2.86	2.81	1.59**
Net earnings per share (Bt.)	7.82	9.99	9.56	1.51
Book value per share (Bt.)	157.38	163.37	167.33	168.84

* Calculated based on average shareholders' equity/total assets at the beginning of the year and end of the year for 2005-2007, and average shareholders' equity/total assets as of March 31, 2007-March 31, 2008 for quarter 1/2008.

** Calculated based on operating results for the previous four quarters ended March 31, 2008.

Analysis of DVS's operating results and financial position during 2005-2007 and quarter 1/2008

<u>Operating results and financial position during 2005-2007</u>

During 2005-2007, the Company recorded total premium written of Bt. 3,270 million, Bt. 2,731 million and Bt. 2,827 million respectively, a drop of Bt. 539 million or 16.48% in 2006 and an increase of Bt. 96 million or 3.53% in 2007. Premium earned from all types of insurance dropped in 2006 through 2007, except for that from motor insurance which surged 30% in 2007 compared with the previous year.

The Company's retention rate was 36.46% in 2005, 32.15% in 2006 and 40.46% in 2007. The rise in 2007 was attributable to the Company's policy of boosting its retention rate for low risk cases, hence net premium income (premium income – premium ceded) increasing from Bt. 878 million in 2006 to Bt. 1,144 million in 2007 or a growth of 30.28%.

The (increase) decrease in unearned premium reserves during 2005-2007 accounted for Bt. (103) million, Bt. 142 million and Bt. (184) million respectively. The drop in 2006 stemmed mainly from the change in the accounting method for unearned premium reserves in the case where the Company had reinsured with foreign reinsurers, hence a decrease in the unearned premium reserves, which was recorded as though it was income in the income statement. The increase in the unearned premium reserves in 2007 was a result of its higher retention rate.

Underwriting expenses dropped successively, from Bt. 725 million in 2005 to Bt. 592 million and Bt. 576 million in 2006 and 2007 respectively, hence going down Bt. 133 million or 18.36% in 2006 and Bt. 16 million or 2.64% in 2007. The drop in 2006 was attributable largely to the lowering insurance claims of Bt. 56 million in line with the declining insurance underwriting in overall, and the decrease in commission and brokerages of Bt. 58 million. Underwriting expenses slipped in 2007 as caused by the decline in insurance claims. The Company hence posted earnings on underwriting of Bt. 365 million in 2005, Bt. 428 million in 2006 and Bt. 384 million in 2007, or an increase of Bt. 63 million or 17.41% in 2006 and a decrease of Bt. 45 million or 10.43% in 2007.

During 2005-2007, the Company posted gains on investment of Bt. 83 million, Bt. 39 million and Bt. 113 million respectively. The sharp drop of Bt. 44 million or 52.77% in 2006 was due to Bt. 66 million loss on investment in securities compared with interest and dividend income of Bt. 105 million. The Company enjoyed a surge in the gains on investment of Bt. 74 million or 188.34% in 2007 thanks to the Bt. 112 million interest and dividend income.

The Company posted a net profit of Bt. 94 million in 2005, Bt. 120 million in 2006 and Bt. 115 million in 2007. The net profit growth of Bt. 26 million or 27.70% in 2006 came principally from higher earnings from underwriting against the lowering underwriting expenses. The net profit in the following year declined Bt. 5 million or 4.32%.

The Company's loss ratio (the ratio of loss incurred during the year to the earned premium written) leveled down successively, from 51.35% in 2005 to 49.36% in 2006 and 45.84% in 2007. The drop in 2006 was a result of the decline in the underwriting of motor business, while that in 2007 stemmed from the downturn in the loss incurred during the year despite the higher motor underwriting as the Company focused more on the quality of the motor underwriting. During the period of 2005-2007, the Company recorded the underwriting profit to net premium income of 30.59%, 48.76% and 33.52% respectively. The ratio rise in 2006 was because of the 18.36% decline in the underwriting expenses from the foregoing year. Meantime, the ratio drop in 2007 was caused by the 230.06% surge in the unearned premium reserves and hence the declining underwriting profitability. The Company's net profit to net premium income ratio was 7.87% in 2005, 13.65% in 2006 and 10.03% in 2007. The ratio went up in 2006 due to sharp underwriting expense drop. The ratio decrease in 2007 was caused by the decline in earned premium written against the substantial increase in operating expenses.

During 2005-2007, total assets amounted to Bt. 4,489 million, Bt. 3,882 million and Bt. 4,283 million respectively. Most of the assets were investment in securities in a proportion of 48.83% and accrued premium written 21.30% of total assets in 2007. Total assets in 2006 declined from the previous year by Bt. 607 million or 13.52% principally as a result of the Bt. 570 million or 24.99% drop in investment in securities and the Bt. 399 million or 32.42% decrease in accrued premium written. In 2007, total assets increased from the foregoing year by Bt. 401 million or 10.33% attributable mainly to the Bt. 382 million or 22.36% drop in investment in securities

Asset quality

- *Investment assets:* In 2007, the Company recorded total investment assets of Bt. 2,642 million, comprising cash and deposits with banks of Bt. 534 million, net investment in securities of Bt. 2,091 million and net loans of Bt. 17 million. Viewing investment in securities, main investment assets were government bond worth Bt. 1,311 million, debentures Bt. 508 million, financial notes Bt. 286 million, ordinary shares and unit trusts Bt. 6 million. Allowance for devaluation of such investment was set aside at Bt. 20 million.

- *Accrued premium written:* The Company recorded accrued premium written of Bt. 939 million in 2007, of which Bt. 838 million or 89.29% was accrued for three months or less and Bt. 100 million or 10.71% was accrued more than three months. Allowance for doubtful accounts was set aside at Bt. 26 million. In 2007, its debt collection period was 113 days, down from the average of 138 days in the previous year as the Company placed high degree of importance to the debt follow-up.

During 2005-2007, the Company's total liabilities amounted to Bt. 2,601 million, Bt. 1,922 million and Bt. 2,775 million respectively. The total liabilities dropped Bt. 679 million or 26.11% in 2006 due mainly to the decrease in unearned premium reserves and reinsurance premium payable of Bt. 142 million or 24.41% and Bt. 405 million or 47.94% respectively. The increase in the total liabilities in 2007 of Bt. 354 million or 18.40% resulted principally from the increase in unearned premium reserves and other liabilities by Bt. 184 million or 42.01% and by Bt. 140 million or 24.46% respectively compared with 2006.

The Company posted shareholders' equity or capital funds of Bt. 1,889 million in 2005, Bt. 1,960 million in 2006 and Bt. 2,008 million in 2007, up Bt. 72 million or 3.80% in 2006 and up Bt. 48 million or 2.43% in 2007.

In view of underwriting expansion capacity, the Company's net premium written to net worth ratio accounted for 0.63 times, 0.45 times and 0.57 times during 2005-2007 respectively.

