

- Translation -

THE OPINION OF THE INDEPENDENT FINANCIAL
ADVISOR IN RESPECT OF THE CONNECTED
TRANSACTIONS AND DISPOSITION OF ASSETS

The Sale of Entire Ordinary Shares Held in Sathorn Asset Management
Company Limited and the Sale of an Identified Non-Performing Loan
Portfolio of CIMB Thai Bank Public Company Limited

Proposed to the Shareholders of



CIMB Thai Bank Public Company Limited

Prepared by



TISCO Securities Company Limited

8 April 2010

IMPORTANT NOTE

This English translation of the Opinion of the Independent Financial Advisor report has been prepared solely for the purpose of facilitating the comprehension of foreign shareholders of CIMB Thai Bank Public Company Limited and shall not in any event be construed or interpreted as having effect in substitution for or supplementary to the Thai version thereof. The Thai version is the definitive and official document and shall prevail in all respects in an event of any inconsistency with this English translation.

TABLE OF CONTENTS

	Page
1. Background of CIMB Thai Bank Public Company Limited.....	7
1.1 Background	7
1.2 Overview of Business Operation	10
1.3 Registered and paid up capital.....	12
1.4 Shareholder structure	12
1.5 Board of Directors.....	13
1.6 Financial conditions and operating performance	13
2. Nature and details of the Transactions.....	17
2.1 Date, month, year to enter into the Transactions	17
2.2 Type and size of the Transactions.....	17
2.3 Explanation of the Transactions	20
2.4 Total value of considerations	29
2.5 Name of the connected persons and their relationship.....	30
3. Reasonableness of the Transactions.....	33
3.1 Objectives and necessities of the Transactions.....	33
3.2 Advantages and Disadvantages of the Transactions	33
3.3 Comparison of Advantages and Disadvantages of Entering into the Transactions with Related Party	36
4. Fairness of the Price and Conditions of the Sale of STAMC Transaction	38
4.1 Fairness of Transaction Price	38
4.2 Fairness of Conditions of the Transaction	57
5. Fairness of the Price and Conditions of the Sale of NPLs Transaction.....	58
5.1 Fairness of Transaction price	58
5.2 Fairness of Conditions of the Transaction	67
6. Summary of the Opinion of the Independent Financial Advisor	68

Appendix 1: Details summary of Investment in receivables and Property Foreclosed of STAMC

Abbreviations

BAM	:	Bangkok Commercial Asset Management Company Limited
CIMB Bank	:	CIMB Bank Berhad
CIMB Group	:	CIMB Group Sdn Bhd
CIMB Thai	:	CIMB Thai Bank Public Company Limited
FIDF	:	Financial Institutions Development Fund
IAS	:	International Accounting Standards
MLR	:	Minimum Lending Rate
NFS	:	NFS Asset Management Company Limited
Non-TDR	:	Non-Troubled Debt Restructuring
NPLs	:	Non-Performing Loans
NTA	:	Net Tangible Assets
SAM	:	Sukhumvit Asset Management Company Limited
SCIB	:	Siam City Bank Public Company Limited
SEC	:	Securities and Exchange Commission
SET	:	Stock Exchange of Thailand
SME	:	Small and Medium Enterprises
STAMC	:	Sathorn Asset Management Company Limited
TDR	:	Troubled Debt Restructuring
THB	:	Thai Baht
TMB	:	TMB Bank Public Company Limited
WACC	:	Weighted Average Cost of Capital



No. IBL 14 / 2553

8 April 2010

Re: The Opinion of the Independent Financial Advisor in Respect of the Connected Transactions and Disposition of Assets for the Sale of Entire Ordinary Shares Held in Sathorn Asset Management Company Limited and the Sale of an Identified Non-Performing Loan Portfolio of CIMB Thai Bank Public Company Limited

To: The Board of Directors and Shareholders of
CIMB Thai Bank Public Company Limited

Whereas the Board of Directors' meeting of CIMB Thai Bank Public Company Limited ("CIMB Thai" or the "Bank") No. 12/2009 held on 25 November 2009 and No. 5/2010 held on 25 March 2010 have approved on the Restructuring of the Bad Bank of CIMB Thai in order to restructure the Bank's non-performing asset division (the "Proposals"), by means of the following transactions:

- (1) The sale of CIMB Thai's 2,499,993 ordinary shares, with par value of THB 10 per share, held in Sathorn Asset Management Company Limited ("STAMC"), representing 99.99% of the registered and paid up capital of STAMC, for a cash consideration of THB 229,149,954 to CIMB Group Sdn Bhd ("CIMB Group"), which is the indirect major shareholder of CIMB Thai, and/or its nominated subsidiary (the "Proposed Purchaser") (the "Sale of STAMC");
- (2) Upon completion of the Sale of STAMC, the sale of an identified non-performing loans ("NPLs") portfolio of CIMB Thai encompassing corporate, SME, and retail secured NPLs with a net book value of THB 3,160,530,190.71 as at 31 December 2009 to STAMC for a total cash consideration of THB 3,160,530,190.71 (the "Sale of NPLs"); and
- (3) Pursuant to the Sale of NPLs, CIMB Thai shall enter into a loan agreement with STAMC for the lending of up to THB 3,000 million which is to be fully guaranteed by CIMB Group Holdings Berhad for the partial financing of the purchase of NPLs from CIMB Thai, representing approximately 24% of the capital fund of CIMB Thai as at 31 December 2009 (the "CIMB Thai Loan")

In this regard, the Sale of STAMC, the Sale of NPLs (collectively defined as the “Transactions”), and the CIMB Thai Loan are considered connected party transactions, as prescribed in the Notification of the Capital Market Supervisory Board TorChor 21/2551 re: Related Parties Transactions and the Notification of the Board of Governors of the Securities Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected transactions, 2003 (“Notification of Connected Transactions”). In addition, the Sale of STAMC and Sale of NPLs are considered as a disposition of assets as prescribed in the Notification of the Capital Market Supervision Board No. TorChor 20/2551 re: Disclosure of Information and Other Acts of Listed Company Concerning the Acquisition and Disposition of Assets, 2004 (“Notification of Acquisition and Disposal of Assets”).

For the case of the CIMB Thai Loan transaction as mentioned in (3), the Bank will be exempted under the Notification of Connected Transactions as the loan is to be granted on an arm’s length basis, and which has already been approved by the Board of Directors’ meeting of CIMB Thai No. 12/2009 held on 25 November 2009 and No. 5/2010 held on 25 March 2010. Therefore, the CIMB Thai Loan transaction will be considered as a transaction in the ordinary course of business of the Bank and shall not require shareholders’ approval in the shareholder meeting. As the date of rendering this opinion, the Bank has not yet finalized the definite terms and conditions of the loan.

According to the calculation prescribed in the Notification of Connected Transactions, the size of the total consideration of the Sale of STAMC and the Sale of NPLs transactions is 45.52%, which is more than 3% of the net tangible assets of the Bank and its subsidiaries, according to the audited financial statements as at 31 December 2009. In addition, according to the calculation prescribed in the Notification of Acquisition and Disposal of Assets, the size of the Transactions on a net profit basis, is 1,974.48%, which is more than 50%. As such, CIMB Thai is required to receive approval from the Bank’s Board of Directors (interested directors shall abstain), disclose the details of the transaction to the Stock Exchange of Thailand (the “SET”), and receive approval from the Bank’s shareholders in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and who are entitled to vote. As CIMB Bank Berhad (“CIMB Bank”) is an interested shareholder, CIMB Bank shall abstain from voting on this agenda item.

CIMB Thai will enter into the Transactions after receiving the approval on the Proposals from the Bank’s Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 and after receiving the approval from the requisite regulatory authorities, which includes, amongst others, the Bank of Thailand and the Securities and Exchange Commission (the “SEC”) (as applicable).

In this respect, CIMB Thai has appointed TISCO Securities Company Limited (the “Financial Advisor”) to be an Independent Financial Advisor to the shareholders of the Bank for rendering an opinion

concerning the reasonableness, fairness of the pricing, and the terms and conditions of the Transactions.

In rendering an opinion on the Transactions to shareholders of CIMB Thai, the Financial Advisor has relied on documents received from the Bank and/or STAMC, which are prepared by the management of the Bank and/or STAMC; information disclosed by the Bank to the SET and information in the public domain including the Bank's Board of Directors' approval of the Bank for the Transactions, the financial statements of CIMB Thai and STAMC; draft annual registration statement (Form 56-1); annual report; information from interviews with the Bank's and/or STAMC's managements and employees, and other relevant documents, including the economic situation, capital markets, money markets, and other external factors affecting the operations of CIMB Thai and/or STAMC as well as the operations of the debtors and their ability to generate income and servicing the scheduled loans and/or expected value and time required from forced sale of collaterals and Property Foreclosed.

In rendering an opinion on the Transactions to shareholders of CIMB Thai, the Financial Advisor assumes that the received information and documents are reliable, complete, and accurate at the date that the Financial Advisor rendered the opinion on the Transactions and have no significant changes subsequent to the date that the Financial Advisor rendered the opinion. The Financial Advisor has not performed an independent separate full and complete due diligence such information and cannot provide any certification or guarantee on the accuracy or completeness of the information and materials supplied by CIMB Thai and/or STAMC and their related management and employees. For all assumptions presented in the report, the Financial Advisor have considered available information and evaluated such information to the standard of professional practice. In addition, the Financial Advisor has not reviewed the tax, legal cases occurred from the business operations of CIMB Thai and/or STAMC. Therefore, the Financial Advisor cannot provide any opinion on accounting, tax, legal, operations, marketing, and other aspects of CIMB Thai and/or STAMC. In the circumstances that the received information and documents received from CIMB Thai and/or STAMC as well as the economic situation, capital markets, money markets, and other external factors have changed from the date of rendering the opinion on the Transactions, the rendered opinion of the Financial Advisor might have to be changed accordingly.

However, as the CIMB Thai Loan transaction is exempted under the Notification of Connected Transactions as the loan is to be granted on an arm's length basis, and has already been approved by the Board of Directors' meeting of CIMB Thai as mentioned, CIMB Thai shall not require shareholders' approval in the shareholder meeting. As at the date of rendering this opinion, the Bank has not yet finalized the definite terms and conditions of the loan, therefore, the Financial Advisor cannot rendered an opinion on the terms and conditions of the CIMB Thai Loan transaction.

Summary of opinion of the Financial Advisor

The objectives of the Restructuring of the Bad Bank of CIMB Thai are to restructure the Bank's non-performing asset division and to improve the overall asset quality and capital position of the Bank, and enable the Bank to focus on its core businesses.

The Sale of STAMC and the Sale of NPLs are considered connected party transactions according to the Notification of Connected Transactions and disposition of assets according to the Notification of Acquisition and Disposal of Assets. As such, CIMB Thai is required to disclose the details of the transaction to the SET, receive approval from the Bank's Board of Directors, and receive approval from the Bank's shareholders in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and who are entitled to vote. As CIMB Bank is an interested shareholder, CIMB Bank shall abstain from voting on this agenda item.

In rendering the opinion on the fairness of the price of shares of the Sale of STAMC transaction, the Financial Advisor has considered various methods and is of the opinion that the Discounted Cash Flows Model Approach is more appropriate than the Book Value Approach and the Adjusted Book Value Approach because the Discounted Cash Flows Model Approach takes into account the detailed projected discounted cash flows under the current situation as well as includes operation expenses and profit making ability of STAMC which best reflects the fair value of shares of STAMC. The fair value of shares of STAMC according to the proportion held by CIMB Thai based on the Discounted Cash Flows Model Approach is between THB 165,838,678 and THB 219,308,032. Such range is lower than the offer price of THB 229,149,954 by 27.63% and 4.29%, respectively. Therefore the proposed transaction price of the Sale of STAMC transaction is deemed to be fair as it is greater than the valuation range derived from the above mentioned approach. In rendering the opinion on the appropriateness of the condition to the Sale of STAMC transaction, the Financial Advisor has considered the condition in which CIMB Thai will receive in form of cash consideration having the payment period, which will be agreed upon in the future, according to normal business practice in shares acquisition transactions. Therefore the Financial Advisor is of the opinion that such condition in entering into the Sale of STAMC transaction is deemed to be fair as it is to be a normal business practice.

In rendering the opinion on the fairness of the price of the Sale of NPLs transaction, the Financial Advisor has considered various methods and is of the opinion that the Expected Realizable Value Approach and the Transactions Comparable Approach is more appropriate than the Book Value Approach. The Expected Realizable Value Approach is more appropriate as it provides the details estimate of the projected cash flows as well as includes operating expenses of each particular account

associated with managing the portfolio while the Transactions Comparable Approach is appropriate as the approach factors in the free negotiations on the purchase prices. The fair value of NPLs according to the proportion held by CIMB Thai based on the Expected Realizable Value Approach and the Transactions Comparable Approach is between THB 2,284,498,573 and THB 2,842,957,825. Such range is lower than the offer price of THB 3,160,530,190.71 by 27.72% and 10.05%, respectively. Therefore the proposed transaction price of the Sale of NPLs transaction is deemed to be fair as it is greater than the valuation range derived from the above mentioned approaches. In entering into the Sale of NPLs transaction for cash, CIMB Thai will receive a consideration equivalent to the net book value as of 31 December 2009, which was THB 3,160,530,190.71 deduct by the actual cash collected since 1 January 2010 until the closing date of the Sale of NPLs transaction. The Financial Advisor considers this condition to be fair to both the seller and buyer and is similar to the conditions of CIMB Thai in selling the NPLs in the past.

Nevertheless, given the intention of CIMB Thai to conclude the Sale of NPLs with certainty and within minimum time frame, the selling process of the Sale of NPLs will not be through the open market or auction process, but will be directly sold to STAMC. As the NPLs will not be through a public bidding process, neither the price nor the terms and conditions will be freely negotiated between the seller and the potential buyer(s). Hence, the Financial Advisor is of the opinion in the case that outside party(ies) offer(s) a more favorable price and/or terms and conditions during the period that the agreement has not yet been signed between CIMB Thai and STAMC, CIMB Thai should consider such offer(s) from the outside bidder(s).

The Financial Advisor is of the opinion that the shareholders should vote in favor of the Transactions. If the shareholders vote in favor of the Transaction and the Bank obtains approval from the Bank of Thailand and relevant authorities, the Bank will enter into the CIMB Thai Loan transaction which is part of the Proposal and has already been approved by the Board of Directors' meeting of CIMB Thai No. 12/2009 held on 25 November 2009 and No. 5/2010 held on 25 March 2010.

Nevertheless, the final decision is at the discretion of the shareholders. The opinion of the Financial Advisor is based on the assumption that information and documents received from CIMB Thai and/or STAMC as well as interviews with CIMB Thai's and/or STAMC's managements and employees are reliable, complete, and accurate. Moreover, in order to make an informed decision, the shareholders should carefully study other documents attached in this letter in details as well as attend the shareholders' meeting.

The Financial Advisor, hereby, warrants that this report is prudently and professionally evaluated for the interests of the Bank's shareholders.

The details of the opinion of the Financial Advisor are as follows:

1. Background of CIMB Thai Bank Public Company Limited

1.1 Background

CIMB Thai, previously BankThai Public Company Limited, was established on 21 December 1998 through the amalgamation of the Union Bank of Bangkok Public Company Limited, Krung Thai Tanakij Finance Public Company Limited, and 12 other finance companies¹.

After the amalgamation, several capital and business restructuring plans were implemented, which resulted in the Financial Institutions Development Fund (the "FIDF") holding 100% of the Bank's outstanding issued and paid-up share capital and warrants. As part of the plan to privatize the Bank, FIDF offered its shares to the public and on 30 March 2001, the Bank was listed on the SET. Post-offering, FIDF's stake was reduced to approximately 48.98%. To further strengthen the Bank's capital position and enhance its competitiveness, the Bank raised additional capital and placed new capital to global private investment firm, Texas Pacific Group and its co-investors ("TPG Consortium") (which comprises Newbridge Sukhothai Netherlands B.V., Blum Strategic III BT Hong Kong Limited and MSOF Hong Kong BT Limited), in April 2007 of 731,450,194 shares equaling to 32.88% of the paid up capital of the Bank.

