The Stock Exchange of Thailand
Market for Alternative Investment

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Annual Report 2001

The Stock Exchange of Thailand

Annual Report
2001

From Strong Capital Market Foundations...

To Growth of the Thai Economy

The Stock Exchange of Thailand

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To be one of the most attractive capital markets

in Asia by providing quality products, fairly representing

the Thai economy, with effective risk management tools,

international standards of enforcement

and corporate governance

Corporate Information

Location

The Stock Exchange of Thailand Building

62 Rachadapisek Road, Klongtoey, Bangkok 10110

Telephone : 66-2229-2000, 66-2654-5656

Facsimile : 66-2229-2030-32, 66-2654-5649

Website : http://www.set.or.th

Mission

- To promote the mobilization of long-term funds for national economic development.
- To provide systems for the efficient, transparent and fair operations of the securities market.
- To provide effective investor protection.
- To promote the overall development of the Thai capital market.

Operations

- The Stock Exchange of Thailand (SET) is a juristic entity set up under the Securities Exchange of Thailand Act, B.E. 2517 (1974) and started operations on April 30, 1975.
- Its mandate is to be a market or center for the trading of listed securities, as well as provide any related services connected to such activities, without distributing any profits to members.
- Currently, the SET operates under the legal framework laid down in the Securities and Exchange Act, B.E. 2535 (1992).
- SET main operations include securities listing, supervision of the information disclosure of listed companies, securities trading and market surveillance, and member supervision regarding securities trading activities, information dissemination, and investor education.

Personnel

353 staff (as of December 31, 2001)

International Memberships

- Full Member, The World Federation of Exchanges (FIBV)
- Affiliate Member, The International Organization of Securities Commissions (IOSCO)
- Member, The East Asian and Oceanian Stock Exchanges Federation (EAOSEF)

Subsidiaries

- **Thailand Securities Depository Company Limited**

  4th & 7th Floor, The Stock Exchange of Thailand Building

  62 Rachadapisek Road, Klongtoey, Bangkok 10110

  Telephone : 66-2359-1200-01 Facsimile : 66-2359-1259

  http://www.tsd.co.th

- **Thai Trust Fund Management Company Limited**

  7th Floor, The Stock Exchange of Thailand Building

  62 Rachadapisek Road, Klongtoey, Bangkok 10110

  Telephone : 66-2359-1200-01 Facsimile : 66-2359-1258

- **Thai NVDR Company Limited**

  7th Floor, The Stock Exchange of Thailand Building

  62 Rachadapisek Road, Klongtoey, Bangkok 10110

  Telephone : 66-2359-1200-01 Facsimile : 66-2359-1258

  http://www.set.or.th/nvdr

- **SETTRADE.COM Company Limited**

  8th Floor, The Stock Exchange of Thailand Building

  62 Rachadapisek Road, Klongtoey, Bangkok 10110

  Telephone : 66-2229-2081-89 Facsimile : 66-2654-5583

  http://WWW.SETTRADE.COM

Auditor

Mrs. Nattaporn Phan-Udom

PricewaterhouseCoopers ABAS Limited

From Strong Capital Market Foundations...

To Growth of the Thai Economy

The Stock Exchange of Thailand . . .

is now ready to forge ahead to become

a premier Capital Market in the region.

Our newly strengthened financial industry

will respond positively to business and

investment developments through flexible, efficient

and transparent management, vital to the Thai economy's

stable and sustainable growth in the future. . .