As regards its liabilities management capacity, the Company's debt to equity ratio was 1.38 times in 2005, 0.98 times in 2006 and 1.13 times in 2007. Its technical reserve to equity ratio was 0.49 times, 0.37 times and 0.45 times while its total liabilities to total assets ratio was 0.59 times, 0.50 times and 0.53 times in the corresponding period respectively.

Operating results and financial position in quarter 1/2008

In quarter 1/2008, the Company recorded total premium written of Bt. 702 million, a surge of Bt. 112 million or 19.07% from the Bt. 589 million in the foregoing year, thanks to the sharp increase in premium written for motor insurance from Bt. 135 million in quarter 1/2007 to Bt. 297 million in quarter 1/2008, against the decline in other types of insurance.

The Company's retention rate was 52.73%, a rise compared with 39.60% in the corresponding period of last year, due to the Company's policy of boosting its retention rate for low risk cases, hence a 58.54% year-on-year increase in net premium income (premium income - premium ceded) from Bt. 233 million to Bt. 370 million.

The (increase) decrease in unearned premium reserves in quarter 1/2008 accounted for Bt. (73) million as a result of the Company's higher retention rate. Underwriting expenses accounted for Bt. 214 million, a 113.47% year-on-year surge from Bt. 100 million. The increase in unearned premium reserves was attributable to the sharp rise in insurance claims from Bt. 91 million in quarter 1/2007 to Bt. 161 million in quarter 1/2008, particularly in motor segment in which insurance claims surged from Bt. 72 million to Bt. 129 million respectively.

The Company posted earnings on underwriting of Bt. 83 million in quarter 1/2008, down 30.11% year-on-year from Bt. 119 million. In quarter 1/2008, the Company also posted net gains on investment of Bt. 24 million, close to that of the corresponding period of the previous year.

In quarter 1/2008, the Company posted a net profit of Bt. 50 million, a 73.29% drop from Bt. 68 million year-on-year. Its loss ratio (the ratio of loss incurred during the year to the earned premium written) leveled up to 54.25% from 41.37%. Underwriting profit to net premium written and net profit to net premium written were recorded at 22.42% and 4.91%, down from 50.85% and 29.12% in the same period of the foregoing year respectively.

As of March 31, 2008, the Company recorded total assets of Bt. 4,316 million, total liabilities of Bt. 2,290 million, and shareholders' equity of Bt. 2,026 million, up 0.77%, 0.65% and 0.90% from 2007 year-end respectively, with total liabilities to equity ratio of 1.13 times and total liabilities to total assets ratio of 0.53 times.

Future prospects

After the share delisting, the Company will continue its non-life insurance business operations. The business is expected to expand in line with the industrial growth under the current intensifying competition. Competition, particularly in term of pricing, may impact the Company's profitability.

The Company will still focus on new product innovation and offering of services that will balance the premium portfolio, with diversification and de-concentration of miscellaneous insurance particularly on the part of large programs with high premiums. With the current high volatility and global market playing a major role in pricing, the Company will shift more to underwriting of other types of insurance, such as personal lines like health, personal accident, travel personal accident and income protection, etc.

The expansion to personal lines involve small insurance cases catering to a larger number of retail customers. Motor insurance is also classified as a type of personal lines, with a large market to absorb motor products. The Company will still give priority to development of new service channels based on the trust the insured have in the Company as regards its high responsibility. The Company is a member of the CPB group, which has all along developed its IT and database to well serve and facilitate the retail customers on a fully integrated basis. The Company has adopted the motto of "The Company does not need to be the largest insurance company with the highest market share, but it is determined to be recognized as one of the top-tier insurance companies that offers the best services."

In addition, the Company will continue operating at its head office on Rajadamnoen Klang Avenue. It will not relocate its office as earlier planned. Thus, it will emphasize more on participation in activities to grow relationship with the community and develop the surrounding landscape and environment. It regards as its mission to consistently take best care of and preserve the areas around its head office which are of high historical value, as well as promote the awareness thereof among the residents, especially the youth, in the community there.

2. Opinions about the accuracy of the Company's information stated in the tender offer

The Company's Board of Directors views that all information relevant to the Company as shown in the tender offer statement is accurate.

3. Relationship or any agreements between the Company's director/s, either on his/their own behalf or in his/their capacity as the Company's director/s or as representative/s of the Tender Offeror, and the Tender Offeror, including the shareholding by the director/s in the Tender Offeror's juristic person and any contracts or agreements made or to be made between them (in such matters as administration, etc.)

3.1 Relationship of the Company's directors with the Tender Offeror

Common directors

As of May 21, 2008, three directors of the Company are directors/executives/advisors of the Tender Offeror and the persons under Section 258 of the Tender Offeror as shown below:

Name	Position in the Company	Position in the Tender Offeror and Persons under Section 258			
		Tender Offeror	Persons under Section 258		
			Ladawal Palace Co., Ltd.	CPB Equity Co., Ltd.	Saensurattana Co., Ltd.
1. Dr. Chirayu Isarangkun Na Ayuthaya	Chairman	Director and General Director	-	Chairman	-
2. M.R. Yongsawasdi Kridakon	Director	Deputy General Director	-	Director	-
3. Mr. Aviruth Wongbuddhapitak	Director and Chairman Of Executive Committee	Advisor	Director and Chairman Of Executive Committee	Director	-

3.2 Shareholding by the Company's directors in the Tender Offeror and persons under Section 258 of the Tender Offeror

Name	Persons under Section 258 of the Tender Offeror					
	SCC[1/]		Ladawal Palace Co., Ltd.		Saensurattana Co., Ltd.	
	No. of shares	%	No. of shares	%	No. of shares	%
Mr. Virasak Tokakuna	10,000	0.00	-	-	-	-
Mr. Na Bhengbhasang Krishnamra	267,100	0.02	-	-	-	-

[1/] Siam Cement Plc.

Remark : The Tender Offeror is a juristic person set up with a specific law and having no shareholders.

3.3 Joint or mutual business transaction/s

The Company had mutual transactions with the Tender Offeror and persons under Section 258 of the Tender Offeror as follows:

(1) The Company made an agreement on head office building rent with the Tender Offeror. In 2007 and quarter 1 of 2008, the Company paid to the Tender Offeror the rental of Bt. 1.56 million and Bt. 0.39 million respectively. As of December 31, 2007 and as of March 31, 2008, there was no outstanding amount on rental payment.

(2) The Tender Offeror has taken out insurance of assets with the Company. In 2007 and quarter 1 of 2008, the Company recorded premium written from the Tender Offeror of Bt. 58.34 million and Bt. 1.48 million respectively, with outstanding amount of Bt. 4.04 million as of December 31, 2007 and Bt. 3.73 million as of March 31, 2008.