On 20 June 2008, the FIDF entered into a share purchase agreement with CIMB Bank. Under the agreement, the FIDF agreed to sell its 2,811.86 million shares in the Bank (equivalent to 42.13% of the total and paid up shares of the Bank) at the price of THB 2.10 per share, totaling of THB 5,904.91 million.

On November 5, 2008, CIMB Bank purchased ordinary shares of the Bank from FIDF, an existing shareholder of the Bank holding 2,811,862,559 shares or 42.13% of the total issued and paid-up shares of the Bank at the stated price. After the closing of the subsequent tender offer, CIMB Bank held 6,143,544,532 shares equaling 92.04% of the total paid-up shares of the Bank.

On 20 February 2009, the Extraordinary General Meeting of Shareholder No. 1/2009 had approved to make an amendment on the resolution of Extraordinary General Meeting of Shareholders No. 2/2009 subjected to the previous stipulated offering price not lower than THB 0.66 per share amended to THB 0.38 per share and approved a capital reduction via the reduction of par value from THB 3.75 per share

¹ Finance companies comprised of (1) Nava Finance and Securities Public Company Limited (2) Thai Summit Finance and Securities Company Limited (3) Mahatun Finance Company Limited (4) Bangkok Asian Finance Company Limited (5) Vajiradhanathun Finance Company Limited (6) Erawan Trust Company Limited (7) Progressive Finance Company Limited (8) Dhana Siam Finance and Securities Public Company Limited (9) First City Investment Public Company Limited (10) Ksit Finance and Securities Public Company Limited (11) Union Asia Finance Public Company Limited and (12) IFCT Finance and Securities Public Company Limited

to THB 0.50 per share. Post share offering to the existing shareholders in proportion to the number of shares for the capital increase purpose, the existing shareholders had fully booked the shares issued and offered totaling 6,674.70 million shares or total value of THB 2,536.38 million. After the completion of the share offering on 18 March 2009, CIMB Bank held a total of 12,435.06 million shares or 93.15% of the total shares issued and offered, and registered the change of name from BankThai Public Company Limited to CIMB Thai Bank Public Company Limited on 1 May 2009 with “CIMBT” designated as its stock trading sign.

During 2009 – March 2010, CIMB Thai had entered into various key transactions, which includes:

- July 2009 : The Bank integrated the operation of BT Securities Company Limited (a 99.99% owned subsidiary of the Bank) and CIMB-GK Securities (Thailand) Ltd, which are both within the CIMB Group, by transferring various identified assets; but excludes all securities licenses, memberships, and broker seats of CIMB-GK Securities (Thailand) Ltd. to BT Securities Company Limited.

- October 2009 : The Bank entered into a sale and purchase agreement of its office block in Sathorn (Sathorn Building) to a non-connected person for a value of approximately THB 1,053 million.

- December 2009 : The Bank’s Board of Directors’ meeting passed a resolution to approve the disposal of the Bank’s investment in Millea Life Insurance (Thailand) Public Company Limited of 27,000,000 ordinary shares, representing 15.26% of paid up share capital for a value of approximately THB 72 million.

- March 2010 : The Bank’s Board of Directors’ meeting passed a resolution to approve the disposal of the Bank’s investment in BT Insurance Company Limited of 29,999,910 ordinary shares, representing 99.99% of paid up share capital to Ayudhya Insurance Public Company Limited for a value of approximately THB 392 million.

The purposes of the Proposals are to restructure the Bank's non-performing asset division and to focus on the core businesses of commercial banks.

The Proposals comprise of the following transactions:

(1) The Sale of STAMC to CIMB Group or the Proposed Purchaser

The Sale of CIMB Thai's 2,499,993 ordinary shares held in STAMC, representing 99.99% of the registered and paid up capital of STAMC for a total cash consideration of THB 229,149,954 to CIMB Group, which is the indirect shareholder of CIMB Thai, and/or the Proposed Purchaser.

Upon the completion of the Sale of STAMC, CIMB Thai shall no longer hold any shares in STAMC and shall not include STAMC in the financial group of the Bank.

(2) The Sale of NPLs upon the completion of the Sale of STAMC

Upon completion of the Sale of STAMC, the sale of an identified non-performing loans portfolio of CIMB Thai; encompassing corporate, SME, and retail secured NPLs at the net book value as at 31 December 2009 of THB 3,160,530,190.71 to STAMC for a total cash consideration of THB 3,160,530,190.71. The actual consideration from the Sale of NPLs will be equal to the proposed transaction price deducted by the actual cash collected from 1 January 2010 until the closing date of the Sale of NPLs transaction.

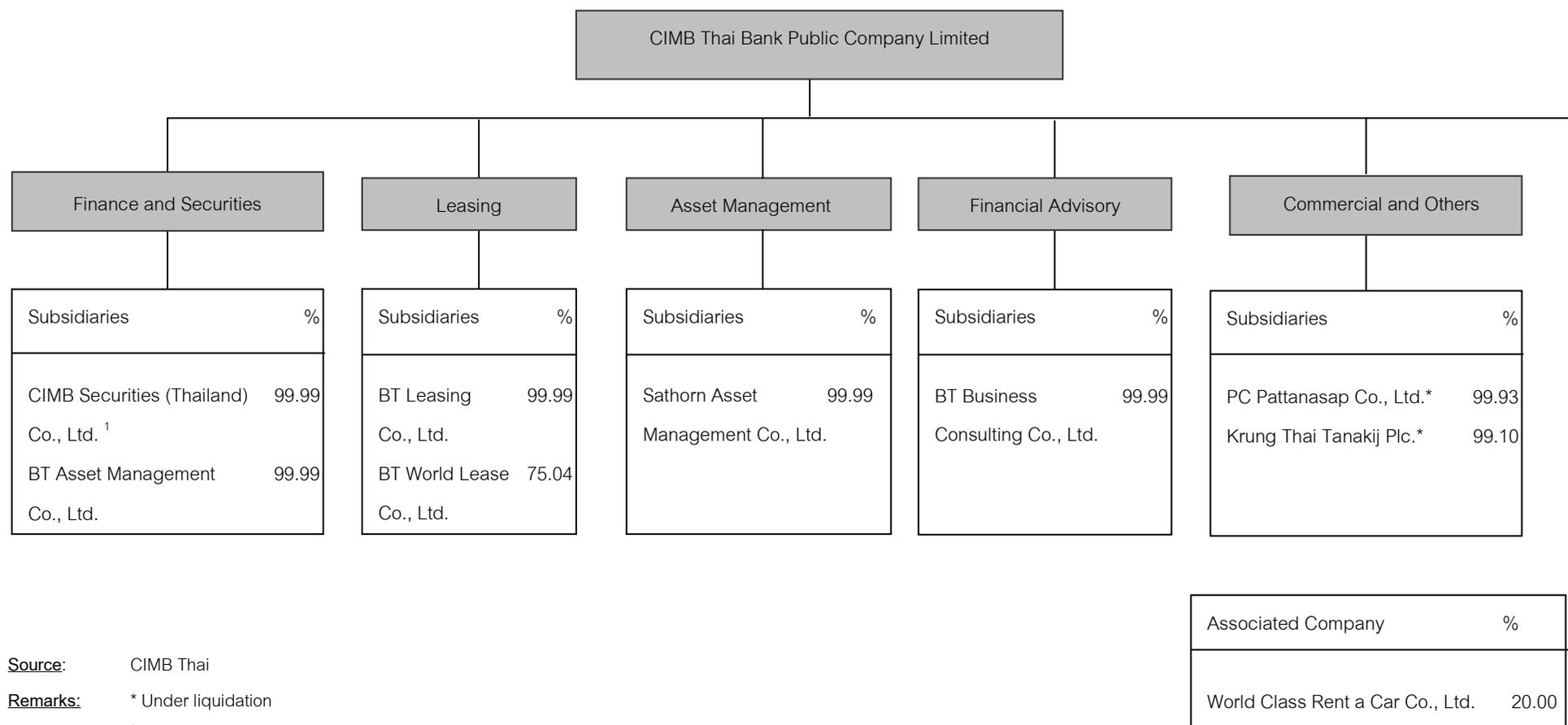
(3) CIMB Thai shall enter into a loan agreement with STAMC for the lending of up to THB 3,000 million for the partial financing of the Sale of NPLs

Pursuant to the Sale of NPLs, CIMB Thai shall enter into a loan agreement with STAMC for the lending of up to THB 3,000 million which is to be fully guaranteed by CIMB Group Holdings Berhad for the partial financing of the purchase of NPLs from CIMB Thai, of which the loan represents approximately 24% of the capital fund of CIMB Thai as at 31 December 2009. The loan shall be granted on an arm's length basis having the terms and conditions as if CIMB Thai enters into the loan agreement with a non-connected person.

CIMB Thai will enter into the Transactions after receiving the approval on the Proposals from the Bank's Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 and after receiving the approval from the requisite regulatory authorities, which includes, amongst others, the Bank of Thailand and the SEC (as applicable). CIMB Thai expects the Proposals to be completed later this year.

1.2 Overview of Business Operation

1.2.1 The Corporate Structure of the Bank, its subsidiaries, and affiliates as of 16 March 2010



1.2.2 Business Activities

The Bank is licensed by the Ministry of Finance and related authorities to engage in commercial banking, which constitutes the primary business of the Bank. In commercial banking, the Bank focuses on innovative and value-added products and services, particularly fee-based products and services such as to cash management, financial advisory and treasury.

The main business areas of the Bank can be summarized as follows:

1. Commercial banking: the Bank provides a full suite of commercial banking products and services, such as deposits, loans, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, tele-banking and ATM services;
2. Insurances: life and non-life insurance brokerage as licensed by Office of Insurance Commission, Ministry of Commerce;
3. Securities businesses and other related businesses as licensed by the Office of the SEC and/or Ministry of Finance such as:
 - 3.1 Financial advisory;
 - 3.2 Registrar and paying agent services;
 - 3.3 Debt securities dealing and underwriting;
 - 3.4 Bondholders' representative;
 - 3.5 Brokerage, dealing and underwriting of investment unit trusts;
 - 3.6 Custodian services;
 - 3.7 Derivatives dealing;
 - 3.8 Business consultancy; and
 - 3.9 Asset management

In all cases, the Bank holds a stake in businesses that contribute, either directly or indirectly, towards promoting its growth. The Bank's policy remains focused on building synergies between its strategic business units and its subsidiary and associate companies. With this in mind, the Bank intends to retain only those companies with growth potential and which are able to generate good investment returns.

As at 31 December 2009, the Bank operated 27 main offices with credit facilities and 147 branches, all of them equipped with foreign exchange facilities. In addition, customers enjoy easy and convenient access to 465 ATM terminals across the country.

1.3 Registered and paid up capital

As at 15 March 2010, the Bank's registered and paid up capital is THB 6,674,700,582 comprising of 13,349,401,164 ordinary shares at par value of THB 0.50 per share.

The Board of Directors' meeting of CIMB Thai No. 5/2010 held on 25 March 2010 has passed the resolution to approve for further submission to the shareholders in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 to increase the registered capital of the Bank by THB 1,483,266,796 from THB 6,674,700,582 to THB 8,157,967,387 via the issuance of 2,966,533,592 new ordinary shares of the Bank with a par value of THB 0.50 per share.

1.4 Shareholder structure

List of top 10 shareholders of CIMB Thai according to the latest list of shareholders as at 12 March 2010.

Name	Number of shares	Percentage
1. CIMB BANK BERHARD	12,435,069,760	93.15
2. BARCLAYS BANK PLC, SINGAPORE	529,733,488	3.97
3. Thai NVDR Co., Ltd.	55,934,510	0.42
4. Mr. Pisit Prukpaiboon	17,488,600	0.13
5. Mrs. Jaroonluk Panitchchiva	5,150,085	0.04
6. SCBSET Index Fund	4,835,300	0.04
7. Mrs. Ranee Auetaweekul	4,300,000	0.03
8. Mr. Preecha Sujinantakul	3,450,000	0.03
9. Mr. Phairoj Charoenwisuttiwong	3,426,500	0.03
10. Mr. Songchai Atcharyahiranchai	3,396,500	0.03
Total	13,062,784,743	97.85

Source: CIMB Thai

1.5 Board of Directors

List of the Board of Directors of CIMB Thai according to the latest list of Directors as at 15 March 2010

Name	Position
1 Mr. Chakramon Phasukavanich	Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman
3. Mr. Sukont Kanjana-Huttakit	Independent Director/Chairman of Audit Committee
4. Dato' Shaarani Bin Ibrahim	Independent Director/Member of Audit Committee
5. Mr. Chatchawal Eimsiri	Independent Director/Member of Audit Committee
6. Mrs. Watanan Petersik	Independent Director
7. Mr. Preecha Oonchitti	Director
8. Mr. Kenny Kim	Director
9. Mr. Chin Yuen Yin	Director
10. Mr. Subhak Siwaraksa	President and Chief Executive Officer

Source: CIMB Thai

1.6 Financial conditions and operating performance

1.6.1 Summary of financial statement of CIMB Thai and its subsidiaries

Summary of financial statement of CIMB Thai and its subsidiaries for the year ended 31 December 2007, 2008, and 2009.

Consolidated (Unit: THB million unless otherwise stated)	Audited		
	2007	2008	2009
<u>Financial position</u>			
Total assets	205,752.98	214,051.03	140,341.56
Interbank and money market items	8,741.49	43,367.15	15,369.55
Investment - net	76,957.44	45,520.19	20,714.60
Loans and accrued interest receivables - net	88,096.75	83,656.89	78,298.63
Total liabilities	205,041.96	208,915.80	132,397.43
Deposits	166,028.94	159,777.02	88,398.76
Interbank and money market items	7,698.81	10,249.75	9,947.37

Consolidated (Unit: THB million unless otherwise stated)	Audited		
	2007	2008	2009
Borrowings	9,715.09	7,069.13	15,143.44
Shareholders' equity	711.02	5,135.23	7,944.13
Issued and paid up share capital	8,343.38	25,030.13	6,674.70
Share discount	-	(10,606.99)	-
Retained earnings (deficit) and other reserve	(7,165.15)	(8,827.53)	1,269.43
<u>Operating results</u>			
Total Income	10,350.60	12,017.45	9,885.09
Interest and dividend income	14,469.38	11,366.84	7,754.18
Non-interest income	(4,118.78)	650.61	2,130.91
Total Expenses	17,277.56	14,001.07	9,880.77
Interest expenses	7,704.80	5,484.23	2,997.72
Bad debt and doubtful accounts	3,478.26	2,315.36	1,160.87
Non-interest expenses	6,084.62	6,141.53	5,671.61
Net income (loss) for the years	(6,926.96)	(1,983.62)	4.32
Equity holders of the Bank	(6,928.73)	(1,989.79)	1.67
Net income (loss) attributable to equity holders of the Bank* (THB)	(3.70)	(0.31)	0.00
<u>Financial ratios</u>			
Yield rate (%)	8.43	7.24	5.77
Cost rate (%)	4.02	3.04	2.06
Spread (%)	4.41	4.20	3.71
Net profit (%)	(66.94)	(16.56)	0.02
Return on equity (%)	(277.45)	(68.07)	0.03
Return on assets (%)	(3.26)	(0.95)	0.00
Allowance for doubtful accounts per total loan (%)	11.15	9.68	9.21
Bad debt per total loan (%)	0.09	2.12	2.77
Dividend payment (%)	-	-	-
Capital fund per risk assets (%) **	1.48	5.80	11.99
1 st tier capital fund per risk assets (%)	0.81	3.57	6.00

Source: Consolidated financial statements of CIMB Thai for the year ended 31 December 2007, 2008, and 2009 audited by certified public accountant

Remarks: * Earnings (losses) per share is basic earnings (losses) per share which is calculated by dividing net income (loss) for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year

** Information regarding Capital fund per risk assets and 1st tier capital fund per risk assets as at 31 December 2009 is based on the consolidated financial statement. The Bank will disclose capital maintenance information as at 31 December 2009 in accordance with the Notification of the Bank of Thailand re: Public Disclosure of Capital Maintenance Information for Commercial Banks on the Bank's web site at www.cimbthai.com, within April 2010.