Three-Year Statistical Highlights

Market Highlights		2001	2000	1999
Securities Turnover				
Stock Exchange of Thailand (SET)				
• Turnover Volume	(Million Units)	180,317.53	60,502.56	96,322.94
• Turnover Value	(Billion Baht)	1,577.75	923.70	1,609.79
• Daily Average Turnover	(Million Baht)	6,439.83	3,739.66	6,570.56
• No. of Transactions	(Deals)	13,040,654	9,313,392	12,687,403
• Turnover Ratio	(%)	90.65	64.67	118.10
Market for Alternative Investment (MAI)*				
• Turnover Volume	(Million Units)	590.34	-	-
• Turnover Value	(Million Baht)	2,010.11	-	-
• Daily Average Turnover	(Million Baht)	27.92	-	-
Listed Companies				
Stock Exchange of Thailand (SET)				
• No. of Listed Companies		382	381	392
• No. of Listed Mutual Funds		9	11	20
• No. of Newly Listed Companies		7	2	-
• No. of Newly Listed Mutual Funds		1	2	2
• No. of Delisted Companies		6	13	26
• No. of Expired Mutual Funds		4	11	21
Market for Alternative Investment (MAI)*				
• No. of Listed Companies		3	-	-
Listed Securities				
Stock Exchange of Thailand (SET)				
• Total Listed Securities		449	438	450
- Common Stocks		382	381	392
- Unit Trusts		9	11	20
- Warrants		42	31	26
- Others		16	15	12
Market for Alternative Investment (MAI)*				
• Total Listed Securities		4	-	-
- Common Stocks		3	-	-
- Warrants		1	-	-

		2001	2000	1999
Total Market Capitalization	(Billion Baht)	1,607.04	1,279.22	2,193.07
Total Capital Increase	(Billion Baht)	108.24	63.43	244.43
SET Index				
• Open		272.03	498.46	356.68
• Close		303.85	269.19	481.92
• High (Date/Month)		342.56 (6/9)	498.46 (4/1)	545.91 (22/6)
• Low (Date/Month)		265.22 (7/11)	250.60 (11/10)	313.65 (11/2)
Average Dividend Yield	(%)	2.06	1.78	0.61
Average Price/Earnings Ratio		4.92	5.52	14.70

* The MAI began trading on September 17, 2001.

Financial Highlights

		2001	2000	1999
Consolidated Financial Statements	(In Million Baht)			
Total Revenues		1,401	1,403	1,409
Income from Investments		515	500	523
Surplus for the Year		567	686	740
Capital Expenditure		98	72	33
Current Assets		9,455	4,411	5,535
Long-term Investments		1,890	6,350	4,495
Other Assets		704	708	691
Total Assets		12,049	11,469	10,718
Total Liabilities		260	245	239
Total Funds		11,789	11,224	10,479
Return on Total Assets	(%)	4.7	5.9	6.9
Current Ratio	(Times)	36.4	18.0	23.2
Debt to Funds Ratio	(%)	2.2	2.2	2.3

A Message from Chairman and the President

In 2001, the main focus of the Stock Exchange of Thailand (SET) was on reviving confidence in Thai capital market. This was achieved with support from the government, especially through a reduction in corporate income tax for listed companies on both the SET and the Market for Alternative Investment (MAI), as well as progress on privatization of SOEs and their listing on the Exchange. These measures, implemented during the year, coupled with a nascent economic recovery, contributed to building confidence amongst all parties as well as boosting the attractiveness of the stock market itself. This was seen in the remarkable 70% increase in trading turnover in 2001 compared to the previous year, as well as ten new listings as opposed to only two in 2000.

Furthermore, the SET emphasized quality in the performance of listed companies by actively promoting the implementation of good corporate governance practices. The SET produced and disseminated a Good Corporate Governance Report to be used as a guideline, as well as adjusting the listing regulations to focus more on information disclosure to investors. We also conducted promotional activities, such as giving recognition to those listed companies demonstrating good corporate governance, for greater understanding of the issues.

Expanding the investor base and developing their potential was also a priority the SET continually aimed at in 2001. The SET undertook an aggressive marketing campaign to expand the number of investors, conducting various activities to stimulate investors' interest and promote knowledge of securities to potential investors and the public in general. Such activities included seminars and training for professionals in the securities business, plus an Investor Fair for the general public, as well as improvements in the channels for the distribution of information about investment. The SET Junior Achievement Program (SET-JAT) was also inaugurated for the promotion of the SET to a new generation of potential investors.