(3) The Company earned interest income from a person under Section 258 of the Tender Offeror, namely Siam Cement Plc. ("SCC"), amounting to Bt. 0.90 million in 2007 and Bt. 0.23 million in quarter 1 of 2008. As of the end of 2007 and as of March 31, 2008, the Company recorded investment in securities, i.e. debentures of SCC, in an amount of Bt. 20.095 million and Bt. 20.086 million respectively, with accrued investment gains of Bt. 0.222 million and Bt. 0.219 million respectively.

3.4 Other mutual agreements or contracts

-None-

3.5 Management structure after the tender offer

The Tender Offeror stated in the tender offer that the qualifications and number of members of the Board of Directors after the tender offer will be reviewed at the discretion of the shareholders and in accordance with the Articles of Association of the Company and regulations under the Public Limited Companies Act B.E. 2535 (1992) and the amendments.

4. Opinions of the Company's Board of Directors to the securities holders

The Company held a meeting of the Board of Directors No. 4/2008 on June 6, 2008 to consider the tender offer. There were 8 directors attending the meeting from a total of 12 directors below:

	Name	Position
1.	M.R. Yongsawasdi Kridakon	Director
2.	Mr. Sansern Wongcha-um	Director
3.	Mr. Arrak Soontaros	Director
4.	Dr. Charnchai Musignisarkorn	Director / Chairman of Nomination and Remuneration Committee
5.	Mr. Na Bhengbhasang Krishnamra	Director / Member of Executive Committee
6.	Mr. Anant Keskasemsook	Director and President / Member of Executive Committee
7.	Mr. Virasak Tokakuna	Independent Director / Member of Audit Committee
8.	Mrs. Phansopit Likitthammanit	Independent Director / Member of Audit Committee

Directors no. 1 attending the meeting are directors with conflict of interest who abstained from voting.

The Company's Board of Directors, exclusive of the directors who have conflict of interest, unanimously resolved to recommend to the shareholders the acceptance of the tender offer. The reasons are as follows:

4.1 Reasons to accept/reject the tender offer

The Board of Directors, after consideration of the tender offer and the opinion of the independent financial advisor, resolved unanimously recommending that the shareholders accept the tender offer based on the following reasons:

- The tender offer price of Bt. 188 per share is considered reasonable based on the opinion of the independent financial advisor who considers the price proper as it is higher than the fair price evaluated by the adjusted book value, i.e. Bt. 176.86 per share.
- The Tender Offeror is currently the holder of over three-fourths of the total issued and paid-up shares of the Company, hence having nearly full controlling power in the Company's decision making and management. Other shareholders cannot secure sufficient votes against what the major shareholder proposes.
- This tender offer is the final stage of the Company's securities delisting procedure. After the delisting, the shareholders will be impacted by the lack of liquidity in the trading of the Company's securities as there will be no secondary market to support them. Moreover, the chance to get capital gains will be limited and there will no longer be tax exemption for the shareholders who are individuals in their sales of the shares. Moreover, the shareholders' access to information about the Company will be limited as the Company will not longer be required to comply with the disclosure regulations of the SEC and the SET.

  However, the shareholders may consider accepting or rejecting the tender offer based on the opinions given by the financial advisor and make the final decision at their own discretion.

4.2 Opinions and reasons of each director and the number of shares held by each director (only in case that the opinion of the Board of Directors in 4.1 is not unanimous)

-None-

4.3 Benefits or impacts from the plans and policies indicated in the tender offer and viability of such plans and policies

The Board of Directors is of the opinion that the Company will not be impacted by the future policy and plan of the Tender Offeror as the Tender Offeror has stated in the tender offer that the Tender Offeror has no intention to make material changes to the Company's business policy or management plan or disposition of the core assets as well as the changes in its main objective in the next 12 months from the end of the tender offer period. However, the Tender Offeror may make adjustments of the organization structure, management, financial structure, investment plan and dividend payment policy for appropriateness and improvement of operational efficiency and future financial position, which will have no significant impacts on the normal business operations of the Company.

The Board of Directors view that it is possible that there will be no material change in the Company's management policy and plan in its future operations as after the tender offer the Company will still have the Tender Offeror as the major shareholder as at present and the management team is also expected to be the same as that before the tender offer. Thus, the Company's operational policy and plan will be carried out on a continual basis. Moreover, at present, the Tender Offeror has had three representatives on the Board of Directors among the total of 12 Board members.

However, the Tender Offeror has stated in the tender offer that it may sell or transfer the Company's shares it holds before and after the tender offer to any party in a significant amount within 12 months from the end of the tender offer period.

4.4 Additional opinion of the Company's Board of Directors (only in case the tender offer is for delisting of securities from the SET)

(a) Benefits to the shareholders and impacts on them in case they reject the tender offer

The shareholders who reject the tender offer and continue holding the Company's shares will still retain their right, pursuant to the Company's Articles of Association and the Public Limited Companies Act B.E. 2535 (1992), to the attendance of the shareholders' meeting, election of directors and access to information, etc. Moreover, they will still be entitled to receipt of returns on investment in form of dividend payment to be made by the Company in the future.

However, the dissenting shareholders will be impacted by the Company's delisting from the SET. There will no longer be benefits earlier obtained from the listing status of the Company, e.g. lack of trading liquidity and chance of capital gains as there will be no secondary market for the shares, no more tax benefits for the capital gains, and limited access to information on the Company.

(b) Appropriateness of the tender offer price

The Board of Directors view that the tender offer price of Bt. 188 per share is reasonable, as it is in line with the criteria in clause 58 of the SEC notification regarding the rules, conditions and procedure of acquisition of securities for business takeovers, thereby the tender offer price must not be lower than the highest price derived from the following:

Securities	Price (Bt./share)
1 The highest price of the shares acquired by the Tender Offeror or the persons under Section 258 of the Tender Offeror during the 90 days period before filing to the SEC (February 20-May 20, 2008)	-None-
2 Weighted average market price of the Company's shares during the five business days period before the date on which the Board of Directors resolved for requesting the shareholders meeting's consideration of the share delisting (February 18-25, 2008)	-None-
3 Net asset value of the Company calculated by the adjusted book value to reflect the latest market price of the assets and liabilities of the Company (calculated by Advisory Plus Co., Ltd., the independent financial advisor of the Company)	176.86
4 Fair value of the shares assessed by the financial advisors: - Share valuation by Bualuang Securities Plc., FA of the Tender Offeror, and - Share valuation by Advisory Plus Co., Ltd., IFA of the Company.	 172.63 176.86

We hereby certify that the above statements are accurate and complete and no concealment has been made on any material information which may affect the decision of the shareholders.

The Deves Insurance Public Company Limited

- Na Bhengbhasang Krishnamra - *- Anant Keskasemsook -*

(Mr. Na Bhengbhasang Krishnamra) (Mr. Anant Keskasemsook)

5. Opinions of the shareholders' advisor

The Crown Property Bureau (“Tender Offeror”) has prepared the tender offer to purchase ordinary shares of The Deves Insurance Public Company Limited (“the Company”) according to the copy of the tender offer statement dated May 21, 2008. We, Advisory Plus Co., Ltd. (“the Financial Advisor”), as the independent financial advisor approved by the Office of the Securities and Exchange Commission (“SEC”), are appointed by the Company to provide opinions for minor shareholders regarding the tender offer.