1.6.2 Analysis of financial standing and operating performance of CIMB Thai and its subsidiaries

1.6.2.1 *Financial position*

Assets

CIMB Thai and its subsidiaries' primary assets consist of loans, investments, interbank and money market items. As at 31 December 2009, CIMB Thai Bank Group had total assets of THB 140,341.56 million showing a decrease of THB 73,709 million or 34% as compared to the end of 2008. Net loans outstanding were THB 78,299 million, a decrease of THB 5,358 million or 6.4% year-on-year as a result of capital constraints in the first quarter of 2009, which a the time the Capital Fund per risk assets and 1st tier capital fund per risk assets of the Bank were lower than the level required by the Bank of Thailand. Investments were at THB 20,715 million, a decrease of THB 24,806 million or 54.5% following the disposal of THB 19,296 million available-for-sales securities and THB 5,464 million held-to-maturity debt securities during 2009. The interbank and money market items were THB 15,370 million, a decrease of THB 27,997 million or 64.6% as a result of deposit rightsizing in reducing excess liquidity especially high cost deposits thus leaving lesser funds to place out in the interbank and money market.

Liabilities and shareholders' equity

As at 31 December 2009, CIMB Thai and its subsidiaries had total liabilities of THB 132,397 million representing a decrease of THB 76,518 million or 36.6% from 31 December 2008. The major component contributing to the decline was the total deposits which declined by THB 71,378 million or 44.7% to THB 88,399 million. This large reduction resulted from the deposit rightsizing initiative which reduced high cost/excess deposits. Interbank and money market liabilities decreased by THB 302 million or 3.0% while the borrowings increased by THB 8,074 million or 114.2% to THB 15,143 million following the issuance of subordinated debt as part of the Bank's recapitalisation program in April 2009.

As at 31 December 2009, the shareholders' equity was THB 7,944 million representing an increase of THB 2,808 million or 54.7% compared to 2008. The major movements included the

capital injection of THB 25,030 million followed by a capital reduction of THB 43,386 million from a par value reduction from THB 3.75 to THB 0.50 per share. This capital reduction was made in offsetting the accumulated retained losses and the share discount account.

With the current capital position together with relatively small profits, CIMB Thai did not declare any dividends to its shareholders in 2009. The Bank's Board of Directors also approved to appropriate THB 3.5 million of the current year profit of THB 68.7 million into statutory reserve and to carry the remaining net profit forward into retained earnings.

1.6.2.2 Performance results

For the financial year ended 31 December 2009, the Bank and its subsidiaries reported a net profit of THB 4.32 million compared to a net loss of THB 1,984 million for 2008. This marked a significant turnaround amounting to THB 1,991 million. The turnaround was mainly driven by the 228% expansion in Non Interest Income primarily due to gain on sale of investments of approximately THB 774 million as well as there were no marked-to-market losses for Collateralised Debt Obligation (CDO), in which the Bank already recorded a loss of approximately THB 2,415 million, as there had been in 2008 since all the CDO's were disposed in 2008. The group's total gross loans shrank 7% year-on-year as the Bank's capital positioning the first quarter did not allow the loan book to grow. Soon after the recapitalisation was completed in April 2009, the loan book grew steadily especially during the second half of 2009.

2. Nature and details of the Transactions

2.1 Date, month, year to enter into the Transactions

CIMB Thai will enter into the Transactions after receiving the approval on the Proposals from the Bank's Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 and after receiving the approval from the requisite regulatory authorities, which includes, amongst others, the Bank of Thailand and the SEC (as applicable).

CIMB Thai will enter into the Sale of STAMC transaction with CIMB Group and/or the Proposed Purchaser and, subsequently, enter into the Sale of NPLs transaction after the completion of the Sale of STAMC. Therefore, at the date of entering into the Sale of NPLs transaction, STAMC will be considered as the connected person. CIMB Thai expects the transactions to be completed within 2010, upon obtaining the requisite regulatory approvals, which include the BOT.

2.2 Type and size of the Transactions

The Sale of STAMC and the Sale of NPLs are considered as the connected transaction relating to assets or service, as prescribed in the Notification of Connected Transactions and are considered as the disposition of assets transaction, as prescribed in Notification of Acquisition and Disposal of Assets.

According to the audited financial statement of CIMB Thai and its subsidiaries for the period ended 31 December 2009, the Bank and its subsidiaries had net income of THB 4.32 million and total assets of THB 140,341.56 million. The net tangible assets as at 31 December 2009 can be calculated as follows:

$$\begin{aligned} \text{Net tangible assets} &= \text{Total assets} - \text{Total liabilities} - \text{Intangible assets} - \text{Minority} \\ &\quad \text{shareholders' equity} \\ (\text{Unit: THB million}) &= 140,341.56 - 132,397.43 - 427.22 - 70.36 \\ &= 7,446.55 \end{aligned}$$

Source: Audited financial statement of CIMB Thai and its subsidiaries for the period ended 31 December 2009

2.2.1 The Sale of STAMC

The calculation of the Sale of STAMC transaction with a proposed transaction value of THB 229.15 million according to the Notification of Connected Transactions and the Notification of Acquisition and Disposal of Assets can be illustrated as follows:

2.2.1.1 *Calculation according to the Notification of Connected Transactions*

$$\begin{aligned} \text{Size of transaction} &= \text{Value of the transaction} / \text{Net tangible assets of CIMB Thai and its subsidiaries} \\ \text{(Unit: THB million)} &\quad \text{(as at 31 December 2009)} \\ &= 229.15 / 7,446.55 \\ &= 3.08\% \end{aligned}$$

From the above calculation according to the Notification of Connected Transactions, the size of the transaction according to the proposed transaction value would result in a transaction size of 3.08%, which is greater than 3%, of the net tangible assets of CIMB Thai and its subsidiaries as at 31 December 2009.

2.2.1.2 *Calculation according to the Notification of Acquisition and Disposal of Assets*

$$\begin{aligned} 1. \text{ Value of assets acquired} &= \text{(Net tangible assets of STAMC / Net tangible assets of CIMB Thai} \\ \text{or disposed base} &\quad \text{and its subsidiaries) x \% of disposed shares} \\ \text{(Unit: THB million)} &\quad \text{(as at 31 December 2009)} \\ &= (229.15 / 7,446.55) \times 0.99 \\ &= 3.08\% \\ \\ 2. \text{ Value of consideration} &= \text{Value of consideration} / \text{Total assets of CIMB Thai and its} \\ \text{paid or received base} &\quad \text{subsidiaries} \\ \text{(Unit: THB million)} &\quad \text{(as at 31 December 2009)} \\ &= 229.15 / 140,341.56 \\ &= 0.16\% \\ \\ 3. \text{ Net after tax profit base} &= \text{(Net after tax profit of STAMC / Net after tax profit of CIMB Thai} \\ \text{(Unit: THB million)} &\quad \text{and its subsidiaries) x \% of disposed shares} \\ &\quad \text{(as at 31 December 2009)} \\ &= (86.12 / 4.32) \times 0.99 \\ &= 1,974.48\% \end{aligned}$$

From the above calculation, according to the Notification of Acquisition and Disposal of Assets, the highest calculation is the net after tax profit base, which is calculated by comparing the net

after tax profit of STAMC and that of CIMB Thai and its subsidiaries as at 31 December 2009, of 1,974.48%. The value of which is greater than 50% according to the Notification of Acquisition and Disposal of Assets.

2.2.2 The Sale of NPLs

The calculation of the Sale of NPLs transaction with a proposed transaction value of THB 3,160.53 million according to the Notification of Connected Transactions and the Notification of Acquisition and Disposal of Assets can be illustrated as follows:

2.2.2.1 *Calculation according to the Notification of Connected Transactions*

$$\begin{aligned} \text{Size of transaction} &= \text{Value of the transaction} / \text{Net tangible assets of CIMB Thai and its subsidiaries} \\ \text{(Unit: THB million)} &\quad \text{(as at 31 December 2009)} \\ &= 3,160.53 / 7,446.55 \\ &= 42.44\% \end{aligned}$$

From the above calculation according to the Notification of Connected Transactions, the size of the transaction according to the proposed transaction value would result in a transaction size of 42.44%, which is greater than 3%, of the net tangible assets of CIMB Thai and its subsidiaries as at 31 December 2009.

2.2.2.2 *Calculation according to the Notification of Acquisition and Disposal of Assets*

$$\begin{aligned} \text{Value of consideration paid or} &= \text{Value of consideration} / \text{Total assets of CIMB Thai and its} \\ \text{received base} &\quad \text{subsidiaries} \\ \text{(Unit: THB million)} &\quad \text{(as at 31 December 2009)} \\ &= 3,160.53 / 140,341.56 \\ &= 2.25\% \end{aligned}$$

From the above calculation, according to the Notification of Acquisition and Disposal of Assets, the highest calculation is the net after tax profit base, which is calculated by comparing the net after tax profit of STAMC and that of CIMB Thai and its subsidiaries as at 31 December 2009, of 1,974.48%. The value of which is greater than 50% according to the Notification of Acquisition and Disposal of Assets.

2.2.3 The combination of transactions

According to the calculation prescribed in the Notification of Connected Transactions, the size of the total consideration of the Sale of STAMC and the Sale of NPLs transactions is 45.52%, which is more than 3% of the net tangible assets of the Bank and its subsidiaries, according to the

audited financial statements as at 31 December 2009. In addition, according to the calculation prescribed in the Notification of Acquisition and Disposal of Assets, the size of the total consideration of the Sale of STAMC and the Sale of NPLs base on the highest basis, which is the net profit basis, is 1,974.48%, which is more than 50%.

As such, CIMB Thai is required to disclose the details of the transaction to the SET, receive approval from the Bank's Board of Directors, and receive approval from the Bank's shareholders in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and who are entitled to vote. As CIMB Bank is an interested shareholder, CIMB Bank shall abstain from voting on this agenda item.

2.3 Explanation of the Transactions

2.3.1 Overview of STAMC

Sathorn Asset Management Company Limited was incorporated on 3 May 2005 and, subsequently, was licensed by the Bank of Thailand to operate an asset management business. STAMC is in the business managing non-performing assets purchased or transferred from financial institutions, including the collateral for those assets, either for management or further disposal. CIMB Thai is the major shareholder of STAMC with the holding of 99.99% of the registered and paid up capital of STAMC. Since its incorporation, STAMC has acted as an agency of CIMB Thai in managing the non-performing assets transferred from the Bank.

2.3.1.1 Investment in receivables and Property Foreclosed

Major assets of STAMC are non-performing assets that were transferred to STAMC from CIMB Thai during 2005, 2006, and 2008. Such transfer of non-performing assets was without recourse. The value of the transferred non-performing assets is calculated according to the transfer pricing of assets within the group determined by the management and deemed to be fair value. The transfer pricing according to the guideline is considered to be fair value and is used to recognize the value of the transferred non-performing assets. The value is mostly determined from the net book value at the transferred date together with related collaterals. The value of the Property Foreclosed is recognized at the auctioned price as stated in the agreement.

In the past, the important transfers of assets and investments of STAMC are as follows:

- In 2005, investment in real estate properties was transferred to STAMC from CIMB Thai, at an estimated price of THB 268 million.

- In 2006, 5,864 non-performing loan accounts were transferred to STAMC from CIMB Thai, at an estimated value price of THB 4,854 million.
- In 2008, 111 non-performing loan accounts were transferred to STAMC from CIMB Thai, at an estimated price of THB 109 million.
- STAMC entered into an agreement to sell NPLs as of 29 February 2008 to Bangkok Asset Management Company Limited (“BAM”) and to Sukhumvit Asset Management Company Limited (“SAM”), for a total price of THB 2,691 million with gains on sales of investment (excess of selling price over net book value after deducting allowance for impairment) of THB 1,125 million.
- During 2009, 8,673 non-performing loan accounts were transferred to STAMC by a related company at the total price of THB 6 million.

Details of Investments in receivables and Property Foreclosed of STAMC as at 31 December 2009 can be summarized as follows:

1) *Investment in receivables*

Details of Investment in receivables of STAMC as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Type	No. of accounts	Investment in receivables	Allowance for impairment*	Investment in receivables – net *
Troubled Debt Restructuring**	67	10.9	0.0	10.9
Non-troubled Debt Restructuring	3,803	259.2	150.2	109.0
Deferred debt	8,616	0.0	0.0	-
Total	12,486	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remarks: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

** Include accounts that are classified under loans according to the audited financial statement of STAMC with Investments in receivables and Allowance for doubtful accounts of THB 982,167 and THB 5,490, respectively.

Details of Investment in receivables for Troubled Debt Restructuring of STAMC as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Type	No. of accounts	Investment in receivables	Allowance for impairment*	Investment in receivables-net *	Expected cash flows
Corporate**	30	6.8	-	6.8	291.2
Retailed secured	37	4.1	0.0	4.1	16.9
Total	67	10.9	0.0	10.9	308.1

Source: STAMC as at 31 December 2009

Remarks: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

** Include accounts that are classified under loans according to the audited financial statement of STAMC with Investments in receivables and Allowance for doubtful accounts of THB 982,167 and THB 5,490, respectively.

Details of Investment in receivables for Non-troubled Debt Restructuring of STAMC as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Type	No. of accounts	Investment in receivables	Allowance for impairment*	Investment in receivables-net *	Value of collaterals according to most recent appraisal reports
With collaterals**	216	121.0	12.0	109.0	298.0
Without collaterals	3,587	138.2	138.2	0.0	-
Total	3,803	259.2	150.2	109.0	298.0

Source: STAMC as at 31 December 2009

Remarks: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

** Include accounts that are classified under loans according to the audited financial statement of STAMC with Investments in receivables and Allowance for doubtful accounts of THB 982,167 and THB 5,490, respectively.

2) *Property Foreclosed*

Details of Property Foreclosed of STAMC as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Location	No. of accounts	Value of Property Foreclosed	Allowance for impairment*	Value of Property Foreclosed - net*	Value of assets according to most recent appraisal reports
Bangkok	17	58.8	0.4	58.4	75.2
Major provinces	63	61.2	7.8	53.4	64.7
Remote areas	7	47.2	-	47.2	61.4
Total	87	167.2	8.2	159.0	201.4

Source: STAMC as at 31 December 2009

Remarks: * There are discrepancies in the value of allowance for impairment and value of Property Foreclosed – net from the audited financial statement because of internal adjustments are made for certain properties

Shareholders of CIMB Thai can refer to the details of Investment in receivables and Property Foreclosed of STAMC in Appendix 1.

2.3.1.3 *Registered and paid up capital*

As at 15 March 2010, STAMC's registered and paid up capital is THB 25,000,000 comprising of 2,500,000 ordinary shares at the par value of THB 10 per share

2.3.1.4 *Shareholding structure*

List of shareholders of STAMC according to the latest list of shareholders as at 30 April 2009.

Name	Number of shares	Percentage
1. CIMB Thai Bank Public Company Limited	2,499,993	99.99
2. Mr. Wisan Buranasantikul	1	Not significant
3. Mr. Pattanasak Jermjansopha	1	Not significant
4. Mr. Tanit Onnuch	1	Not significant
5. Ms. Araya Navilai	1	Not significant
6. Ms. Wanee Sanpibul	1	Not significant
7. Ms. Nattaya Kanluan	1	Not significant
8. Mr. Thaphop Kleesuwan	1	Not significant
Total	2,500,000	100.00

Source: STAMC

2.3.1.5 *Board of Directors*

List of the Board of Directors of STAMC according to the latest list of Directors as at 15 April 2010.

Name	Position in STAMC	Position in CIMB Thai
1. Mr. Ekajai Tivutanond	Director	Senior Executive Vice President, Legal and Recovery Group Head
2. Mr. Songwud Buakhem	Director and Managing Director	-
3. Mr. Thaphop Kleesuwan	Director	Secretary to the Board of Directors

Source: STAMC

2.3.1.6 *Summary of financial statement of STAMC*

Summary of financial statement of STAMC for the year ended 31 December 2007, 2008, and 2009.