In regard to infrastructure development of the securities industry, the SET in 2001 established the Back Office Service Bureau to provide after-trade services to securities companies. This aimed to both help facilitate operations and reduce operational costs in the industry as a whole. In addition, if a Front Office Service Bureau can be established this year, SET services will be all in one and thus help enhance the industry's efficiency overall.

In future it will be recognized that 2001 was the year for the redesign of the foundation of the capital markets aimed to revitalize and develop them in active collaboration with all related parties, both in the public and private sectors. As well, the Capital Market Master Plan was formulated to determine the future trends and strategies for the efficient development of the Thai financial markets for the long run, to enhance their competitiveness in the global market for capital.

In 2002 the SET is determined to continue this collaboration to bring the measures outlined in the Capital Market Master Plan into action in line with market conditions. With the economy and investment starting to recover, these measures will help boost the potential of the Thai capital markets in every respect, to help make them the key mechanism that drives and supports economic growth in a stable and sustainable manner. In order to achieve this target, it is vital that we enlist the cooperation of all related parties in both the public and private sectors.

(Mr. Chavalit Thanachanan)
Chairman

(Mr. Kittiratt Na-Ranong)
President

Economic Recovery helps boost the Capital Markets

By providing more support for companies

with potential to list on the Exchange

offering better options for investors. . .

Overview and Trends of the Thai Economy and Capital Markets

Overview of the Thai Economy and Capital Markets in 2001

Thai Economy

The Thai economy decelerated in 2001 due to contracting export growth of 7% and sluggish private investment reflected by a reduction in imports of capital goods of 11.2%. BOI-promoted firms also reduced investment by 4.6%. Sales of commercial cars expanded only 7.5%, which was less than the growth rate of the same period last year. Nevertheless, domestic consumption continued to expand. The Private Consumption Index rose 2.6%. The government's attempts to stimulate the economy through fiscal policy, which created a budget deficit of Baht 121 billion, helped stimulate economic activities and compensate for the detrimental effect of lower exports and private investment. The National Economic and Social Development Board (NESDB) calculated that the Thai economy in 2001 grew at a rate of 1.5%, down from 4.4% in 2000.

The sluggishness of the economy was clearly reflected in the agricultural sector. The unadjusted seasonal Manufacturing Production Index increased only slightly by 1.3% from the previous year. The industrial utilization rate stood at 54.1%, declining only slightly from 56.0% of 2000. Products where production expanded included food and beverages, cement, steel, automobiles and motorcycles. Production of export goods, canned products, and textiles increased considerably, while that of integrated circuits and components declined.

The fact that the general economy was in the doldrums, however, had a positive effect on the stability of price levels generally. Despite domestic demand expanding, the degree of expansion was not large enough to put any downward pressure on prices. With regard to production, as oil prices remained low and businesses did not flourish greatly, pressure on production costs was also slight. These conditions then resulted in only 1.6% in general, and 1.3% in basic inflation respectively for 2001.

The international financial stance of Thailand in 2001 remained stable, even though exports were in decline due to the impact of the world economic slump - in particular, the U.S. economy on which Thai exports depend to a large degree. In the meantime, imports decreased as well, especially the import of capital goods and raw material used for export production. In addition, a slowdown of the domestic economy also resulted in decreased imports of consumer goods. Hence, in 2001, there was a trade surplus of USD 2,527 million, and current account surplus of USD 6,200 million. The balance of payment in 2001 improved as a result of lessening capital outflows. There was

a surplus in the balance of payments of USD 1,317 million, compared to a deficit of USD 1,617 million in 2000; hence the financial position remained strong. Foreign reserves at the end of 2001 stood at USD 33 billion, which was higher than the USD 32.7 billion at year-end 2000, and equivalent to seven months of imports.