We have studied, as a basis for our analysis and provision of opinions, the information in the tender offer (Form 247-4) of the Tender Offeror, information of the Company including the Annual Registration Statement (Form 56-1), the auditor’s report, financial statements, assumptions for the preparation of the financial projections, statistical data of listed non-life insurance companies and other documents obtained from the Company and from interview with its executives, as well as the information disclosed to the public. Our opinions expressed herein have been based on the assumptions that the information in the tender offer and all the information and documents obtained from the Company and from the interview with its executives are true and correct and that our consideration is made based on the economic condition and information known at present. Any future changes in the said information or any future event may have material impacts on the Company’s operations and financial projection as well as the shareholders’ decision-making on such tender offer. Our opinions on the tender offer can be concluded as follows:

5.1 Appropriateness of the offering price

The Tender Offeror has made a tender offer to purchase the Company’s shares at the price of Bt. 188 per share. We have carried out share valuation through various approaches and have the opinions about the offering price as follows:

5.1.1 Book Value Approach (BV)

By this method, the share price is valuated based on the book value according to the reviewed financial statements as of March 31, 2008, the Company’s book value is as follows:

Particulars	Bt. million
Share capital - issued and paid-up	120.00
Premium on share capital	620.00
Retained earnings	
Appropriated	
- Statutory reserve	12.00
- General reserve	850.00
- Expansion reserve	95.02
Unappropriated	329.10
Total shareholders’ equity	2,026.12
Total issued and paid-up capital (million shares)	12
Book value per share	168.84

The share price obtained by this method may not reflect the present market value of the assets as well as the Company’s profitability in the future.

By this method, the share price of the Company is appraised at Bt. 168.84 per share, which is Bt. 19.16 or 10.19% lower than the offering price.

5.1.2 Adjusted Book Value Approach

By this method, the book value of the shares according to the financial statements as of May 31, 2008 as derived from 5.1.1 above is adjusted by the market value of the investment in securities, increase or decrease from revaluation of some asset items and dividend payment. The adjusted items are:

1) *Investment in securities :* The book value of investment in securities as of May 31, 2008 was adjusted to the fair value as of April 30, 2008. Investment in securities in form of equity instruments was adjusted by the bidding price, and that in debt instruments adjusted by the latest bidding price or, in the absence thereof, the latest trading price, while investment in unit trust was adjusted by the net asset value.

   Market value of investment as of April 30, 2008 was lower than book value of investment as of March 31, 2008 in an amount of Bt. (0.96) million. Moreover, during March-April 2008, the Company recorded loss from selling of securities in an amount of Bt. (0.08) million. The Financial Advisor has thus adjusted downward value of investment in securities to be equal to the market value and recognized the loss from such securities sales.

2) *Dividend payment :* Book value was adjusted by the dividend payment approved by the 2008 AGM held on April 29, 2008 at which a resolution was passed for the Company to make dividend payment for 2007 to the shareholders at Bt. 6 per share, or a total of Bt. 72 million. Dividend payment was scheduled for May 7, 2008.

3) *Appraisal of fixed asset value :* The adjustment was made by the increase or decrease according to the revaluation report dated February 13-22, 2008 of Bangkok Appraisal Co., Ltd., an independent appraiser approved by the SEC, in comparison with the asset book value. Details are as follows:

   - *Land and buildings of 6 branch offices and land and buildings acquired from foreclosure of assets of one customer*: The independent appraiser has conducted the appraisal of such fixed assets by the market approach as they are all commercial buildings on which the market data and selling and buying prices of the assets in the nearby areas that are of similar characteristics and usage conditions to the assets in subject can be procured.

     In appraising the asset value in comparison with the market value, the independent appraiser has considered market data of the assets in the vicinity in respect of their conditions, sizes, shapes, usage, location and surrounding environment, as well as the rules, laws or announcements that may have impact on the use of assets.

   - *Land and constructions acquired from foreclosure of assets of one customer*: The independent appraiser has conducted the appraisal of the land value by the market approach and constructions by the net replacement value approach, i.e. based on new construction cost, and with reference to construction cost pursuant to the construction cost standard 2007 of the Valuers Association of Thailand, and then deducted by the depreciation for the useful life of the assets.

   - *Leasehold right of 2 head office buildings* : The Company holds the leasehold right over two buildings under the lease agreement with CPB for a 30-year contractual term beginning December 1, 1998 and ending November 30, 2028. As of the appraisal date, the remaining contractual term was 20 years and 10 months. One of the two buildings is the location of the Company's head office and the other is the building for third party rent.

The independent appraiser has appraised the leasehold right by the discounted cash flow basis as the appraised assets generate income by the length of time under the lease contract. The assumptions used to set income and expenses from the asset management have been worked out also based on enquiries with the manager of the building and survey of the leased areas.

We, the Financial Advisor, view that the approaches used by the independent appraiser in valuation of the fixed assets as mentioned above are appropriate.

Viewing the above appraisal of the fixed assets, the appraisal prices of the fixed assets are higher than the book value of the assets by Bt. 169.19 million as detailed below:

Type of fixed asset (Unit: Bt. Million)	**(1) Book value As of Mar 31, 08**	**(2) Appraisal price**	**(2)- (1) Difference**
1. Land and buildings of branch offices and those foreclosed from customer	26.20	29.70	3.50
2. Land and construction foreclosed from customer	19.97	12.29	(7.68)
3. Leasehold right	39.42	212.80	173.38
Total	**85.60**	**254.79**	**169.19**

The above items are used to adjust the book value derived in 5.1.1 as follows:

Details of adjustments under the adjusted book value approach

	Unit: Bt. million
Shareholders' equity as of March 31, 2008	2,026.12
Adjusted items	
Less Increase (Decrease) in investment value	(0.96)
Gain (Loss) on securities sales	(0.08)
Dividend payment	(72.00)
Add Increase in fixed asset valuation	169.19
Net book value after adjustment	2,122.27
Total issued and paid-up capital (million shares)	12
Share price by the adjusted book value approach (Bt. per share)	**176.86**

The above method better reflects the current net asset value than the book value approach. It can also reflect the value on the fundamental basis and the capability to create value to the existing assets. However, this method does not take into account the operational performance, competitiveness in the future and the economic and industrial trends.

By this method, the share price is Bt. 176.86 per share, which is lower than the offering price of Bt. 188 per share by Bt. 11.14 per share or by 5.93%.