Financial Statement (Unit: THB million unless otherwise stated)	Audited		
	2007	2008	2009
<u>Financial position</u>			
Total assets	3,103.66	455.74	313.02
Cash and cash equivalents	61.35	152.89	30.19
Investment in receivables – net	2,842.94	120.21	112.62
Property Foreclosed – net	183.97	172.01	158.79
Total liabilities	3,675.58	112.71	83.87
Loan from parent company	2,924.75	0.00	0.00
Shareholders' equity	(571.92)	343.03	229.15
Issue and paid up share capital	25.00	25.00	25.00
Retained earnings (deficit) and other reserve	(596.92)	318.03	204.15
<u>Operating results</u>			
Total income	1,316.02	1,291.67	188.96
Interest income	206.56	33.52	22.79
Non-interest income	1,109.46	1,258.16	166.17
Total expenses	1,128.56	201.73	61.38
Interest expenses	184.87	53.96	0.00
Non-interest expenses	943.69	147.77	61.38
Net income (loss) for the year	139.35	1,089.95	86.12
Net income (loss) per share for the year*	55.74	435.98	34.45

Financial Statement (Unit: THB million unless otherwise stated)	Audited		
	2007	2008	2009
Financial ratios			
Yield rate (%)	5.00	1.76	8.59
Cost rate (%)	4.72	3.69	0.00
Spread (%)	0.28	(1.93)	8.59
Net profit (%)	10.59	84.38	43.99
Return on equity (%) **	Not meaningful	Not meaningful	0.07
Return on assets (%)	3.74	61.24	21.62
Debt-to-equity ratio(times)**	Not meaningful	0.00	0.00

Source: Audited financial statement of STAMC for the year ended 31 December 2007, 2008, and 2009

Remarks: * Basic earnings (losses) per share are determined by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year

** Return on equity and return on assets ratios for certain years are not meaningful as the average shareholders' equity value is lower than zero

2.3.1.7 Summary of the collection agency agreement for sub-standard assets

- Counterparties : STAMC as the employer and CIMB Thai as the employee
- Date of the agreement : 9 November 2006. Subsequently, the counterparties had entered into the most recent amended collection agency agreement for sub-standard assets no. 4 on 2 March 2010, which was effective on 1 January onward
- Summary of key terms of the agreement :
- STAMC engages CIMB Thai to act as agency on the management of sub-standard assets transferred from CIMB Thai to STAMC, which include the collection, receipt of payment and other related actions. The service fee is 20% of proceeds for repayment from debtors and from sale of foreclose assets before cost and expenses for the period from 1 January 2010 to 31 December 2009. Such service fee shall be due on the 15th of the following month.
 - Stamp duty, special business tax and other tax (if any) incurred from the services undertaken under this agreement shall be borne by STAMC

- The counterparties will negotiate and agree on the determination of the service fee after the aforementioned period afterwards whereas the above agreement will be attached to the original agreement and will be considered as part of the original agreement

2.3.2 Details of the NPLs

As at 31 December 2009, the net book value of NPLs was approximately THB 3,160.53 million, representing 57.9% of net book value of total non-performing assets portfolio of CIMB Thai, which was approximately THB 5,462.47 million.

Details of NPLs breakdown by type as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Type	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Corporate	36	4,102.0	3.7	4,105.6	1,903.5	2,202.2
SME	73	857.1	1.4	858.5	362.6	495.9
Long term investment *	2	71.3	-	71.3	34.8	36.5
Retail secured	203	586.2	-	586.2	160.2	426.0
Total	314	5,616.5	5.1	5,621.6	2,461.1	3,160.5

Source: CIMB Thai as at 31 December 2009

Remark * The Bank has booked corporate debtors in which it acquired from other financial institution under long term investments

Details of NPLs breakdown by payment type as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Type	Payment Type	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Corporate	Non-TDR	4	773.2	0.0	773.2	222.4	550.8
	TDR	32	3,328.75	3.66	3,332.41	1,681.04	1,651.37
Total		36	4,101.96	3.66	4,105.62	1,903.47	2,202.15
SME	Non-TDR	18	229.8	1.4	231.3	92.6	138.7
	TDR	55	627.2	0.0	627.2	270.0	357.2
Total		73	857.1	1.4	858.5	362.6	495.9
Long term investment *	Non-TDR	2	71.3	-	71.3	34.8	36.5
Total		2	71.3	-	71.3	34.8	36.5
Retail Secured	Non-TDR	203	586.2	-	586.2	160.2	426.0
Total		203	586.2	-	586.2	160.2	426.0
Grand total		314	5,616.5	5.1	5,621.6	2,461.1	3,160.5

Source: CIMB Thai as at 31 December 2009

Remarks Non-TDR: Non-troubled Debt Restructure TDR: Troubled Debt Restructure

* The Bank has booked corporate debtors in which it acquired from other financial institution under long term investments

Details of NPLs breakdown by payment type and legal status process as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Legal Status	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Troubled Debt Restructure	22	1,003.0	1.4	1,004.5	315.0	689.4
Non-troubled Debt Restructure						
Preparation for litigation	122	1,013.4	0.0	1,013.4	423.8	589.6
Under litigation process	38	1,254.3	-	1,254.3	536.0	718.3
under enforcement process	89	1,361.6	-	1,361.6	769.6	592.0
Under public auction process	36	944.3	3.7	947.9	396.0	552.0

Legal Status	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Awaiting proceeds from public auction	4	26.2	-	26.2	7.1	19.2
Proceed received, awaiting further investigation	3	13.7	-	13.7	13.7	-
Total Non-troubled Debt Restructure	292	4,613.5	3.7	4,617.2	2,146.1	2,471.1
Grand total	314	5,616.5	5.1	5,621.6	2,461.1	3,160.5

Source: CIMB Thai as at 31 December 2009

Details of NPLs breakdown by outstanding principal as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Principal	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
> THB 100 million	16	3,059.4	3.7	3,063.0	1,430.5	1,632.5
THB 20 - 100 million	38.0	1,656.5	1.4	1,658.0	721.2	936.7
THB 5 – 20 million	53	505.7	0.0	505.7	200.2	305.5
THB 1 – 20 million	150	356.5	0.0	356.5	100.5	256.0
< THB 1 million	57	38.5	0.0	38.5	8.7	29.8
Total	314	5,616.5	5.1	5,621.6	2,461.1	3,160.5

Source: CIMB Thai as at 31 December 2009

Remark Top 10 debtors according to principal amount represent combined book value of THB 2,394.9 million and combined net book value of THB 1,246.4 million, or 42.6% and 39.4% of the total NPLs, respectively.

Details of NPLs breakdown by industry as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Industry	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Agricultural	1	1.8	-	1.8	0.6	1.2
Mining	1	48.4	-	48.4	21.9	26.6
Industrial	35	2,140.8	1.7	2,142.5	1,197.3	945.2
Construction	5	31.5	-	31.5	22.1	9.4

Industry	No. of Accounts	Outstanding Principal	Accrued Interest	Total Outstanding	Provision	Net Book Value
Retail	24	368.3	0.0	368.3	164.7	203.5
Import	3	400.3	-	400.3	78.3	322.0
Export	5	424.3	-	424.3	178.8	245.5
Real Estate	6	503.1	2.0	505.1	231.1	274.0
Infrastructure	3	334.5	-	334.5	310.1	24.4
Service	15	747.6	1.4	749.0	80.6	668.4
Home Loan	215	605.9	-	605.9	165.5	440.4
Others	1	10.0	-	10.0	10.0	-
Total	314	5,616.5	5.1	5,621.6	2,461.1	3,160.5

Source: CIMB Thai as at 31 December 2009

Details of NPLs breakdown by type of collaterals as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Collateral Type	Collateral Value
Land and building with land located in Bangkok	2,409.0
Land and building with land located in major provinces	1,846.6
Land and building with land located in remote areas	877.9
Machine	972.0
Total	5,133.5

Source: CIMB Thai as at 31 December 2009

2.4 Total value of considerations

2.4.1 The Sale of STAMC

CIMB Thai will receive the consideration in cash form of THB 229,149,954 from the Sale of STAMC, having the payment period, which will be agreed upon in the future, according to the normal business practice in shares acquisition transaction.

2.4.2 The Sale of NPLs

CIMB Thai will receive the consideration in cash form equals to the net book value of NPLs as at 31 December 2009 of THB 3,160,530.71 from the Sale of NPLs.

The consideration in cash form that CIMB Thai will receive from the Sale of NPLs equals to the net book value of NPLs as at 31 December 2009 of THB 3,160,530.71 deduct by the actual cash collected since 1 January 2010 until the closing date of the Sale of the NPLs transaction.

If the Bank successfully proceeds with the Sale of STAMC and the Sale of NPLs with the proposed combined transactions value of THB 3,389.68 million, the Bank will lend STAMC the fund of not more than THB 3,000 million to purchase the NPLs, which the Bank will receive return as interests.

2.5 Name of the connected persons and their relationship

CIMB Group is Malaysia's second largest financial services provider and one of Southeast Asia's leading universal banking groups. It offers consumer banking, investment banking, Islamic banking, asset management, and insurance products and services. Headquartered in Kuala Lumpur, its key regional offices are located in Singapore, Indonesia, and Thailand.

CIMB Group operates its business through three main brand entities, CIMB Bank, CIMB Investment Bank, and CIMB Islamic. CIMB Group is also the majority shareholder of CIMB Niaga in Indonesia, and the single largest shareholder of CIMB Thai

CIMB Group is listed on Bursa Malaysia via CIMB Group Holdings Berhad (formerly known as Bumiputra-Commerce Holdings Bhd) with market capitalization of more than THB 438.78 billion (USD 13.2 billion) as of 31 December 2009. The group has over 36,000 employees located in 9 countries.

The connected party of CIMB Thai is CIMB Group which is 100% held by CIMB Group Holdings Berhad. CIMB Group is the indirect major shareholder of CIMB Thai; through the 99.99% holdings in CIMB Bank, which is the major shareholder of CIMB Thai. Moreover, CIMB Group is the indirect major shareholder of STAMC. After the completion of the Sale of STAMC, CIMB Group will be the direct major shareholder of STAMC.

2.5.1 The Sale of STAMC

Seller of STAMC	:	▪ CIMB Thai Bank Public Company Limited
Buyer of STAMC	:	▪ CIMB Group and/or Proposed Purchaser
Relationship	:	▪ CIMB Group is the indirect major shareholder of CIMB Thai through the holdings in CIMB Bank, which is the major shareholder of 93.15% of registered and paid up capital of CIMB Thai (as of 12 March 2010)

There are three directors of CIMB Thai that have interest with CIMB group as follows:

Name	Position in CIMB Thai	Position in CIMB group	Holding proportion in CIMB Thai
1. Dato' Robert Cheim Dau Meng	Director / Not authorized to sign on behalf of CIMB Thai	Advisor (CIMB Investment Bank Berhad)	-
2. Mrs. Watanan Petersik*	Independent Director / Not authorized to sign on behalf of CIMB Thai	Independent Director Non-Executive Director (CIMB Group Holdings Berhad)	-
3. Mr. Kenny Kim	Director / Not authorized to sign on behalf of CIMB Thai	Director (CIMB Investment Bank Berhad)	-

Source: CIMB Thai

Remark: * Mrs. Watanan Petersik was appointed as Independent Director Non-Executive Director in CIMB Group Holdings Berhad on 21 January 2010.

On the agenda for considering the Proposals on the Board of Directors' meeting No. 12/2009 held on 25 November 2009, two directors of CIMB Thai that have interest with CIMB group, which are (1) Dato' Robert Cheim Dau Meng and (2) Mr. Kenny Kim abstained in voting for this particular agenda.

Subsequently, on the agenda for considering the Proposals on the Board of Directors' meeting No. 5/2010 held on 25 March 2010, three directors of CIMB Thai that have interest with CIMB group, which are (1) Dato' Robert Cheim Dau Meng, (2) Mrs Watanan Petersik, and (3) Mr. Kenny Kim abstained in voting for this particular agenda.

2.5.2 The Sale of NPLs

- Buyer of NPLs : ▪ Sathorn Asset Management Company Limited
- Seller of NPLs : ▪ CIMB Thai Bank Public Company Limited
- Relationship : ▪ CIMB Thai is the major shareholder of STAMC, holding 99.99% of registered and paid up capital (as of 31 December 2009). Nevertheless, after the completion of the Sale of STAMC to CIMB Group, an indirect major shareholder of CIMB Thai, or the Proposed Purchaser.

There are two management personnel of CIMB Thai that have interest with STAMC as follows:

Name	Position in CIMB Thai	Position in STAMC	Holding proportion in CIMB Thai
1. Mr. Ekajai Tivutanond	Senior Executive Vice President, Legal and Recovery Group Head	Director	-
2. Mr. Thaphop Kleesuwan	Secretary to the Board of Directors	Director	-

Source: CIMB Thai

At present, STAMC is a subsidiary of CIMB Thai with holding of 99.99% of registered and paid up capital. CIMB Thai intends to sell the entire ordinary shares held in STAMC to CIMB Group, an indirect major shareholder of CIMB Thai, and/or the Proposed Purchaser. After the completion of the Sale of STAMC, CIMB Thai will enter into the Sale of NPLs to STAMC. Therefore, at the date of entering into the Sale of NPLs, the transaction will be considered as a connected transaction.

3. Reasonableness of the Transactions

3.1 Objectives and necessities of the Transactions

CIMB Thai will enter into the Transactions after receiving the approval on the Proposals from the Bank's Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 and after receiving the approval from the requisite regulatory authorities, which includes, amongst others, the Bank of Thailand and the SEC (as applicable), CIMB Thai will proceed with the Restructuring of the Bad Bank of CIMB Thai to restructure the Bank's non-performing asset division, which includes, the Sale of STAMC and the Sale of NPLs. The objectives of Proposal is to restructure the Bank's non-performing asset division and to improve the overall asset quality and capital position of the Bank, and enable the Bank to focus on its core businesses.

In order to achieve the objective of the restructuring to separate the non-performing assets from the CIMB Thai's financial group, it is necessary for the Bank to enter into the Sale of STAMC and Sale of NPLs.

3.2 Advantages and Disadvantages of the Transactions

3.2.1 Advantages of the Transactions

(1) Support the policies to reduce risk assets and strengthen the financial position of CIMB Thai

The Transactions would reduce the non-performing loans and risk assets of the Bank's financial group on consolidation basis and thereby, strengthen the Bank's financial position and sustain its Capital Adequacy Ratio based on consolidation basis and solo basis to be in accordance with the Bank of Thailand's standard.

The Sale of STAMC and the Sale of NPLs would decrease the Bank's risk asset by THB 25 million and THB 2,608 million, respectively. If the Bank proceeds with the Sale of STAMC and Sale of NPLs, its Capital Adequacy Ratio, which was at 11.99% as of 31 December 2009 on solo basis, will increase by 0.38% and 0.31%, respectively, to 12.69%.

In addition, the Transactions would improve the Bank's NPL Ratio. After the Bank successfully sells the NPLs to STAMC, the Bank expects that the NPL Ratio which was at 9.62% as of 31 December 2009 will decrease by 5.69% to 3.93%. Moreover, the Banks' NPL Ratio based on consolidated financial statements, which was 12.84% as of 31 December 2009, is expected to decrease by 8.61% to 4.23%.

(2) Prepare for the supervision of the Bank of Thailand base on the consolidation basis

The Transactions are to prepare CIMB Thai's financial group for the supervision by the Bank of Thailand base on the consolidation basis in addition to the solo basis, which is effectively enforced at present. The supervision base on the consolidation basis is aimed to ensure that the financial institution and its group have appropriate and established business operations. One of the supervisions according to the consolidation basis of the financial institution is to combine the risk assets of the financial group based on the consolidated financial statement in order to calculate the Capital Fund per Risk Assets in addition to the calculation of the Capital Fund per Risk Assets according to the company only financial statement as required in the solo basis, which is effectively enforced at present. According to the Notification of the Bank of Thailand, the Bank has to maintain the Capital Fund per Risk Assets based on the solo basis and consolidation basis as at the end of any given day shall not be lower than 8.5% given that the First Tier Capital Fund per Risk Assets shall not be lower than 4.25%. The supervision of the consolidation basis will be effective on 30 June 2010.