Money market liquidity also remained high throughout 2001. The one-day repurchase interest rate and the interbank rate at the end of 2001 were 1.75% and 2.00% on average respectively. Saving deposits continued to expanded from last year, while credits offered by commercial banks decreased. Commercial banks' deposits as of December 2001 increased 4.0% from the same period last year. However, the banks' lending as of December 2001 declined 5.8%, in spite of the downward adjustment of interest rates since 2000 to a considerably lower level throughout the year. At the end of 2001, the one-year fixed deposit rate and the minimum-lending rate (MLR) stood at 2.75-3.00 and 7.00-7.50 respectively.

The government's economic stimulus program concentrated on fiscal policy to induce demand from the community level and on attempting to resolve the problems with the real sector of the economy. Major economic stimulus policies include the People's Bank Project, the Village and Urban Revolving Fund, the Housing Loan Policy, etc. Measures to resolve the problems of the financial institutions included the establishment of the Thai Asset Management Corporation (TAMC) as a national asset management corporation to help resolve the problem of non-performing loans (NPLs). Nevertheless, despite an apparent marked decrease in financial institutions' NPLs in 2001, the fact that the problems of the real sector seem unlikely to be resolved soon and, in fact, may see an increase in re-entry NPLs, this may prevent the Thai economy from experiencing a recovery.

Thai Capital Markets

The fund mobilization of businesses in 2001 improved from the previous year. Fund mobilized through the primary market was done by 63 companies issuing new securities that accounted for Baht 192,542 million in total, which was a 21% decrease from previous year. However, there was a 123% increase in the rate of growth of common shares issued. Issuing of corporate bonds was popular, for a total of Baht 106,680 million, followed by common shares worth Baht 85,160 million, warrants worth Baht 396 million, and preferred shares worth Baht 307 million. These securities were sold mainly through private placement in which a total Baht 125,248 million worth of securities or 65% of total securities were sold. The remaining 35% or Baht 67,074 million worth of securities were sold through public offerings.

Trading of Securities on the SET

Securities' trading on the SET was volatile, yet active, throughout 2001. Total trading turnover was recorded at Baht 1,578 billion, an increase of 71% from the previous year. During the year, both domestic and foreign conditions influenced investment. Important internal factors were the slowdown in the Thai economy, the General Election in early 2001, and the court case concerning the Prime Minister's assets. External factors included a slowdown of the world economy, and the terrorist threats that negatively affected investor confidence all over the world - including Thailand.

The volatility of trading turnover was reflected in the movement of the SET Index. In 2001, the SET Index opened at 272.03 points on January 3 and adjusted upward to 334.10 points on February 2 after the General Election. After that, the Index remained almost dormant in the middle of the year. Then, on September 6, the Index was on its peak at 342.56 before the terrorist attack in the U.S.A. Afterwards, however, the Index plunged to a trough of 265.22 on November 7. The SET Index improved little by little until it closed at 303.85 points at the end of 2001, accounting for a 13% increase from end of 2000. An upward adjustment of the SET Index plus new listings of large-scale companies such as PTT Public Co., Ltd. resulted in a total market capitalization at the end of 2001 of Baht 1,607 billion, compared to Baht 1,279 billion at the end of 2000.

The trading of securities in 2001 was more active than the previous year. The daily average turnover was Baht 6,440 million, an increase from Baht 3,740 million a day in 2000. The highest turnover was on January 26 with trading value of Baht 23,223 million, and the lowest turnover fell on November 5 with a trading value of Baht 1,063 million. Trading by investor groups showed that local retail investors took the largest portion as net buyers for Baht 6,963 million worth of securities while foreign investors and local institutions were net sellers of 6,426 and 538 worth of securities respectively.