5.1.3 Price to Book Value Approach (P/BV)

By this method, the share price is figured out by multiplying the Company's book value derived in 5.1.1, i.e. Bt. 168.84 per share, by the average P/BV ratio of 17 listed non-life insurance companies. The average P/BV ratios of this sector over the retroactive 3 months, 6 months, 9 months and 12 months counted until May 20, 2008, which was the last business day before the Tender Offeror's filing of the tender offer, were as follows:

Average P/BV*	AYUD	BKI	BUI	CHARAN	DVS	INSURE	NKI	NSI	PHA
3 months	0.92	1.03	0.46	0.64	1.11	2.23	1.02	0.31	1.47
6 months	0.93	1.02	0.42	0.64	1.09	2.32	1.01	0.32	1.28
9 months	0.92	1.01	0.41	0.65	1.09	1.97	1.03	0.33	1.31
12 months	0.90	1.01	0.41	0.65	1.08	1.72	1.03	0.34	1.29

* Data from www.setsmart.com

Average P/BV*	SAFE	SCSMG	SMK	THRE	TIC	TIP	TSI	TVI	Average value
3 months	0.90	2.07	0.84	2.92	0.70	1.39	0.67	0.64	**1.14**
6 months	0.95	1.98	0.83	3.00	0.72	1.42	0.66	0.63	**1.13**
9 months	0.97	2.00	0.81	3.03	0.71	1.45	0.66	0.63	**1.12**
12 months	0.96	2.04	0.80	3.02	0.71	1.44	0.66	0.64	**1.10**

* Data from www.setsmart.com

Calculation period	Average P/BV ratio of non-life insurance sector	Share price (Bt. per share)
Average of retroactive 3 months	1.14	192.48
Average of retroactive 6 months	1.13	190.79
Average of retroactive 9 months	1.12	189.10
Average of retroactive 12 months	1.10	185.72

The share price derived by this method is between Bt. 185.72-Bt. 192.48 per share, which is lower than the offering price by Bt. 2.28 per share or 1.21%, and higher than the offering price by Bt. 4.48 per share or 2.38%.

5.1.4 Price to Earning Ratio Approach (P/E)

By this method, the share price is derived by multiplying the Company's net earnings per share as per the financial projection for 2008 (i.e. Bt. 9.58 per share) of which the assumptions are shown in 5.1.6 by the average P/E ratios of 14 listed non-life insurance companies (excluding three companies namely Indara Insurance Plc., Nam Seng Insurance Plc. and Thaivivat Insurance Plc. due to the significant deviations from the average at the analysis period) over the retroactive 3 months, 6 months, 9 months and 12 months counted until May 20, 2008 which was the last business day before the Tender Offeror's filing of the tender offer, were as follows:

Average P/E*	AYUD	BKI	BUI	CHARAN	DVS	NKI	PHA
3 months	12.57	20.10	11.08	9.46	18.73	6.67	13.26
6 months	12.40	22.00	7.88	9.72	15.83	7.32	13.02
9 months	12.76	24.20	10.53	9.45	13.08	7.86	14.45
12 months	12.78	23.96	13.35	9.18	13.30	8.14	15.15

* Data from www.setsmart.com

Average P/E*	SAFE	SCSMG	SMK	THRE	TIC	TIP	TSI	Average value
3 months	14.44	13.65	6.86	13.94	10.44	9.57	12.17	**12.35**
6 months	13.98	14.54	6.39	14.38	15.30	9.61	9.65	**12.29**
9 months	13.42	17.12	6.79	14.79	14.26	9.68	9.80	**12.73**
12 months	12.97	17.79	7.24	14.95	13.51	9.64	10.12	**13.01**

* Data from www.setsmart.com

Calculation period	P/E of non-life insurance companies	Share price (Bt. per share)
Average of retroactive 3 months	12.35	118.31
Average of retroactive 6 months	12.29	117.74
Average of retroactive 9 months	12.73	121.95
Average of retroactive 12 months	13.01	124.64

The share price derived by this approach is between Bt. 117.74-Bt. 124.64 per share, which is lower than the offering price by Bt. 63.36-Bt. 70.26 per share or 33.70-37.37%.

5.1.5 Market Value Approach

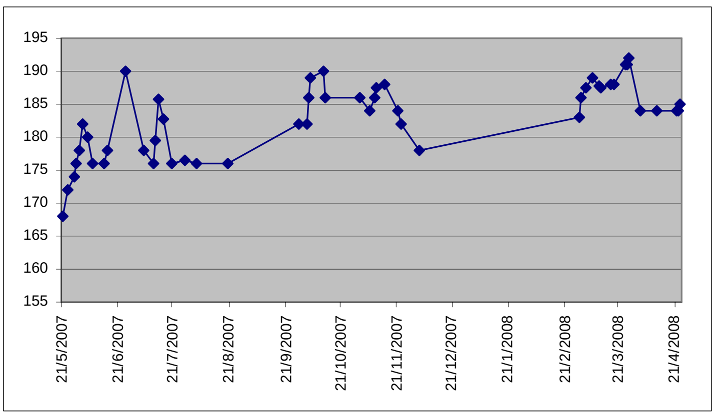
The share price by this method is worked out based on the weighted average market prices of the Company's shares traded on the SET over the retroactive periods. The Financial Advisor has considered the weighted average market prices (trading value/trading volume) of the Company's shares over the retroactive one year counted until May 20, 2008 which was the last business day before the Tender Offeror's filing of the tender offer. The results are shown below:

Calculation period	Weighted average market price* (Bt. per share)
Average of retroactive 3 months	186.98
Average of retroactive months	186.09
Average of retroactive ๙ months	186.08
Average of retroactive / months	185.75

Remark : * Data from www.setsmart.com

By this method, the Company's share price is in a range of Bt. 185.75-Bt. 186.98 per share, which is lower than the offering price by Bt. 1.02-Bt. 2.25 per share or 0.54-1.20%.

Weighted average closing price of DVS share during May 21, 2007-May 20, 2008



Taking into account trading volume over the retroactive 1 year counted until May 20, 2008 which was the last business day before the Tender Offeror's filing of the tender offer, it can be seen that the Company's share has low liquidity with the turnover rate of 0.36%.

5.1.6 Discounted Cash Flow Approach

This method mainly takes into account the profitability of the Company in the future. The share price is figured out from the present value of operating cash flow expected over the projected financial statements of five years (2008-2012) worked out by the Financial Advisor with adjustment of information on future operation policy and framework obtained from the Company's management. The projection is mainly based on actual historical information or financial ratios and under the assumption that the Company runs on a going concern basis without any material changes.

The said financial projection is exclusively prepared for the purpose of figuring out a fair price of the Company's shares under the current economic condition and circumstances and for use in price comparison with the offering price of this tender offer. The derived share price may be changed had there been any material change in the economic condition and other factors which affect the Company's operations as well as the circumstances surrounding the Company. The said share price may not be used as a reference price for any purpose other than those stated above.