At present, the calculation of the Capital Fund per Risk Assets of CIMB Thai is based on the company only financial statement, excluding the risk assets of STAMC, which CIMB Thai holds 99.99% of the registered and paid up capital. Nevertheless, if the supervision of the consolidation basis is effective, CIMB Thai has to include the risk assets of STAMC and other companies within the financial group as prescribed in the Notification of the Bank of Thailand into the calculation of the Capital Fund per Risk Assets. Therefore, the Capital Fund per Risk assets according to the consolidation basis might be lower than that of the solo basis.

(3) Provide additional source of funds and lending capacity for future loans

If the Bank successfully proceeds with the Sale of STAMC and the Sale of NPLs with the proposed combined transactions value of THB 3,389.68 million, the Bank will lend STAMC the fund of not more than THB 3,000 million to purchase the NPLs, which the Bank will receive return as interests.

(4) Potential recognition of gain of sales of shares of STAMC

The Bank may potentially recognize the gain of sales of shares of STAMC from the difference between the offering price of THB 229.15 million. The Bank may potentially recognize gain before tax of THB 204.15 million from the difference between the offering

price and the Bank's investment of THB 25.00 million. However, the recognition of gain of sales of shares of STAMC will be subjected to the consideration of the Bank of Thailand.

(5) Concentrate on the core businesses of the Bank

The Proposal, especially to dispose STAMC from the Bank's financial group will support the Bank's policy to concentrate on the core business.

(6) Reduce its expenses related to managing the NPLs by selling the NPLs out, including operating and personnel costs, legal process expenses, and related expenses

Currently, STAMC and the Bank's Legal and Recovery Group are responsible for managing and collection the NPLs accounts. Therefore, the Transactions would enable the Bank to reduce related expenses such as operating costs, legal process expenses, forced sales expenses, and collection fees.

3.2.2 Disadvantages of the Transactions

(1) Might forgo the opportunity to gain additional return from continuing to manage the NPLs given that CIMB Thai and STAMC could efficiently manage the NPLs

If the Bank and STAMC continue to manage NPLs and Property Foreclosed, the Bank and STAMC may be able to collect the repayment and/or sell Property Foreclosed with value higher than that from the Transactions. Thus, CIMB Thai and STAMC might forgo the opportunity to gain higher return if they can manage and collect debt more efficiently than expected. However, the value expected to be collected from the NPLs and Property Foreclosed will depend on other factors which the Bank and STAMC cannot control such as the country's economics and financial status, debtors' abilities to make repayment, and duration of force sale collateral and Property Foreclosed.

(2) Might lessen the flexibility in managing NPLs of CIMB Thai

If the Bank successfully completes the Proposals, the Bank will not have a direct subsidiary to manage NPLs and Property Foreclosed. Because the commercial banks' services include lending to corporate, SME, and retail customers, NPLs as a result of the service may occur and the Bank has to transfer potential future NPLs to an asset management company in CIMB group and/or external asset management company. The flexibility in managing NPLs might be lessened because the Bank does not have a direct subsidiary to manage NPLs and purchasers require time to do due diligence and negotiate purchasing price. However, if the Bank dispose the NPLs to a related party in the future, the Bank may be subjected to

the Notification of Connected Transactions and the Notification of Acquisition and Disposal of Assets.

3.3 Comparison of Advantages and Disadvantages of Entering into the Transactions with Related Party

3.3.1 Advantages of entering into the Transactions with related party

- (1) Provide CIMB Bank certain selling price on the transaction date as opposed to selling through the open market or via an auction process

If the Bank decides to sell STAMC shares and NPLs via open market or an auction process, the price received may be different from the offering price in the Transactions. Therefore, by entering into the Transactions with a related party, the Bank will receive certain selling price.

- (2) Ensure that there will be a transferee of the NPLs Portfolio as opposed to the Sale of NPLs Portfolio to external party

After the completion of the Proposal, STAMC will still be under CIMB Group, ensuring that STAMC could still be a transferee of the NPLs and/or non-performing assets of the Bank when there are no other external channels available.

- (3) The sale of the NPLs to a related party, in this case STAMC, would shorten the selling period and process, while not incurring additional expenses

Regular NPLs sales process is either via auction or invitation which will take longer and more time than offering to related party which is STAMC in this case (after the Bank disposes STAMC from the Bank's financial group). Moreover, if the Bank sells NPLs via auction, it will take 2-3 months to prepare NPLs information for the interested parties to do due diligence and could take additional 2-3 months to arrange the auction. Furthermore, the Bank has to take risk that the NPLs auction may take longer than expected or may not be successful.

Finally, the shortened period and process of NPLs sales will enable the Bank to reduce expenses related to auction such as fees for auction arranger.

3.3.2 Disadvantages of Entering into the Transactions with Related Party

- (1) The Bank may forgo an opportunity to receive higher purchasing price if the Bank sells STAMC shares and NPLs portfolio via open market or auction since other financial institutions or asset management companies may offer higher prices than from the Transactions.

If the Bank sells shares of STAMC shares and NPLs via open market or auction, the interested non-related party(ies) such as financial institutions or asset management companies might offer the price which resulting from negotiation between the Bank and the interested non-related party(ies). Therefore, it is possible that such price can be higher than the offering price in the Transactions. However, the interested non-related party(ies) might use different assumptions from the Bank's in order to conduct the valuation that might result in different appraisal values such as percentage of expected forced sale value, percentage of expected recovery from non-troubled debt restructuring, and discount rate.

4. Fairness of the Price and Conditions of the Sale of STAMC Transaction

4.1 Fairness of Transaction Price

In rendering the opinion on the appropriateness of the price of the Sale of STAMC transaction, the Financial Advisor has adopted the following approaches:

- 4.1.1 Book Value Approach
- 4.1.2 Adjusted Book Value Approach
- 4.1.3 Discounted Cash Flows Model Approach

For the Adjusted Book Value Approach and the Discounted Cash Flow Approach, the Financial Advisor has conducted the valuation of the fair value of shares of STAMC based on the ongoing basis assumptions that STAMC will continue to manage its current portfolio in the future, which includes net Investment in receivables (including loans) and net Property Foreclosed of THB 113,596,944 million and THB 158,793,978 million, respectively, as at 31 December 2009. As in the past, the Bank has transferred NPLs to STAMC on a case by case basis rather than a continuing basis, therefore, for the purpose of the valuation the Financial Advisor uses the assumption that STAMC will continue to manage its current net Investment in receivables and net Property Foreclosed according to the above mentioned value in the future, without valuing any additional acquisitions in Investment in receivables and Property Foreclosed in which STAMC may invest in the future.

Moreover, the Financial Advisor views that in general, asset management companies will generate cash flows according to the Investment in receivables and Property Foreclosed it manages at that moment which will have different cash flow timing according to the specific details of each Investment in receivables and Property Foreclosed. However, the estimation of the future cash flows from Investment in receivables and Property Foreclosed which the Bank may acquire in the future will depend on the on the specific details of each Investment in receivables and Property Foreclosed which the asset management companies cannot know in advance. Therefore, the projection of the operation based on an on-going basis with additional acquisitions of Investment in receivables and Property Foreclosed will be highly uncertain.

Moreover, the Financial Advisor has based the valuation on the assumptions that there are no significant changes in the operations or the economic conditions. However, in the event that there are significant changes in the economic conditions or other external factors affecting the operation of the debtors, therefore affecting the ability to service the schedules repayment

and/or the value or time frame of force selling the collaterals, the value of shares of STAMC evaluated may also be changed.

The Financial Advisor did not use the fair value of shares of STAMC using the market comparable multiple approach as there are no listed companies which operate similar main business, which is management of corporate NPLs, with sufficient trading liquidity to be an appropriate comparable. Moreover, the Financial Advisor did not use the dividend discount model approach as this method is appropriate for companies which have relatively constant net profit and dividend payout during the projection period. However, according to the financial model that the Financial Advisor has conducted, the net profit of STAMC during the projection period shows significant changes in each year of the projection period, resulting in uncertainties of dividend payments, therefore, the present value of the evaluated dividend payments may be significantly uncertain as well. From the above reason, the Financial Advisor views that the market comparable approach and the dividend discount model approach may not be appropriate for the valuation of value of shares of STAMC.

4.1.1 Book Value Approach

The book value approach represents the book value of shareholders' equity of STAMC at a specific point of time. The valuation for the Sale of STAMC transaction is based on the book value of the shareholders' equity, which was calculated by the total book value of assets deducted by the total book value of liabilities, according to the audited financial statement of STAMC as at 31 December 2009.

The calculations of the book value of shareholders' equity of STAMC as at 31 December 2009 can be summarized below:

(Unit: THB)	Value
Total Assets	313,020,023
<u>Deduct:</u> Total Liabilities	83,870,069
Total Shareholders' Equity	229,149,954
Total Outstanding Shares	2,500,000
Share Value According to Book Value Approach	91.66

Based on the book value approach, the value of STAMC's total outstanding shares as at 31 December 2009 is THB 229,149,954 or THB 91.66 per share. Therefore, as the Bank holds 2,499,993 shares in STAMC out of a total outstanding paid up share of 2,500,000 shares, the

value of STAMC's shares which is held by the Bank is THB 229,149,312 which is slightly lower than offer price for Sale of STAMC transaction.

4.1.2 Adjusted Book Value Approach

The adjusted book value approach uses the book value of shareholders' equity of STAMC according to the audited financial statement as at 31 December 2009 and adjust with (1) expected additional allowance for impairment on Investment in receivables, (2) expected additional allowance for impairment on Property Foreclosed and (3) contingent liabilities. Therefore, the value of shares of STAMC according to the adjusted book value approach will reflect the minimum value expected to be received by STAMC continuing to manage its current portfolio according to the net Investment in receivables (including loans) and net Property Foreclosed as at 31 December 2009.

The Financial Advisor has considered the adjustments made to STAMC's book value as at 31 December 2009 as follows:

1) Expected Additional Allowance for Impairment on Investment in Receivables

As at 31 December 2009, STAMC has recorded total allowance for impairment on Investment in receivables according to the Bank of Thailand guidelines on provision criteria according to IAS 39 of THB 156,526,551.

In assessing the adjustments to the allowance for impairment on Investment in receivables, the Financial Advisor compares the expected cash flow from each debtor after 31 December 2009 with the net book value of Investment in receivables as at 31 December 2009. In the case that the expected cash flow is less than the net book value of the Investment in receivables, the Financial Advisor will set additional allowance for impairment according to the difference of the two values. However, the Financial Advisor did not reverse back the allowance for impairment for the case that the expected cash flow exceeds the net book value.

For the purpose of the valuation of STAMC shares, the Financial Advisor has evaluated the expected cash flow in two parts, which are Troubled Debt Restructuring (TDR) and Non-Troubled Debt Restructuring (Non-TDR) accounts using different assumptions. TDR accounts are considered by STAMC to have or are expected to have potential ability to service existing loans in the future. In the event that any TDR accounts have difficulties in servicing the loans according to current debt reschedule payments, STAMC will most likely adjust the terms, conditions, and/or the schedules of the payments so that such TDR account would be able to continue servicing the outstanding loans. Non-TDR accounts are considered by STAMC not to

have or are not expected to have potential ability to service existing loans according to the payment schedules as at 31 December 2009. For the purpose of this valuation, the Financial Advisor assumes that the type of payments of each particular account will remain as it is and will not change in the type of payments over time.

■ Expected Cash Flow

TDR Accounts

For TDR accounts, the cash flows are assumed to be according to the debt restructuring plan and/or the estimation of STAMC. However, due to uncertainties in the ability of debtors to service the outstanding debts according to the debt restructuring plan, STAMC estimates the recovery rate to be 80% of the expected cash flow according to the repayment schedules. Therefore, the Financial Advisor applies such recovery rate in determining the expected recovery cash flows during the projection period.

Non-TDR Accounts

In the case of non-TDR accounts, the expected cash flows are from the sales of foreclosed collaterals which can be divided into 4 groups: (1) land and buildings located in Bangkok, (2) land and buildings located in major provinces, (3) land and buildings located in remote areas, and (4) machineries. In conducting the valuation, the Financial Advisor bases the sales value of the foreclosed collaterals on the most recent appraisal values by the independent assets appraisers and/or by STAMC's internal assets appraisal team, which represents a proportion of 44.7% and 55.3% of Investments in receivables as at 31 December 2009, respectively.

In addition, each location of land and building collaterals is assumed to appreciate in value over time. Such appreciation is based from the estimations conducted by the Treasury Department for the period 2008 to 2011. The Financial Advisor applies such appreciation rate throughout the projected period. However, at the forced sale date, the Financial Advisor assumes that the forced sale values of collaterals will be discounted from its market value according to its type and location to reflect market selling liquidity of each foreclosed collateral assets. Such discounts are estimated based on STAMC past experiences. The Financial Advisor applies the following assumptions in determining the estimated forced sale value.

Collateral Type	Average Land Appreciation of Collateral per Year	Estimated Forced Sale Value
(1) Land and Building		
(1.1) Located in Bangkok	1.44%	80% of appreciated appraised value
(1.2) Located in Major Provinces	6.73%	70% of appreciated appraised value
(1.3) Located in Remote Areas	6.73%	50% of appreciated appraised value
(2) Machinery	-	30 of appreciated appraised value *

Note: * Estimated forced sale value assigned only to machineries that meet all of the following criteria; 1) marketable, 2) operating, 3) in good conditions with remaining useful life, in which the details are based from the latest appraisal report. If any machinery does not meet these 3 criteria, no value will be given to the collateral.

■ Timing of expected cash flows

TDR Accounts

For TDR accounts, the timings of the expected cash flows are assumed to be according to the debt restructuring schedule and/or the estimation of STAMC.

Non-TDR Accounts

In the case of non-TDR accounts, the timing of the cash flows from forced sale of foreclosed collaterals are based on STAMC's estimates which are in accordance to the Bank of Thailand guidelines on provision criteria according to IAS 39 according to the stages of litigation process. However, it is also assumed that different types of foreclosed collaterals will vary on the time it will take for the foreclosed collaterals to be sold in the force sale process to reflect the market selling liquidity of each foreclosed collateral asset. The details of the expected cash flow timing according to the stages of litigation and collateral type are as follows:

Litigation Status	Expected Cash Flow Timing (Years)			
	Land and Building			Machinery
	Bangkok	Major Provinces	Remote	
(1) Preparing for Litigation	6.0	6.0	7.0	5.0
(2) Under Litigation Process	5.5	5.5	6.5	4.5
(3) Under Enforcement Process	4.5	4.5	5.5	3.5
(4) Under Public Auction Process	3.5	3.5	4.5	2.5
(5) Awaiting Proceeds from Public Auction	1.0	1.0	1.0	1.0

■ Variable Expense Assumptions

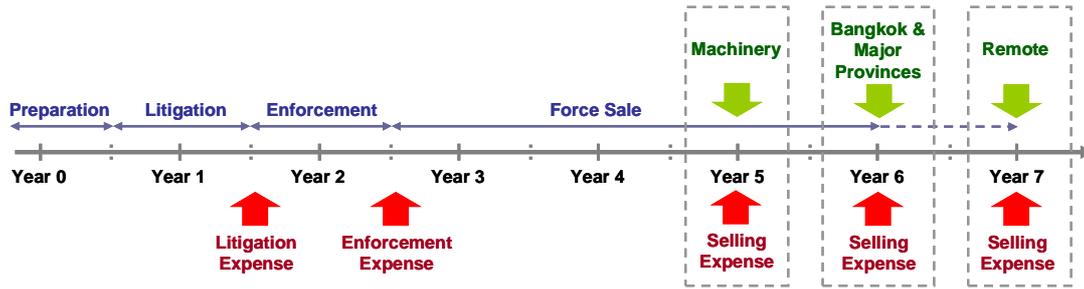
TDR Accounts:

No variable expenses are assumed to incur for the case of TDR accounts.