Salient Trading Statistics

Item		2001	2000	1999
SET Index		303.85	269.19	481.92
Total trading turnover	(Billion Baht)	1,578	924	1,610
Average daily turnover	(Million Baht)	6,440	3,740	6,571
Total market capitalization	(Billion Baht)	1,607	1,279	2,193
No. of listed companies	(Companies)	382	381	392
Net Buying - Selling by Customer Type				
• Foreign investors	(Million Baht)	(6,426)	(33,068)	(3,134)
• Local institutions	(Million Baht)	(538)	(948)	(2,872)
• Local retail investors	(Million Baht)	6,963	34,016	6,006

Trends in the Economy and Capital Markets in 2002

Economic Trends

Trends in the Thai economy in 2002 are expected to improve from the previous year. The recovery is expected to be more apparent in the latter half of the year. Economic growth is forecasted to be about 2%, compared to 1.5% in 2001. Nevertheless, the recovery of the Thai economy in 2002 will still be dependent on the uncertainty in world economic conditions.

Factors in support of the recovery of the Thai economy

- **The recovery of the U.S. economy in the latter half of 2002**

The implementation of policies to stimulate the economy and to prevent a recession in the U.S. economy include a reduced FED Fund rate down to 1.75% per annum, tax cuts, and a stimulus scheme through government expenditure has made many analysts foresee a resulting recovery in the U.S. economy in the second half of the year 2002. Many economic indicators released in the last quarter of 2001 indicated an upward trend in the U.S. economy, especially the (preliminary) fourth quarter growth rate that showed a 0.2% growth from the previous quarter, compared to an expected 1.1% contraction.

- **Expansionary monetary policy expected to continue**

In 2002, it is expected that the Bank of Thailand will continue exercising an expansionary monetary policy, along with a decline in the trend of interest rates in world markets. This is favorable to the Thai economy, as businesses will have lower loan costs. At the same time, commercial banks should be able to expand their credits, which should result in the recovery of the economy. Moreover, low-level interest rates will be favorable to the debt restructuring of the business sector as well.

- **Not too high inflationary pressure**

The inflation level in 2002 will remain low, consistent with the 2001 level, as oil prices in the world markets do not appear to be increasing. Moreover, as domestic demand is not so strong, pressure on price levels then will not be strong either. As inflation remains low, it will enable the Bank of Thailand to continue to exercise its expansionary monetary policy to stimulate investment and economic recovery.

Threats to the growth of Thai economy

- **Increased public debt**

In 2002, the government will continue to use fiscal policy as the stimulus to the economy as the real sector and production sector have not yet fully recovered. Various schemes have already been implemented in 2001, such

as the People's Bank Project, Village and Urban Revolving Fund, and Housing Loan Scheme, which the government expects to take effect in 2002. However the public debt level, still as high as 60% of gross domestic product (GDP), is a constraint on the government's ability to inject further money into the system. In addition, if the economy does not really recover, plus the government cannot collect taxes as planned, this could lead to a lack of faith in the fiscal stability of the country.

- **Problems of NPLs**

Total NPLs of all financial institutions as at the end of December 2001 accounted for 10.42% of total loans, which showed a decrease from 17.63% at the end of 2000. Most of the decline, however, was from debt transfers to the TAMC, whilst the rate of growth in new loans has not yet declined. At the same time, there are possibilities of reverse NPLs coming back into the system since the real sector is far from fully recovering. If this is so or debt management is not exercised efficiently, NPLs may not decline significantly.

- **Effects of trade liberalization and grouping**

Major effects of trade liberalization and grouping in 2002 will be the entry of China into the WTO (World Trade Organization) and tax and tariffs reduction under the AFTA framework that will lead to a fiercer competitive environment in both the local and foreign markets that Thailand competes in. WTO membership for China will threaten Thai export markets, especially markets for agricultural products and markets that are labor-intensive, such as textiles and low-end electrical appliances. This is because China has the competitive advantage of significantly lower labor costs than Thailand. In regard to AFTA, import tax on products from ASEAN countries (excluding Myanmar, Laos, Vietnam, and Cambodia) will be reduced to 0-5%, thus easing the entry of goods from neighboring countries into the Thai market, which will negatively affect some industries, such as electrical appliances, in which Thailand has a higher cost structure, such as import taxes imposed on some raw materials of 5% or more.