The assumptions used in the financial projection are as follows:

- **Gross premium**

Projected growth of gross premium for each type of insurance from 2008 until 2012:

Growth (%)	Actual			Projection				
	2005	2006	2007	2008	2009	2010	2011	2012
1. Fire	2	(10)	1	2	2	2	2	2
2. Marine	16	(5)	(10)	1	1	1	1	1
3. Motor	33	(36)	30	5	5	5	5	5
4. Miscellaneous	(6)	(9)	(4)	(7)	5	5	5	5

The above projection is conducted with reference to a research of Thai Reinsurance Co., Ltd. ("ThaiRe"). Under such research, the growth of non-life insurance business in 2008 is projected by the regression analysis based on the data during 1984-2006 compiled from several reliable sources and with factors associated with each type of insurance taken into account. The result from the analysis indicates that the factors used are explanatory to the growth of the premium for each type of insurance at around 95-99%. Such factors are the real GDP, the permitted construction areas in the municipalities, export-import value of such goods as electrical appliances, textiles and electronic parts, cumulative number of registered automobiles, petrol sales volume, gross fixed capital, etc.

The premium growth projected by ThaiRe in the base case in 2008 is 2% for fire insurance, 1% for marine insurance, 8% for motor insurance and 11% for miscellaneous insurance.

The Financial Advisor has projected the Company's gross premium for motor insurance to grow at a rate lower than that forecast by ThaiRe as the Company has no significant plan to grow its motor insurance business segment, viewing that it is a high risk segment compared with other types of insurance. It has a policy to mitigate risk and focus more on underwriting quality. Meantime, miscellaneous insurance gross premium is projected to drop in 2008 amid the fierce competition, hence loss of some large customers. The

Company has to seek more customers to replace the lost ones, most being retail customers for such products as health insurance, from which smaller yield is generated.

- **Reinsurance premium**

Projected reinsurance premium to gross premium written during 2008-2012:

Unit: %	Actual			Projection				
	2005	2006	2007	2008	2009	2010	2011	2012
1. Fire	26	29	13	18	18	18	18	18
2. Marine	73	76	69	60	60	60	60	60
3. Motor	6	8	7	2	2	2	2	2
4. Miscellaneous	94	91	88	80	80	80	80	80

Reinsurance premium to gross premium written for all types of insurance during 2008-2012 is projected to decline from the previous three years as the Company has a policy to focus less on reinsurance. It will emphasize more on its own insurance underwriting business.

- **Unearned premium reserve**

Unearned premium reserve for all types of insurance in 2008 is projected by monthly average (one/twenty-fourth method) pursuant to the criteria of the Commerce Ministerial Notification regarding allocation of reserve against risk. For 2009-2012, with 2008 figure as the basis, the unearned premium reserve to net premium written is projected to be 3% for fire insurance, 6% for marine insurance, 9% for motor insurance and 18% for miscellaneous insurance.

- **Loss incurred during the year**

Loss incurred during the year to earned premium written (loss ratio) during 2008-2012:

Loss Ratio Unit: %	Actual			Projection				
	2005	2006	2007	2008	2009	2010	2011	2012
1. Fire	5	9	12	12	12	12	12	12
2. Marine	22	32	17	18	18	18	18	18
3. Motor	67	63	60	60	60	60	60	60
4. Miscellaneous	34	36	42	48	48	48	48	48

Projected loss ratios for fire insurance, marine insurance and motor insurance will be close to those in 2007. For miscellaneous insurance, the loss ratio is projected to rise due to tough competition, hence loss of certain major customers, and new customers to be newly procured will mostly be retail customers which will cause the Company higher risk exposure.

- **Loss adjustment expense**

Loss adjustment expense during 2008-2012 is 1% of net premium written based on past average rate (2005-2007) of 1%.

- **Commissions and brokerages**

Commissions and brokerages during 2008-2012 is projected at 4% of net premium written, which is higher than the past average rate (2005-2007) of 1% due to the increase in commissions and brokerages for miscellaneous insurance as the Company will have a larger number of retail customers, hence higher amounts of commissions and brokerages to sales teams than in case of sales to large customers.

- **Other expenses**

  Other expenses during 2008-2012 are projected at 8% of net premium written, which is close to past average rate (2005-2007) of 9%.

- **Capital expenditure**

  Capital expenditure is projected as in the following breakdown:

Unit: Bt. million	2008	2009	2010	2011	2012
Vehicles	5	-	-	-	-
Office equipment	1	1	2	2	3
Building extension	12	3	3	4	5
Computer & computer license	8	9	11	13	15
Total	26	13	16	19	23

  Capital expenditure is composed of that in vehicles, office equipment, building extension and computer and computer license. High capital expenditure is projected for 2008 as the Company has planned to renovate its head office building and continue to make improvement to the building through 2009-2012. Investment in office equipment and computer and computer license will be made successively during 2008-2012.

- **Return on investment**

  Investment is mainly in such debt instruments as government bonds and debentures. Average return on investment is projected at 3.5% in 2008 and to increase 0.3% per year during 2009-2012 based on the returns obtainable at present.

- **Liquidity rate**

Premium due	around 290 days
Allowance for loss and loss payables	around 90 days
Reinsurance held	around 35 days

- **Terminal growth rate**

  Terminal growth rate of the Company is projected to be 2% per year from 2013 onwards.

- **Discount rate**

  The discount rate used in the calculation of the expected cash flow is based on the rate of return on equity (Ke) which is equivalent to 10.44%. Variables used in calculation of return on equity are as follows:

	Ke	=	$Rf + \beta (Rm - Rf)$
Where	Risk free rate (Rf)	=	5.99% based on 29-year government bond bid yield as of June 5, 2008 (data from www.thaibma.or.th)
	Beta (β)	=	0.45 based on the average Beta for the previous 3-year period of the Company counting until May 30, 2008 (data from Bloomberg)
	Rm	=	15.88%, which is the average rate of return of the SET in the previous 21 years (SET data over 1987-2007)

According to the assumptions of the calculation of expected cash flows and the use of return on equity (Ke) of 10.44% as discount rate and terminal growth rate of 2%, the share price calculated by the discounted cash flow approach will be Bt. 143.60 per share.

Besides, we have conducted a sensitivity analysis of the share valuation by this approach, with 1% plus/minus on the above discount rate, hence a discount rate between 9.44% and 11.44%, and on the above terminal growth rate, hence a terminal growth rate between 1% and 3%, the outcome of which is as follows:

Share price (Bt.)	**Terminal growth rate**		
	1 %	2 %	3 %
Discount rate			
9.44%	146.39	155.84	168.22
10.44%	136.41	143.60	152.73
11.44%	128.36	133.98	140.94

The Company's share price will range between Bt. 128.36 and Bt. 168.22 per share, which is Bt. 19.78- Bt. 59.64 per share or 10.52%-31.72% lower than the offering price.

5.1.7 Dividend Discounted Model Approach

The share valuation by the dividend discounted model approach uses the current value of dividend payment based on the net profit in the 5-year financial projection (2008-2012) under the assumption that the Company's dividend payout rate projected based on the past dividend payment is 60% of the net profit. The projected net profit during 2008-2012 and the discount rate are based on the assumptions in 5.1.6.