Non-TDR and retail secured Accounts:

For non-TDR accounts, variable expenses are assumed in accordance to the approximate expenses in litigation and force sale according to the Bank of Thailand guidelines on provision criteria according to IAS 39. The expenses and timing will be incurred according to the stage of litigation. For the selling costs associated with the forced sale of collaterals, the timing of the selling expenses will occur simultaneously with the cash flows from forced sale of foreclosed collaterals which will vary according to the type of collateral. The type of expenses and timing of the cash flow can be summarized below:

Litigation Expenses	Estimated Costs
Legal Process Cost	2.00% of collateral value
Enforcement Department Cost	5.50% of collateral value
Selling Cost	2.50% of forced sale value



■ Discount Rate Assumptions

In calculating the present value of the expected future cash flows to STAMC, the Financial Advisor uses the discount rate equal to the Minimum Lending Rate (“MLR”) which represents the opportunity cost of STAMC in lending to the debtors. The Financial Advisor uses the MLR rate of the Bank which was at 6.50% per annum as of 15 March 2010. Such use of MLR as discount rate is in accordance with the principle in calculation the present value of future expected cash flow according to the Bank of Thailand guidelines on provision criteria according to IAS 39.

(Unit: THB)	Value
Allowance for impairment on Investment in receivables as at 31 Dec 2009 (Before Adjustments)	156,526,551
+ Difference in net Investment in receivables and expected cash flow from investments	2,878,480
= Allowance for impairment on Investment in receivables as at 31 Dec 2009 (After Adjustments)	159,405,031

Therefore, the expected additional allowance for impairment on Investment in receivables of STAMC as at 31 December 2009 is THB 2,878,480.

2) Additional Allowance for Impairment of Property Foreclose

The net Property Foreclosed and allowance for impairment of Property Foreclosed according to the audited financial statement of STAMC as at 31 December 2009, are THB 158,793,978 and THB 8,394,036, respectively.

In determining the adjustments of allowance for impairment of Property Foreclosed, the Financial Advisor consider STAMC’s estimated sale value of each Property Foreclosed, which STAMC has determined based on the latest appraisal value, type, and details of the assets compared with the net Property Foreclosed value as at 31 December 2009. In the case that the expected sale value of the Property Foreclosed is less that the net Property Foreclosed value, the Financial

Advisor will set additional allowance for impairment of Property Foreclosed according to the difference of the two values.

From the above assumptions, the adjustment of allowance for impairment of Property Foreclosed can be summarized as follows:

(Unit: THB)	Value
Allowance for impairment of Property Foreclosed as at 31 Dec 2009 (Before Adjustments)	8,394,036
+ Difference in net Property Foreclosed and expected cash flow from Property Foreclosed	19,828,978
= Allowance for impairment of Property Foreclosed as at 31 Dec 2009 (After Adjustments)	28,233,014

Therefore, the expected additional allowance for impairment of Property Foreclosed of STAMC as at 31 December 2009 is THB 19,828,978.

3) Contingent Liabilities

Contingent liabilities are from commitments under an agreement whereby it is to pay service fees for loan collection agent and non-performing assets management services. In addition, STAMC has entered into lease agreements in respect of the lease of office building space and motor vehicles.

STAMC has commitments under an agreement whereby it is to pay service fees for loan collection agent and NPLs management services, however, these agreements are normal business operations of STAMC, therefore, the Financial Advisor did not include these contingent liabilities into the adjusted book value approach.

However, under the lease agreements in respect of the lease of office building space and motor vehicles with term of agreement of 1 to 2 years as at 31 December 2009, STAMC is required to pay a minimum amount of approximately THB 5 million under these lease agreements in the future, therefore, the Financial Advisor adjust such amount to the valuation under the adjusted book value approach.

Summary of Book Value Adjustment as at 31 December 2009

		Value
Total Assets	(THB)	313,020,023
<u>Deduct</u> Total Liabilities	(THB)	(83,870,069)
Total Shareholder Equity	(THB)	229,149,954
<u>Deduct</u> (1) Expected Additional Allowance for Impairment on Investment in Receivables	(THB)	(2,878,480)
<u>Deduct</u> (2) Expected Additional Allowance for Impairment of Property Foreclosed	(THB)	(19,828,978)
<u>Deduct</u> (3) Contingent Liabilities	(THB)	(5,000,000)
Total Adjusted Book Value	(THB)	201,442,496
Total Outstanding Shares	(Shares)	2,500,000
Share Value According to Adjusted Book Value Approach	(THB / Share)	80.58

Based on the adjusted book value approach, the value of shares of STAMC as at 31 December 2009 is THB 201,442,496 or THB 80.58 per share. Therefore, as the Bank holds 2,499,993 shares in STAMC out of a total outstanding paid up share of 2,500,000 shares, the value of shares of STAMC which is held by the Bank according to the adjusted book value approach is THB 201,441,932 which is 12.09% lower than the offer price for Sale of STAMC transaction of THB 229,149,954.

4.1.3 Discounted Cash Flow Approach

The valuation of STAMC's shares using the discounted cash flow approach considers the fundamental factors of the business operations of STAMC by considering the expected future operating performance and cash flow of STAMC based on the major assumption that STAMC will continue to manage its current portfolio in the future without considering any additional potential acquisitions in Investment in receivables and/or Property Foreclosed from 31 December 2009. Moreover, the valuation is based on the assumption that the operations of STAMC are under the current economic conditions.

In performing the valuation with this method, the Financial Advisor has conducted a financial model to evaluate the operating performance of STAMC after 31 December 2009 until the last year that STAMC has income from managing the portfolio which is in year 2022. Therefore, no terminal value has been assigned for the valuation of STAMC's shares as the Financial Advisor

projects the cash flow until the final year that STAMC expects to receive cash flows from its current portfolio as 31 December 2009.

Major Operating Assumptions

■ Cash flow from TDR accounts

The Financial Advisor sets the assumption for the expected cash flow, timing, and variable expenses that STAMC expects to incur from TDR accounts according to the assumptions as mentioned in 4.1.2 Adjusted Book Value Approach section 1) Expected Additional Allowance for Impairment on Investments in Receivables.

In the case that STAMC expects that the total cash flows from a debtor will exceed the net Investment in receivables, a portion of the annual cash flows will be recognized as revenue from interest base on each year calculated Internal Rate of Return (IRR) for every account but not exceeding 15% per annum which is the expected yield as stated in STAMC's financial statement. The Financial Advisor has calculated the IRR for every year until the end of the repayment schedule for each account, in which the IRR is calculated based on the assumption of the repayment amount and repayment schedule. The remaining portion of the cash flows from the interest payment will be deducted from the net Investment in receivables. If there is remaining portion which is greater than the net Investment in receivables, it will be recognized as profit from cash collection.

However, in the case that the expected cash flows are less than the net Investment in receivables, the annual cash flows will be deducted from the net Investment in receivables and the remaining amount will be recognized as loss from cash collection in the last year that STAMC expects to receive the last cash flows.

From the projected cash flow of TDR accounts, STAMC expects that it will receive all payments by 2018 except one account which will still expected to have repayments after 2018.

■ Cash flow from Non-TDR accounts

The Financial Advisor sets the assumption for the expected cash flow, timing, and variable expenses that STAMC expects to incur from Non-TDR accounts according to the assumptions as mentioned in 4.1.2 Adjusted Book Value Approach section 1) Expected Additional Allowance for Impairment on Investments in Receivables.

The Financial Advisor has calculated the expected cash flows from Non-TDR accounts for each account according to the above mentioned assumptions. The net expected cash flow

after expenses will be deducted from the net Investment in receivables; the differences will then be recognized as profit or loss from cash collection according to the timing of the cash flow.

STAMC expects to receive cash flow from Non-TDR accounts until the year 2016.

■ Cash flow from Property Foreclosed

Property Foreclosed of STAMC is recorded at cost or the expected recovery, which is the latest appraisal value deducted with the related selling expenses, whichever is lower as at 31 December 2009.

According to its internal budget planning, STAMC expects to sell the entire Property Foreclosed portfolio in 2013, however, STAMC expects that the cash flow from sale of Property Foreclosed will be less than the net Property Foreclosed after allowance for impairment as at 31 December 2009. STAMC will record the additional loss from the allowance for impairment as at 31 December 2009 on the year when the sale takes place as loss on Property Foreclosed.

■ Employees and office expenses

In 2009, STAMC recorded employees and office expenses of approximately THB 17 million. STAMC estimates that employees and office expenses will increase 5.0% per annum from 2010 to 2018.

However, as STAMC expects that it will receive almost all of the cash flows from the non-performing assets by 2018, the Financial Advisor determines that there will be no employees and office expenses subsequent to 2018.

■ Service fees

STAMC agreed to pay service fees for loan collection agent and non-performing assets management services of 20.0% of the cash collected from non-performing assets before deducting related expenses to the Bank according to the Collection Agency Agreement for Sub-Standard Assets between STAMC and the Bank.

■ Corporate income tax

STAMC is subjected to pay a corporate income tax rate of 30% of net profits before income tax for the period. In the case that STAMC operates at a loss for any given year, the tax loss carry forward will be carried over not more than 5 accounting periods as tax loss.

Major Working Capital Assumptions

■ Accounts payable - parent company

Accounts payable - parent company is accrued expenses related to service fees to the Bank. The estimated payable days is 30 days throughout the projection period according to the Collection Agency Agreement for Sub-Standard Assets between STAMC and the Bank.

■ Accrued expenses

Accrued expenses are accrued expenses related to other expenses. STAMC estimates the payable days to be 90 days throughout the projection period which is in line with the actual payable days for the accounting period of 2009.

From the above mentioned assumptions, the Financial Advisor has conducted a financial model to evaluate the operation of STAMC. The free cash flows to firm projection can be summarized as follows:

(Unit: THB million)	Projection												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Earning before interest and tax x (1 – Corporate income tax rate)	11.14	(11.49)	(19.04)	15.26	(0.29)	(4.21)	(0.68)	(12.36)	17.98	(11.41)	(8.25)	(5.90)	(4.14)
+ Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
- Change in net working capital	(7.71)	40.02	52.29	23.47	60.31	15.40	6.85	(0.27)	1.85	(3.01)	(1.05)	(0.79)	(0.59)
Free cash flows to firm	3.43	28.54	33.25	38.73	60.01	11.19	6.16	(12.64)	19.83	(14.41)	(9.29)	(6.69)	(4.73)

Discount Rate Assumptions

In calculating the discount rate for normal companies, the Weighted Average Cost of Capital (WACC) will be used which consists of the Cost of Equity (k_e) and Cost of Debt (k_d)

Cost of Equity is normally calculated with the Capital Asset Pricing Model (CAPM) of which one of the variables is the Beta. If the company is not a listed company, it will not have a Beta value; therefore, Beta will be evaluated using the Beta of comparable companies with similar business listed on the stock exchange. However, as there are no listed companies with similar business as STAMC, therefore, the Financial Advisor based the Beta from the Beta of the Bank according to the Bloomberg database as at 24 March 2010.

In calculating WACC of STAMC, the Financial Advisor uses the capital structure of STAMC as at 31 December 2009 which is a debt free capital structure. However, in the past, STAMC has significant debt to equity ratio, therefore, the Financial Advisor view that STAMC has the ability to leverage its financial structure to enhance the return to equity holders throughout the operation period of STAMC. The Financial Advisor uses the assumption that the optimal capital structure of STAMC can be leveraged up to a debt to equity ratio of 1.5 times, which is based from the capital structure of large and stable asset management company, which is BAM.

Details of Levered Beta calculation can be summarized as follows:

$$\beta_L = \beta_U \times (1 + (1 - t) \times \text{Target D/E})$$

β_U is Unlevered Beta of the Bank at 0.63, which is calculated from:

- Levered Beta of the Bank at 0.798 from Bloomberg database as at 24 March 2010
- Target debt to equity ratio of 0.37 times calculated from net interest bearing debt according to 2009 audited financial statement and the equity based on the market capitalization as at 24 March 2010
- Corporate income tax of 30% (the Financial Advisor did not use the actual effective corporate income tax rate according to the 2009 audited financial statement as the Bank has tax loss carry forward more than the profit of the year but the corporate income tax stated in the financial statement includes corporate income tax of subsidiaries)

t is Corporate income tax rate of 30%

Target D/E is Target capital ratio calculated from net interest bearing debt to equity of 0 to 1.5 times

Target D/E Ratio	0.0 times	1.5 times
β_U	0.63	0.63
t (%)	30.00%	30.00%
Target D/E (times)	0.00	1.50
β_L	0.63	1.30

Details of Cost of Equity calculation can be summarized as follows:

$$k_e = r_f + \beta_L(r_m - r_f)$$

r_f is Risk free rate of return based from yield of 10-year government bond as at 24 March 2010 which equals to 4.06%. The Financial Advisor use 10-year government bond as the base as it represents similar cash flow time horizon as the projected cash flow of STAMC.

β_L is Levered Beta of 0.60 to 1.30 as calculated from the above

r_m is Expected Market Return calculated from the average annual return from investing in the SET of 15.60% according to Bloomberg database as at 24 March 2010. The Financial Advisor uses the average annual return from investing in the SET since the Beta of the Bank is calculated based from the comparison to the return of the SET.

Target D/E Ratio	0.0 times	1.5 times
r_f (%)	4.06%	4.06%
β_L	0.63	1.30
r_m (%)	15.60%	15.60%
k_e (%)	11.38%	19.07%

Details of WACC calculation can be summarized as follows:

WACC	=	$(k_e \times W_e) + (k_d \times (1 - t) W_d)$
k_e	is	Cost of Equity of STAMC between 11.38 to 19.07 from the above calculation
W_e	is	Target equity weighting to total capital at 40% to 100%
k_d	is	Cost of Debt of STAMC at MLR of 6.50% per annum as if STAMC borrows from the Bank with terms and conditions according to normal business practice
t	is	Corporate income tax rate of 30%
W_d	is	Target debt weighting to total capital at 0% to 60%

Target D/E Ratio	0.0 times	1.5 times
k_e (%)	11.38%	19.07%
W_e (%)	100.00%	40.00%
k_d (%)	6.50%	6.50%
t (%)	30.00%	30.00%
W_d (%)	0.00%	60.00%
WACC (%)	11.38%	10.36%

Therefore, for the purpose of the valuation of shares of STAMC, the Financial Advisor evaluates that the WACC of STAMC should be between 10.36% to 11.38%, which is calculated based on the assumption of a target optimal capital structure of between 0.0 times to 1.5 times, respectively.

Sensitivity Analysis

To evaluate the effect of valuation to the changes in the cash flow from different assumptions of including the discount rate, force sale value of foreclosed collaterals, recovery rate for TDR accounts, and expected sale value of Property Foreclosed. The Financial Advisor uses the following assumptions for the sensitivity analysis:

Assumption	Low Range	Base Case	High Range
Discount Rate	11.38%	10.87%	10.36%
Force Sale Value			
Land and Building - Bangkok	75.00%	80.00%	85.00%
Land and Building – Major Provinces	65.00%	70.00%	75.00%
Land and Building – Remote Areas	45.00%	50.00%	55.00%
Marketable Machinery	25.00%	30.00%	35.00%
TDR Recovery Rate	75.00%	80.00%	85.00%
Changes in sale value of Property Foreclosed	- 5.00%	0.00%	+ 5.00%

The Financial Advisor uses the average of the above calculated WACC as the base case of the sensitivity analysis.

Summary of Present Value of Cash Flows of STAMC

The Financial Advisor has conducted the financial model based on the above mentioned major assumptions and has observed that 2018 will be the last year that STAMC will have a positive cash flow and will have a negative cash flow from 2019 to 2022, which is the last year that STAMC is expected to have the cash flows from managing the non-performing assets. Therefore, the Financial Advisor has set the assumption that STAMC will operate until 2018, which is the last year that STAMC will have a positive cash flow. As a result, the Financial Advisor has calculated the present value of free cash flows from 31 December 2009 to 31 December 2018.