Trends of the Capital Markets and Investment in the Stock Market

The capital markets and investment conditions at the SET indicate an improving trend in 2002 in line with the economic trends influenced by the domestic and international factors mentioned earlier. Domestic factors that need to be carefully monitored are economic and financial trends, the government's economic policies, an increase in number of listed companies, and the listed companies' performance in 2001. External factors include U.S. economic conditions that may significantly affect the world economy.

Factors affecting investment in the stock market

- **Trends of the economy, financial markets and the government's economic policies**

The securities trading conditions of the Stock Market in 2002 will depend mainly on economic factors. If the economy can really recover as forecasted, it will support Stock Market fundamentals. Listed companies' performance will also improve, thus adding to the attraction of listed securities. Another factor of vital importance supporting this will be the government's economic policies, which are expected to directly affect investment in the Stock Market. These are, for example, the establishment of The Thai Opportunity Fund, worth Baht 10 billion, for investment in securities with growth potential and sound fundamentals. The Fund will be activated in 2002.

- **An increase in number of listed companies**

The SET will continue to implement aggressive marketing policies to attract Thai corporates with the potential, and privatized SOEs to list on either the SET or the MAI. This should increase supply in the market and give investors more choices. In 2002, there are 50 new listings planned, comprising twenty large-scale companies (including nine SOEs) on the SET and thirty small and medium sized enterprises (SMEs) on the MAI.

- **Listed companies' performance**

It is anticipated that operational performance of listed companies in 2002 will continue to show an improvement in line with recovery of the world and U.S. markets, especially those listed companies that are export-oriented. Moreover, the government's policy of concentrating on stimulating domestic demand is expected to benefit listed companies that depend on the domestic market, yield better performance, and increase the attractiveness of investing in the market.

- **Recovery of the world and U.S. economies**

Many economic agencies have forecasted that the World as well as the U.S. economy would begin recovering in 2002. The International Monetary Fund (IMF) anticipated that both the World and the U.S. economies would grow at a rate of 2.4% and 0.7% respectively, now adjusted upwards from its previous forecast that expected these to contract by 1.1% and 1.5% respectively. The recovery of these markets will positively affect the investment climate of the Thai Stock Market as the listed companies should achieve better operational performances, plus there will be external influences as stock markets worldwide pick up.

Important Developments at the SET in 2001

In 2001, the SET fine-tuned its strategies to develop greater efficiency in its organizational systems and to serve the securities industry as a whole, in response to changing environment and economic conditions. The SET also worked to raise professional standards in the securities industry and promote good corporate governance amongst all related parties so as to raise local standards of quality, transparency, and creditability. The SET also accelerated the development of demand and supply in the securities market as well as the infrastructure of the industry itself. The government also stressed the importance of developing the capital markets to be the driving force in revitalizing the Thai economy. It actively gave encouragement, as well as implementing various schemes to revive the capital markets, such as supporting the listing of SOEs on the stock exchange. These contributed greatly to the Stock Exchange's development, as seen in an increase in products and trading values for the year 2001 compared to the previous year.

Product Development and Support for Listing of Privatized SOEs

The promotion of product development and the increase in the number of securities or investment options on the Exchange enhanced the attractiveness of the SET for investors. In 2001, the SET welcomed 20 new listing, comprising of seven common share listings, preferred share listings, eleven warrant listings, and one unit trust listing. There were seven new listed companies joining the bourse, namely Cal-Comp Electronics (Thailand) Public Co., Ltd. **(CCET)**, United Securities Public Co., Ltd. **(US)**, Home Product Center Public Co., Ltd. **(HMPRO)**, Aeon Thana Sinsap (Thailand) Public Co., Ltd. **(AEONTS)**, Nava Leasing Public Co., Ltd. **(NVL)**, plus two privatized SOEs, Internet Thailand Public Co., Ltd. **(INET)**, and PTT Public Co., Ltd. **(PTT)**.