We have worked out a sensitivity analysis of the share valuation, with 1% plus/minus on the above discount rate, hence a discount rate between 9.44% and 11.44%, and on the above terminal growth rate, hence a terminal growth rate between 1% and 3%, the outcome of which is as follows:

Share price (Bt.)	**Terminal growth rate**		
	1 %	2 %	3 %
Discount rate			
9.44%	78.01	85.93	96.32
10.44%	69.59	75.63	83.29
11.44%	62.79	67.51	73.35

The Company's share price will range between Bt. 62.79 - Bt. 96.32 per share, which is Bt. 91.68 - Bt. 125.21 per share or 48.77% - 66.60% lower than the offering price.

Conclusion of the Financial Advisor's opinions on the offering price

The table below illustrates the comparison of the Company's share price calculated by the above methods with the offering price:

	Share valuation method	**Valuation price (Bt. per share)**	**Offering price (Bt. per share)**	**Above (Below) offering price**	
				Bt.	**%**
1	Book value	168.84	188	(19.16)	(10.19)
2	Adjusted book value	176.86	188	(11.14)	(5.93)
3	Price to book value approach	185.72 - 192.48	188	(2.28) - 4.48	(1.21) - 2.38
4	Price to earning ratio approach	117.74 - 124.64	188	(70.26) - (63.36)	(37.37) - (33.70)
5	Market value approach	185.75 - 186.98	188	(2.25) - (1.02)	(1.20) - (0.54)
6	Discounted cash flow approach	128.36 - 168.22	188	(59.64) - (19.78)	(31.72) - (10.52)
7	Dividend discounted model approach	62.79 - 96.32	188	(125.21) - (91.68)	(66.60) - (48.77)

From the above table, the share prices derived by the given approaches are lower than the offering price, except for the prices by the price to book value approach which are both higher than and lower than the offering price.

The book value, the price to book value, and the market value approaches reflect the operational performance and position of the Company at a certain period of time, regardless of the actual asset value and future profitability of the Company, as well as the overall economic and industrial condition in the future. Also, the price to book value approach and the market value approach have constraints as regards the liquidity of the securities, hence the share valuated by these two methods may not reflect the real business value.

The price to earning ratio approach takes into account the Company's short-term profitability and, coupled with the constraints as regards the liquidity of the securities, hence does not reflect the Company's real value and future profitability.

Meanwhile, the discounted cash flow approach takes into account the Company's future prospects and profitability calculated based on the overall current and future operating cash flow as well as the economic and industrial condition. However, the share price derived by this method may not reflect the real business value as the cash flows used as the basis in the share valuation also factor in investment in securities which is part of insurance business operations. As the return expected from such investment is lower than the discount rate used in the discounted cash flow approach, the share price valuated by this approach is underestimated.

The dividend discounted model approach takes into account the Company's future prospects and profitability but, like the discounted cash flow approach, may not reflect the actual share value. As dividend payment is only part of the net profit while the remaining net profit will be used for further investments, and used as working capital and cash reserve, the share price by this method takes into account only the cash dividend payment.

Considering the above-mentioned factors, we are of the opinion that the adjusted book value method is the most appropriate for share price valuation as this method, compared with other methods, can best reflect the value according to the business fundamentals and the capability to create value to the existing assets. The share price derived thereby is Bt. 176.86 per share, which is lower than the offering price of Bt. 188 per share by Bt. 11.14 per share or 5.93%.

We accordingly view that the offering price of Bt. 188 per share is reasonable.

5.2 Reasons for acceptance or rejection of the tender offer

5.2.1 Reasons for acceptance of the tender offer

(1) Reasonableness of the offering price

The offering price of Bt. 188 per share is reasonable as it is higher than the valued price calculated by the adjusted book value method of Bt. 176.86 per share.

(2) Balance of power and business control

As of the date of the tender offer filing, the Tender Offeror held a total of 10,475,992 shares or 87.30% of the Company's total issued and paid-up shares, and the persons under Section 258 of the Tender Offeror held a total of 6,800 shares or 0.057% of the Company's total issued and paid-up shares. This aggregately represents over three-fourths of the Company's total issued shares, hence controlling power on the voting at the shareholders' meetings.

There may thus be a risk for the minor shareholders to gather the votes to examine or balance the power on the issues proposed by the Tender Offeror at the shareholders' meetings.

(3) Delisting of securities from the SET

The 1/2006 shareholders' meeting on April 29, 2008 resolved for voluntary delisting of the Company's shares from the SET and on May 6, 2008 the SET approved the delisting on condition that the Company shall arrange to have the Tender Offeror make a tender offer to purchase shares from general shareholders pursuant to the SEC criteria with the maximum tender offer period of 45 business days before the SET's determination of the date of the delisting of the Company's shares.

Thus, the shareholders who still retain their shareholding after the Company's delisting from the SET shall be affected as follows:

1) Lack of trading liquidity

Without the listing status, the Company's shares will not be traded on the SET nor any other recognized secondary markets. As such, there will be no reference price for trading, hence a lack of trading liquidity.

2) *Change of return on investment*

Without the listing status, most of the return on investment will be limited to dividend only. There will be less opportunity for the shareholders to receive capital gains as there is no secondary market.

3) *Less tax privileges*

The shareholders who are natural persons will not be exempted from capital gain tax. In addition, in case Thailand Securities Depository Co., Ltd. does not act as the Company's registrar, the share transfer of both natural and juristic person shareholders will not be exempted from stamp duty which is calculated at 0.1% of the paid-up share price or the face value, whichever is higher.

4) *Less access to the Company's information*

After the delisting, the Company is no longer required to disclose the information pursuant to the SET criteria, and is not duty-bound to disclose its financial status and operating results as required by the Notification of the SEC No. GorJor. 40/2540 regarding rules, conditions and procedures governing the disclosure of information on financial position and operating results of securities issuing companies. The duties of the management and the auditor of the Company in the preparation and disclosure of report on securities holding in accordance with the SEC's Notification No. Sor. Jor. 14/1997 regarding preparation and disclosure of report on securities holding are also terminated.

However, the Company will retain its status as a public company so that the shareholders will be able to access information and news of the Company in compliance with the Public Companies Act B.E. 2535 (1992), such as disclosure at the shareholders' meeting and annual report that the Company will submit to the shareholders on a yearly basis. Moreover, the shareholders may make copy of the Company's significant documents at the Ministry of Commerce, for example, certificate of corporation, the shareholders' list and financial statements.