The Financial Advisor has adjusted the present value of free cash flows from the valuation by deducting the total interest bearing debts and adding back outstanding cash and cash equivalents as at 31 December 2009 to determine the equity value of STAMC.

The equity value of STAMC according to the discounted cash flow approach as at 31 December 2009 and the sensitivity analysis can be summarized as follows:

		Low Range	Base Case	High Range
Present Value of Free Cash Flows	(THB)	135,647,021	163,341,560	189,116,525
<u>Deduct</u> Interest Bearing Debts	(THB)	-	-	-
<u>Add</u> Cash and Cash Equivalents	(THB)	30,192,121	30,192,121	30,192,121
Equity Value According to the Discounted Cash Flow Approach	(THB)	165,839,142	193,533,681	219,308,646
Total Outstanding Shares	(Shares)	2,500,000	2,500,000	2,500,000
Equity Value According to the Discounted Cash Flow Approach	(THB per Share)	66.34	77.41	87.72

The valuation of shares of STAMC according to the discounted cash flow approach as at 31 December 2009 is between THB 165,839,142 and THB 219,308,646 or between THB 66.34 per share and THB 87.72 per share, respectively. Therefore, as the Bank holds 2,499,993 shares in STAMC out of a total outstanding paid up share of 2,500,000 shares, the value of shares of STAMC which is held by the Bank according to the discounted cash flow approach is between THB 165,838,678 and THB 219,308,032 or is 27.63% and 4.29% lower than the offer price for Sale of STAMC transaction of THB 229,149,954, respectively.

4.1.4 Summary of opinion on the reasonableness of the price

The valuation of the fair value of shares of STAMC held by the Bank according to various approaches can be summarized as follows:

Valuation Approach	Value of STAMC Shares (THB million)	Transact Value (THB million)	Higher (Lower) Than The Proposed Price	
			(THB million)	(Percent)
1. Book Value Approach	229.15	229.15	0.00	0.00%
2. Adjusted Book Value Approach	201.44	229.15	(27.71)	(12.09%)
3. Discounted Cash Flow Approach	165.84 – 219.31	229.15	(63.31) – (9.84)	(27.63%) – (4.29%)

The valuation of shares of STAMC according to the portion held by the Bank from the 3 approaches result in the value of between THB 165,838,678 and THB 229,149,954 while the offer price for Sale of STAMC transaction is THB 229,149,954. However, the appropriateness of each valuation approaches are different. The appropriateness of the valuation approach can be summarized as follows:

- **Book Value Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the book value approach is less appropriate as only reflect the book value of the shareholder equity at a certain point of time but does not fully reflect the true value of STAMC as it does not consider the operation of STAMC and the cash flows from Investment in receivables and Property Foreclosed.

- **Adjusted Book Value Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the adjusted book value approach is less appropriate even though it reflect the adjustments in allowance for impairment including contingent liabilities but the adjusted book value may not truly reflect the value of STAMC expects to receive from TDR accounts, Non-TDR accounts, and Property Foreclosed as the adjustments are only for the case that the expected cash flow is less than the net investment value but does not adjust for the case that the expected cash flow is more than the net investment value. Moreover, it does not reflect the operating expenses incurred such as employee expenses and service fees.

- **Discounted Cash Flow Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the discounted cash flow approach is more appropriate than other approaches as it uses detailed assumptions in estimating the projected cash flows under the current economic conditions including related operating expenses and the ability to generate profit of a company which is the better approach in reflecting the value of STAMC.

Therefore, for the purpose of rendering opinion on the reasonableness of the price, it is the opinion of the Financial Advisor that the discounted cash flow model approach is deemed to be more appropriate than the book value approach and the adjusted book value approach. Therefore, the fair value of shares of STAMC is between THB 165,838,678 and THB 219,308,032 which is 27.63% and 4.29% lower than the offer price for Sale of STAMC transaction of THB 229,149,954, respectively.

4.2 Fairness of Conditions of the Transaction

The Bank will receive the consideration in form of cash payment having the payment period according which will be further agreed between the buyer and seller but will be according to the normal business practice in shares acquisition transactions. Thus the Financial Advisor is of the opinion that such condition is deemed to be fair as it is under normal business practice.

5. Fairness of the Price and Conditions of the Sale of NPLs Transaction

5.1 Fairness of Transaction Price

The outstanding principal and net book value of the non-performing corporate, SME, and retail secured loans as of 31 December 2009 were THB 5,621.61 million and THB 3,160.53 million, respectively. The net book value of such portfolio represents approximately 57.9% of the total non-performing assets of the Bank which is at THB 5,462.47 million.

In rendering the opinion on the appropriateness of the price NPLs portfolio, the Financial Advisor has adopted the following approaches:

- 5.1 Book Value Approach
- 5.2 Expected Realizable Value Approach
- 5.3 Transaction Comparable Approach

5.1.1 Book Value Approach

The book value approach represents the book value of the NPLs to be sold to STAMC at a specific point of time. The valuation for this transaction is based on the book value according to the audited financial statement of the NPLs as of 31 December 2009. The book value of the NPLs was recorded with the provisioning criteria according to the Bank of Thailand's guideline on IAS 39.

The calculations of the net book value of NPLs can be summarized below:

(Unit: THB)	Value
Outstanding principal	5,616,515,796.84
+ Accrued interests	5,097,483.55
Total principal and accrued interests	5,621,613,280.39
- Loan loss provision	(2,461,083,089.68)
Net book value after loan loss provision	3,160,530,190.71

Based on the book value approach, the value of NPLs which include corporate, SME, and retail secured accounts is THB 3,160,530,190.71 which is equal to the offer price for Sale of NPLs transaction.

5.1.2 Expected Realizable Value Approach

The expected realizable value approach is based on the present value of the expected future cash flows generated from the NPLs and discounted to date of 31 December 2009. The Financial Advisor has performed the valuation based on information provided by the Bank. The expected future cash flows based on the assumptions that the Bank were to continue managing the NPLs and that there are no significant changes in neither the operations of the Bank nor the economic conditions in the future. In the circumstances that the received information and documents as well as the economic situation, other external factors have changed from the date of rendering the opinion on the transaction, the fair value of NPLs may be changed, accordingly.

The type of expected cash flows of the corporate, SME, and retail secured accounts can be categorized into two parts, namely Troubled Debt Restructuring (TDR) and Non-troubled Debt Restructuring (Non-TDR) accounts. For the purpose of the valuation, the Financial Advisor has conducted the valuation of TDR and Non-TDR accounts separately with different assumptions. TDR accounts are considered by the Bank to have or are expected to have potential ability to service existing loans in the future. In the event that any TDR accounts have difficulties in servicing the loans according to current debt reschedule payments, the Bank will most likely adjust the terms, conditions, and/or the schedules of the payments so that such TDR account would be able to continue servicing the outstanding loans. Non-TDR are considered by the Bank not to have or are not expected to have potential ability to service existing loans according to the payment schedules as at 31 December 2009. For the purpose of this valuation, the Financial Advisor assumes that the type of payments of each particular account will remain as it is and will not change in the type of payments over time.

Major Assumptions

- Expected Cash Flow

- TDR Accounts*

- For TDR accounts, the cash flows are assumed to be according to the debt restructuring plan and/or the estimation of the Bank. However, due to uncertainties in the ability of debtors to service the outstanding debts according to the debt restructuring plan, the Bank estimates the recovery rate to be 80% of the expected cash flow according to the repayment schedules. Therefore, the Financial Advisor applies such recovery rate in determining the expected recovery cash flows during the projection period.

Non-TDR Accounts

In the case of non-TDR accounts, the expected cash flows are from the sales of foreclosed collaterals which can be divided into 4 groups: (1) land and buildings located in Bangkok (2) land and buildings located in major provinces (3) land and buildings located in remote areas and (4) machineries. In conducting the valuation of NPLs, the Financial Advisor bases the sales value of the foreclosed collaterals on the appraised values which are conducted within the most recent 3 years by the independent assets appraisers and/or by the Bank's internal assets appraisal team, which represents a proportion of 44.7% and 55.3% of Investments in receivables as at 31 December 2009, respectively.

In addition, each location of land and building collaterals is assumed to appreciate in value over time. Such appreciation is based from the estimations conducted by the Treasury Department for the period 2008 to 2011. The Financial Advisor applies such appreciation rate throughout the projected period. However, at the forced sale date, the Financial Advisor assumes that the forced sale values of collaterals will be discounted from its market value according to its type and location to reflect market selling liquidity of each foreclosed collateral assets. Such discounts are estimated based on the Bank's past experiences.

The Financial Advisor applies the following assumptions in determining the estimated forced sale value.

Collateral Type	Average collateral appreciation per year	Estimated Forced Sale Value
(1) Land and Building		
(1.1) Located in Bangkok	1.44%	80% of appreciated appraised value
(1.2) Located in Major Provinces	6.73%	70% of appreciated appraised value
(1.3) Located in Remote Areas	6.73%	50% of appreciated appraised value
(2) Machinery	-	30 of appreciated appraised value *

Note: * Estimated forced sale value assigned only to machineries that meet all of the following criteria; 1) marketable, 2) operating, 3) in good conditions with remaining useful life, in which the details are based from the latest appraisal report. If any machinery does not meet these 3 criteria, no value will be given to the collateral.

■ Timing of expected cash flows

TDR Accounts

For TDR accounts, the timing of the expected cash flows are assumed to be according to the debt restructuring schedule and/or the estimation of the Bank.

Non-TDR Accounts

In the case of non-TDR accounts, the timing of the cash flows from forced sale of foreclosed collaterals is based on the Bank's estimates which are in accordance to the BOT's guidance on IAS 39 according to the stages of litigation process. However, it is also assumed that different types of foreclosed collaterals will vary on the time it will take for the foreclosed collaterals to be sold in the force sale process to reflect the market selling liquidity of each foreclosed collateral asset. The details of the expected cash flow timing according to the stages of litigation and collateral type are as follows:

Litigation Status	Expected Cash Flow Timing (Years)			
	Land and Building			Machinery
	Bangkok	Upcountry	Remote	
(1) Preparing for Litigation	6.0	6.0	7.0	5.0
(2) Under Litigation Process	5.5	5.5	6.5	4.5
(3) Under Enforcement Process	4.5	4.5	5.5	3.5
(4) Under Public Auction Process	3.5	3.5	4.5	2.5
(5) Awaiting Proceeds from Public Auction	1.0	1.0	1.0	1.0

■ Variable Expense Assumptions

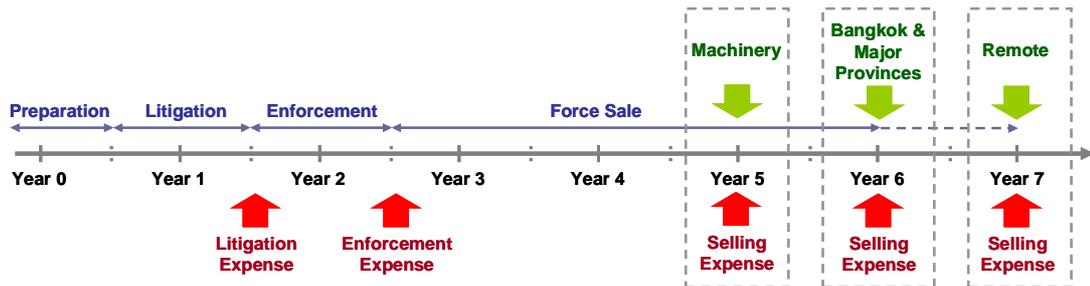
TDR Accounts:

No variable expenses are assumed to incur for the case of TDR accounts.

Non-TDR and retail secured Accounts:

For non-TDR accounts, variable expenses are assumed in accordance to the approximate expenses in litigation and force sale according to BOT's guidance on IAS 39. The expenses and timing will be incurred according to the stage of litigation. For the selling cost associated with the force sale of collateral, the timing of the selling expense will occur simultaneously with the cash flows from forced sale of foreclosed collaterals which will vary according to the type of collateral. The type of expenses and timing of the cash flows can be summarized below:

Litigation Expenses	Estimated Costs
Legal Process Cost	2.00% of collateral value
Enforcement Department Cost	5.50% of collateral value
Selling Cost	2.50% of forced sale Value



■ Operating and Personnel Expense Assumptions

The valuation of NPLs including non-performing corporate, SME, and retail secured loans are based on the assumptions that the Bank were to continue managing the above NPLs by itself, therefore, the Financial Advisor assumes the operating and personnel expenses based on the cost of the Legal and Recovery Group of the Bank which is responsible for managing and collection of the NPLs. The Financial Advisor was given an estimation of the operating and personnel costs of the Legal and Recovery Group for the year 2010 of THB 30.74 million with 5% growth per year from CIMB Thai. However, as the operating and personnel expenses include the cost of managing 1) NPLs, 2) non-performing assets which is not included in the sale, and 3) retail unsecured portfolio which the Bank expects to close by 2012, between 2010 and 2012 the Financial Advisor allocates such expenses by the ratio of outstanding value of each portfolio as at 31 December 2009 which equals to 49.30%. From 2013 onwards, the expenses will be allocated only between the NPLs and the non-performing assets which is not included in the sale, therefore, the Financial Advisor allocates the expenses to the NPLs of 75.96% based on the proportion of the outstanding value of NPLs to the total outstanding value excluding the retail unsecured portfolio as at 31 December 2009.

■ Discount Rate Assumptions

In calculating the present value of the expected future cash flows from the NPLs, the Financial Advisor uses the discount rate equal to the opportunity cost of the Bank which is represented by the Minimum Lending Rate (MLR) of the Bank which was at 6.50% per

annum as of 15 March 2010. Such use of MLR as discount rate is in accordance with the principle in calculation the present value of future expected cash flow according to Bank of Thailand's guidance on IAS 39.

Sensitivity Analysis

To evaluate the effect of valuation to the changes in the cash flow from different assumptions of including the discount rate, force sale value of foreclosed collaterals, and recovery rate for TDR accounts. The Financial Advisor uses the following assumptions for the sensitivity analysis:

Assumption	Low Range	Base Case	High Range
Discount Rate	7.0%	6.5%	6.0%
Force Sale Value			
Land and Building - Bangkok	75.0%	80.0%	85.0%
Land and Building – Major Provinces	65.0%	70.0%	75.0%
Land and Building – Remote Areas	45.0%	50.0%	55.0%
Marketable Machine	25.0%	30.0%	35.0%
TDR Recovery Rate	75.0%	80.0%	85.0%

Discounting the cash flows derived from a range of assumptions and discount rates, the valuation result can summarized as follows:

(Unit: THB)	Low Range	Base Case	High Range
Net Cash Flow			
TDR	638,946,875	685,651,373	732,950,643
Non-TDR	1,836,138,274	2,037,997,804	2,246,197,735
Total	2,475,085,149	2,723,649,177	2,979,148,378
Operating Expenses	(190,586,575)	(195,817,007)	(201,254,108)
Total Value	2,284,498,573	2,527,832,170	2,777,894,270

From the above sensitivity analysis, the expected value which the Bank expects to receive from managing the NPLs is between THB 2,284,498,573 and THB 2,777,894,270 which is 12.11% and 27.72% lower than the offer price for Sale of NPLs transaction at THB 3,160,530,190.71.