(4) Offering price being in line with the SEC criteria

The tender offer price of Bt. 188 per share accords with the criteria in clause 58 of the SEC notification no. GorJor. 53/2545 regarding the rules, conditions and procedure of acquisition of securities for business takeovers, thereby the tender offer price must not be lower than the highest price derived from the following:

Securities	Price (Bt./share)
1 The highest price of the shares acquired by the Tender Offeror or the persons under Section 258 of the Tender Offeror during the 90 days period before filing to the SEC	-None-
2 Weighted average market price of the Company's shares during the five business days period before the date on which the Board of Directors resolved for requesting the shareholders meeting's consideration of the share delisting or the date on which the shareholders meeting resolved for the share delisting, whichever is earlier	-None-
3 Net asset value of the Company calculated by the adjusted book value to reflect the latest market price of the assets and liabilities of the Company (calculated by Advisory Plus Co., Ltd., the independent financial advisor of the Company)	176.86
5 Fair value of the shares assessed by the financial advisors: - Share valuation by Bualuang Securities Plc., FA of the Tender Offeror, and - Share valuation by Advisory Plus Co., Ltd., IFA of the Company.	 172.63 176.86

5.2.2 Reasons for rejection of the tender offer

(1) The Company's business potential

The Company has recorded favorable operational performance with the ability to make dividend payment. During the past three years (2005-2007), it posted a net profit of Bt. 94 million, Bt. 120 million and Bt. 115 million. It made dividend payment at Bt. 7 per share, Bt. 6 per share and Bt. 6 per share, or payout ratio of 89%, 60% and 63% of net profit respectively.

Under the assumption that the Company runs on a going concern basis and there is no material change to the Company, the Company is expected to continue operating at profit and make dividend payment according to its dividend policy.

In addition, the Company has a major shareholder with strong financial position, who can provide financial support in case of the Company's additional fund requirement in the future.

(2) No material change by the Tender Offeror to business operations

The Tender Offeror is currently the Company's major shareholder with participation in the business management. According to the tender offer statement, the Tender Offeror has no plan to make material change to the Company's operational policy, hence continuation in its operations.

However, the shareholders who reject the tender offer will still benefit from being the Company's shareholders pursuant to the articles of association and the Public Companies Act B.E. 2535 (1992) including the right to receipt of dividend payment according to the Company's dividend policy.

5.3 Benefits or impacts from the plans and policies indicated in the tender offer and viability of such plans and policies

According to the tender offer statement, the Tender Offeror has the tender offer objective to delist the Company's securities from the SET. We are of the opinion that after the tender offer, which is a condition required for the SET's approval of the delisting, the Company will still retain its public company status and continue operating its non-life insurance business on a going concern basis. The supporting reasons are as follows:

5.3.1 Future policies and plans

The Tender Offeror is the founder and major shareholder of the Company. Before this tender offer, the Tender Offeror and persons under Section 258 of the Tender Offeror own 87.30% and 0.057% of total issued and paid-up shares of the Company respectively. They have three representatives appointed as the Company's directors, out of the total number of 12 directors.

In addition, the Tender Offeror has stated in the tender offer that the Tender Offeror has no intention to make material changes to the Company's business policy or management plan or disposition of the key assets as well as the change in its main objective in the next 12 months from the end of the tender offer period. However, the Tender Offeror may make adjustments of the organization structure, management, financial structure, investment plan and dividend payment policy for appropriateness and improvement of operational efficiency and future financial position, which will have no significant impacts on the normal business operations of the Company.

We view that the future policy and plan indicated by the Tender Offeror in the tender offer statement are viable and align with the Company's existing circumstances. This is because the Tender Offeror is currently the Company's major shareholder having three representatives on the Board of Directors which is composed of a total of 12 members. The Board of Directors of the Company has all along not been changed so significantly. Therefore, it can be assured that the Company's future policy and plan stated by the Tender Offeror will be feasible and proper.

5.3.2 Related or mutual transactions

At present, the Company has related/mutual transactions with the Tender Offeror and/or the persons under Section 258 of the Tender Offeror, which are in accordance with the business conditions and/or the financial status of the Company. In the future, it is possible that such transactions will take place again as considered reasonable and necessary in the business context.

We view that after the share delisting, the Company will no longer be obliged to comply with the rules and regulations of the SET, the entering into transactions with the Tender Offeror or related persons is not required to conform with the criteria and procedure of the disclosure of connected transactions. This may disable the shareholders to examine or access details of the information on such related transactions and the approval thereof.

However, the Company is still duty-bound to disclose related or inter-party transactions in its notes to financial statements. If there are any related transactions, the Company is required to comply with its articles of association and the provisions of the Public Companies Act B.E. 2535 (1992) subject to the resolution of the Board of Directors or the shareholders meeting, as the case may be.

5.3.3 Share offering plan

The Tender Offeror has stated in the tender offer that it may sell or transfer the Company's shares it holds before and after the tender offer to any party in a significant amount within 12 months from the end of the tender offer period.

We view that such sale or transfer of shares to any party which will result in the decline in the Tender Offeror's shareholding in the Company will pose impact on the retail shareholders in that they cannot collect adequate votes to examine and/or balance the power of the major shareholder.

5.4 Benefits to and impacts on the shareholders in case they reject the tender offer (only in case of the tender offer for the purpose of securities delisting from the SET)

The dissenting shareholders will still retain their shareholder status with entitlement, pursuant to the Company's articles of association and the Public Companies Act B.E. 2535 (1992), to the attendance of the shareholders' meeting, election of directors and access to information, etc.

The shareholders also have the right to receipt of dividend payment if the Company records profit and has no retained deficit. As of March 31, 2008, the Company posted retained earnings of Bt. 1,286.12 million. It has allocated altogether Bt. 957.02 million to such reserves as legal reserve Bt. 12 million, general reserve Bt. 850 million and reserve for business expansion Bt. 95.02 million. The unallocated earnings are Bt. 329.10 million. On May 7, 2008, the Company made dividend payment for the 2007 operations at Bt. 6 per share, totaling Bt. 72 million.

The shareholders are entitled to sell the shares to other parties but they will be subject to income tax on the gains thereof (if any). They will also be impacted by consequences of the Company's delisting from the SET, and also the balance of power and controlling power over the Company's business operations by the major shareholder, as stated in 5.2.

Conclusion of the Financial Advisor's opinions

From the above information and reasons, we are of the opinion that the tender offer and the tender offer price of Bt. 188 per share are reasonable. The price is higher than the fair price valuated by the Financial Advisor by the adjusted book value approach, i.e. Bt. 176.86 per share, and it is not lower than the highest prices derived pursuant to the criteria of the SEC Notification relating to the making of tender offer for securities delisting.

Therefore, we recommend that the shareholders accept the tender offer. However, in deciding as to whether to accept or reject the tender offer, the shareholders should take into consideration the reasons and comments given herein and make the final decision at their own discretion.

We hereby certify that we have given opinions on the tender offer prudently in line with professional practices and with due regard for the interest of the shareholders.

Yours sincerely,
Advisory Plus Co., Ltd.

- Prasert Patradhilok-

(Prasert Patradhilok)
Director