5.1.3 Transaction Comparable Approach

The Financial Advisor uses the transaction comparable approach to determine the market driven force incorporated in the selling price of the NPLs. The Financial Advisor has collected publicly available information on recent market driven sales of NPLs. The Financial Advisor has been able to collect information on 4 publicly disclosed transactions during the period of 2008 to 2009 for the purpose of the valuation, including the book value, provision, net book value, and transaction price. In comparing the pricing to the sale of the Bank's NPLs, a multiple is used as a benchmark which is derived from the transaction value divided by its net book value. This multiple implies the market's view on the fair value of each portfolio in relation to its net book value as recorded in the financial statements. The details of the comparable transactions can be summarized as follows:

(Unit: THB million unless otherwise stated)

Seller	Buyer	Date	Outstanding Book value	Provision	Net Book Value	Transaction Value	Transaction Value/ Net Book Value (Times)
TMB	BAM	7/5/2009	14,932	8,958	5,974	4,488	0.75
BAY	Non-Related Party	Q4 2008	8,977	5,489	3,488	3,488	1.00
SCIB	NFS & BAM	10/9/2008	- *	- *	797	755	0.95
STAMC	BAM & SAM	29/2/2008	3,306	573	2,732	3,877	1.42

Note: * No publicly disclosed information available

However, for the case of STAMC selling its NPLs to BAM and SAM, the transaction is discarded from the valuation as the accounting recognition of asset management companies are different from commercial banks, that is the outstanding book value has been recorded at the previous acquired price from the Bank (BankThai Public Company Limited at that time) which was considerably lower than its initial net book value recorded prior to the disposition to STAMC. Therefore, if the said transaction multiple were to be included, the comparison will not be on the same base as the other transactions since the other transaction were recorded by commercial banks at the net book value, so for the case of STAMC, it should be represented by its initial net book value recorded prior to the disposition to STAMC which is higher than the net Investment in receivables which STAMC has recorded.

Therefore, the Financial Advisor applies 3 comparable NPLs transactions to consider the expected value in which the Bank expects to receive from the sale of NPLs.

(Unit: THB million unless otherwise stated)

Seller	Buyer	Date	Outstanding Book value	Provision	Net Book Value	Transaction Value	Transaction Value/ Net Book Value (Times)
TMB	BAM	7/5/2009	14,932	8,958	5,974	4,488	0.7513
BAY	Non-Related Party	Q4 2008	8,977	5,489	3,488	3,488	1.0000
SCIB	NFS & BAM	10/9/2008	-	-	797	755	0.9473
Average							0.8995
							↓
The transaction			5,622	2,461	3,161	2,842	0.8995

From the above table, the average transaction value over its net book value multiple is approximately 0.90 times, which implies that the market views that the fair value of comparable NPLs with similar characteristics should be discounted from its net book value to an average of 0.90 times its net book value. Applying the average transaction multiple of 0.90 times to the net book value of the Bank's corporate, SME, and retail secured portfolio, the valuation result derived from the transaction comparable will equals to THB 2,842,957,858 which is 10.05% lower than the offer price for Sale of NPLs transaction of THB 3,160,530,190.71.

5.1.4 Summary of opinion on the reasonableness of the price

The fair value of NPLs including corporate, SME, and retail secured portfolio of the Bank using various approach can be summarized as follows:

Valuation Approach	Value of NPLs (THB million)	Transact Value (THB million)	Higher (Lower) than the proposed price	
			(THB million)	(Percent)
1. Book Value Approach	3,160.53	3,160.53	-	-
2. Expected Realizable Value Approach	2,284.50 – 2,777.89	3,160.53	(876.03) – (382.64)	(27.72%) – (12.11%)
3. Transaction Comparable Approach	2,842.96	3,160.53	(317.58)	(10.05%)

The valuations derived from the three approaches range between THB 2,284,498,573.07 and THB 3,160,530,190.71, while the offer price for Sale of NPLs transaction would be at its net book value of THB 3,160,530,190.71. However, the appropriateness of each valuation approaches may vary according to the purpose of the valuation. The appropriateness of the valuation approaches are summarized as follows:

- **Book Value Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the book value approach is less appropriate as it might not fully reflect the detail assumptions, current status of each particular account, as well as other additional expenses such as operating expenses. Moreover, it does not reflect the market assessment on the valuation, and thus does not represent a market driven price.

- **Expected Realizable Value Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the expected realizable value approach is more appropriate as it provides the best estimate by using a detailed projected cash flow and assumptions as well as includes operating expenses of each particular account associated with managing the portfolio. However, the valuation result from the expected realizable value approach has limitation in that it does not represent a market driven transaction because it and does not factor in the negotiation in the purchase price freely between buyers and sellers.

- **Transaction Comparable Approach**

For the purpose of rendering opinion on the reasonableness of the price, the Financial Advisor views that the transaction comparable approach is more appropriate as it represents the value derived from publicly disclosed comparable transactions that the NPLs were disposed to non-related party, which to a certain extent, factored in the negotiation into the purchase price. However, the transaction comparable approach does not consider the distinctive detail assumptions of each particular account, current status of each particular account, as well as other additional expenses such as operating expenses.

Therefore, for the purpose of rendering opinion on the reasonableness of the price, it is the opinion of the Financial Advisor that the expected realizable value and the transaction comparable approaches are deemed to be more appropriate than the book value approach. Therefore, the fair value of NPLs is between THB 2,284,498,573 and THB 2,842,957,825 which is 27.72% and 10.05% lower than the offer price for Sale of NPLs transaction of THB 3,160,530,190.71, respectively.

5.2 Fairness of Conditions of the Transaction

The Bank will receive the consideration in form of cash payment equal to the net book value of NPLs as at 31 December 2009 of THB 3,160,530,190.71 deduct with the actual cash collected from 1 January 2010 to the date of the transaction. Thus the Financial Advisor is of the opinion that such condition is deemed to be fair to both the seller and buyer and is similar to the conditions of the Bank in selling NPLs in the past.

However, given the intention of the Bank to conclude the transaction with certainty and within minimum time frame, the selling process of the transaction will not be through the open market or auction process, but will be directly sold to STAMC. As the NPLs will be sold at its net book value and will not be conducted through a public bidding process, neither the price nor the terms and conditions will be freely negotiated between the buyer and the seller. The Financial Advisor views that in the case that outside party(ies) offer(s) a more favorable price and/or terms and conditions during the period that the agreement has not yet been signed between the Bank and STAMC, the Bank should consider such offer(s) from the outside bidder(s).

6. Summary of the Opinion of the Independent Financial Advisor

The objectives of the Restructuring of the Bad Bank of CIMB Thai are to restructure the Bank's non-performing asset division and to improve the overall asset quality and capital position of the Bank, and enable the Bank to focus on its core businesses.

The Sale of STAMC and the Sale of NPLs are considered connected party transactions according to the Notification of Connected Transactions and disposition of assets according to the Notification of Acquisition and Disposal of Assets. As such, CIMB Thai is required to disclose the details of the transaction to the SET, receive approval from the Bank's Board of Directors, and receive approval from the Bank's shareholders in the Annual General Meeting of Shareholders No. 16 to be held on 29 April 2010 by a vote of not less than three quarters of the votes of all shareholders who are present at the meeting and who are entitled to vote. As CIMB Bank is an interested shareholder, CIMB Bank shall abstain from voting on this agenda item.

The Financial Advisor has considered the advantages and disadvantages that the Bank will receive from the Sale of STAMC and the Sale of NPLs, details of the Transaction, fairness of the value and conditions of the Sale of STAMC and the Sale of NPLs.

The advantages of entering into the Transaction will be as follows:

- Support the policies to reduce risk assets and strengthen the financial positions of CIMB Thai
- Prepare for the supervision of the Bank of Thailand base on the consolidation basis
- Provide additional source of funds and lending capacity
- Concentrate on the core businesses of the Bank
- Potential recognition gain of sale of STAMC's shares
- Reduce its expenses related to managing the NPLs by selling the NPLs out, including operating and personnel costs, legal process expenses, and related expenses

However, the disadvantages of entering into the Transaction are as follows:

- Might forgo the opportunity to gain additional return from continuing to manage the NPLs and non-performing assets given that CIMB Thai and STAMC could efficiently manage the NPLs and non-performing assets.
- Might lessen the flexibility in managing NPLs of CIMB Thai in the future.

In entering into the Transactions with a related party will provide the following advantages to the Bank:

- Receive the certain consideration upfront from entering into the Transactions as opposed to the sale in the open market or via the auction process
- Ensure that there will be the transferee of the NPLs certainty as opposed to the Sale of NPLs to external party(ies)
- Shorten the NPLs selling period and process, while not incurring additional expenses

In entering into the Transactions with a related party will provide the following disadvantages to the Bank:

- Might forgo the opportunity to receive a higher offer for the Sale of STAMC and Sale of NPLs from the open market or via the auction process as other financial institutions or asset management companies might be interested and offer a higher price than price for the Transaction.

In rendering the opinion on the fairness of the price of shares of the Sale of STAMC transaction, the Financial Advisor has considered various methods and is of the opinion that the Discounted Cash Flows Model Approach is more appropriate than the Book Value Approach and the Adjusted Book Value Approach because the Discounted Cash Flows Model Approach takes into account the details projected discounted cash flows under the current situation as well as includes operation expenses and profit making ability of STAMC which best reflects the fair value of shares of STAMC. The fair value of shares of STAMC according to the proportion held by CIMB Thai based on the Discounted Cash Flows Model Approach is between THB 165,838,678 and THB 219,308,032. Such range is lower than the offer price of THB 229,149,954 by 27.63% and 4.29%, respectively. Therefore the proposed transaction price of the Sale of STAMC transaction is deemed to be fair as it is greater than the valuation range derived from the above mentioned approach. In rendering the opinion on the appropriateness of the condition to the Sale of STAMC transaction, the Financial Advisor has considered the condition in which CIMB Thai will receive in form of cash consideration having the payment period, which will be agreed upon in the future, according to normal business practice in shares acquisition transactions. Therefore the Financial Advisor is of the opinion that such condition in entering into the Sale of STAMC transaction is deemed to be fair as it is to be a normal business practice.

In rendering the opinion on the fairness of the price of the Sale of NPLs transaction, the Financial Advisor has considered various methods and is of the opinion that the Expected Realizable Value Approach and the Transactions Comparable Approach is more appropriate than the Book value Approach. The Expected Realizable Value Approach is more appropriate as it provides the details

estimate of the projected cash flows as well as includes operating expenses of each particular account associated with managing the portfolio while the Transactions Comparable Approach is appropriate as the approach factored in the freely negotiations on purchase prices. The fair value of NPLs according to the proportion held by CIMB Thai based on the Expected Realizable Value Approach and the Transactions Comparable Approach is between THB 2,284,498,573 and THB 2,842,957,825. Such range is lower than the offer price of THB 3,160,530,190.71 by 27.72% and 10.05%, respectively. Therefore the proposed transaction price of the Sale of NPLs transaction is deemed to be fair as it is greater than the valuation range derived from the above mentioned approaches. In entering into the Sale of NPLs transaction, CIMB Thai will receive the cash consideration equals to the net book value as of 31 December 2009, which was THB 3,160,530,190.71 deduct by the actual cash collected since 1 January 2010 until the closing date of the Sale of NPLs transaction. The Financial Advisor considers this condition to be fair to both the seller and buyer and is similar to the conditions of CIMB Thai in selling the NPLs in the past.

The Financial Advisor is of the opinion that the shareholders should vote in favor of the Transactions. If the shareholders vote in favor of the Transaction and the Bank obtains approval from the Bank of Thailand and relevant authorities, the Bank will enter into the CIMB Thai Loan transaction which is part of the Proposal and has already been approved by the Board of Directors' meeting of CIMB Thai No. 12/2009 held on 25 November 2009 and No. 5/2010 held on 25 March 2010.

Nevertheless, the final decision is at the discretion of the shareholders. The opinion of the Financial Advisor is based on the assumption that information and documents received from CIMB Thai and/or STAMC as well as interviews with CIMB Thai's and/or STAMC's managements and employees are reliable, complete, and accurate. Moreover, in order to make an informed decision, the shareholders should carefully study other documents attached in this letter in details as well as attend the shareholders' meeting.

The Financial Advisor, hereby, warrants that this report is prudently and professionally evaluated for the interests of the Bank's shareholders.

Yours Sincerely,

TISCO Securities Company Limited

(Signed) Ms. Aunchana Grisa-ard
(Ms. Aunchana Grisa-ard)
Head of Back Office

(Signed) Mr. Prasert Tantayawit
(Mr. Prasert Tantayawit)
Head of Investment Banking Group

(Signed) Mr. Prinya Bovornpanomsak
(Mr. Prinya Bovornpanomsak)
Licensed Financial Advisor

Appendix 1: Details Summary of Investment in Receivables and Property Foreclosed of STAMC

1. Investment in receivables

Details of Investment in receivables breakdown by investment type and debtors can be summarized as follows:

(Unit: THB million)

Type	No. of accounts	Investment in receivables	Allowance for impairment*	Investment in receivables – net *
Corporate and SME	257	141.3	61.3	79.9
Retail secured	3,613	128.9	88.9	40.0
Total	3,870	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investment in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

Details of Investment in receivables breakdown by payment type can be summarized as follows:

(Unit: THB million)

Type	No. of accounts	Investment in receivables	Allowance for impairment*	Investment in receivables – net *	
Corporate and SME	Non-TDR	227	134.4	61.3	73.1
	TDR	30	6.8	-	6.8
รวม		257	141.3	61.3	79.9
Retail secured	Non-TDR	3,576	124.8	88.8	35.9
	TDR	37	4.1	0.0	4.1
Total		3,613	128.9	88.9	40.0
Grand total		3,870	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investment in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

Details of Investment in receivables breakdown by payment type and legal status process as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Legal Status	No. of Accounts	Investment in receivables	Allowance for impairment*	Investment in receivables – net *
Troubled Debt Restructure	67	10.9	0.0	10.9
Non-troubled Debt Restructure				
Preparation for litigation	380	23.4	12.4	10.9
Under litigation process	12	4.3	2.1	2.2
under enforcement process	62	62.8	24.9	38.0
Under public auction process	341	64.2	17.9	46.3
Awaiting proceeds from public auction	12	5.0	1.4	3.6
Proceed received, awaiting further investigation	2,996	99.5	91.5	8.0
Total Non-troubled Debt Restructure	3,803	259.2	150.2	109.0
Grand total	3,870	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investment in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

Details of Investment in receivables by outstanding principal as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Principal	No. of Accounts	Investment in receivables	Allowance for impairment*	Investment in receivables – net *
> THB 100 million	1	22.8	-	22.8
THB 20 - 100 million	15	119.5	77.5	42.0
THB 5 – 20 million	25	60.9	30.2	30.7
THB 1 – 20 million	3,047	66.9	42.5	24.4
< THB 1 million	782	-	-	-
Total	3,870	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

Details of Investment in receivables breakdown by industry as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Industry	No. of Accounts	Investments in receivables	Allowance for impairment*	Investment in receivables – net *
Construction	64	14.0	6.8	7.3
Agricultural	87	3.5	0.5	3.0
Retail	371	58.8	21.6	37.1
Service	82	5.4	0.5	4.9
Infrastructure	10	0.2	0.0	0.2
Mining	3	0.1	0.1	-
Industrial	132	72.7	38.0	34.7
Real Estate	35	28.2	23.3	4.9
Finance and banking	8	0.1	0.1	-
Personal loan	3,078	87.1	59.2	27.9
Total	3,870	270.1	150.2	119.9

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts

Details of Investment in receivables breakdown by type of collaterals as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Collateral Type	Collateral Value
Land and building with land located in Bangkok	127.3
Land and building with land located in major provinces	56.3
Land and building with land located in remote areas	103.8
Shares listed in the SET	9.8
Total	297.1

Source: STAMC as at 31 December 2009

2) Property Foreclosed

Details of Property Foreclosed of STAMC as at 31 December 2009 can be summarized as follows:

(Unit: THB million)

Location	Number	Value of Property Foreclosed	Allowance for impairment*	Value of Property Foreclosed - net*	Value of collaterals according to most recent appraisal reports
Located in Bangkok	17	58.8	0.4	58.4	75.2
Located in major provinces	63	61.2	7.8	53.4	64.7
Located in remote areas	7	47.2	-	47.2	61.4
Total	87	167.2	8.2	159.0	201.4

Source: STAMC as at 31 December 2009

Remark: * There are discrepancies in the value of allowance for impairment on Investments in receivables and Investment in receivables – net from the audited financial statement because of internal adjustments are made for certain accounts