It was also a good year for the MAI in terms of SMEs joining the bourse. There were four securities listed on the MAI, consisting of three common share listings: the Brooker Group Public Co., Ltd. **(BROOK)**, Roynet Public Co., Ltd. **(ROYNET)**, and Team Precision Public Co., Ltd. **(TEAM)**, plus a warrant listing for the Brooker Group. Another prospective listing is Chuo Senko (Thailand) Public Co., Ltd., currently in the IPO process and expected to begin trading on the MAI in early 2002.

This greater number of new listings on both the SET and MAI (ten companies this year) was a byproduct of the government's supportive measures and schemes. These include tax incentives, where companies listed on the SET and MAI will enjoy corporate tax cut from 30% to 25% and 20% respectively. Government's support for the privatization of SOEs to list on the Exchange, as well as the SET's proactive marketing strategies through direct selling and personal contacts, the offering of both pre- and post-listing services, educational seminars, promotional campaigns for listed companies, plus advisory services on the privatization and listing of SOEs, together with share subscription via the Internet, have all contributed to the increase in listing on the bourse.

In 2001, the SET introduced Non-Voting Depository Receipts (NVDRs), which are issued by the Thai NVDR Co., Ltd., one of the SET subsidiaries. This new product will help facilitate investment by foreigners who otherwise face constraints on investing in Thai stocks, as well as helping increase trading liquidity in the market.

Moreover, the SET has offered full support in providing useful information on new channels for the fund-raising efforts of small- and medium-sized enterprises (SMEs), and for venture capital businesses as well as general businesses, through the new website, www.thaicapnet.com, which is an information platform for the aforementioned businesses to assist them in doing business together.

Promotion of Good Corporate Governance and Improving the Strength of Listed Companies

The SET has adjusted its regulations to increase support for the listing of companies in line with the government's tax incentives scheme and the listing of privatized SOEs. The SET also reduced listing expenses for listed companies by cutting the listing fee by 50% on average, and the application fee from Baht 150,000 down to only Baht 50,000.

The SET also established a set of practical guidelines for listed companies to implement good corporate governance. Listed companies were invited to publish these fifteen principles of good governance practices in their annual reports starting from the December 31, 2002. If they fail to do so, they are obliged to demonstrate instead that they have given attention to the development of systems of good governance to help equip shareholders and

investors with the information necessary for making informed investment decisions. The SET furthermore, also held educational seminars to assist in understanding the roles and responsibilities of audit committees, in line with the continuing development of systems of good corporate governance. The SET, in addition, supported the "Good Corporate Governance Practices Award 2001" of the Institute of Internal Auditors of Thailand, to honor companies with good corporate governance practices. In 2001, three listed companies received this award: the Electricity Generating Public Co., Ltd., TISCO Finance Public Co., Ltd., and the Thai British Security Printing Public Co., Ltd.

In the meantime, the SET, in cooperation with the Ministry of Commerce, supported amendments to and the enactment of the Public Company Act II, which supports fund mobilization and financial management of listed companies. Issues that have already been addressed include the cancellation of minimum share prices, securitization, share repurchasing, and compensation for accumulated losses, etc. These allow listed companies to arrive at more appropriate share prices and also to repurchase their shares. Repurchasing of shares must conform to the SET regulations, starting from December 2001 onwards.

The SET also set up the Investor Relations Club (IR Club) to encourage the establishment of IR Units in Listed Companies, to help add value, increase their attractiveness and increase investor confidence. The SET also held a number of free seminars to help develop the skills of listed companies' personnel. Issues highlighted were, for example, the preparation of financial statements under the new accounting standards, and the Public Company Act II.

Promotion of Investment in Securities and Expanding the Base of Investors

Investment promotion activities

Various activities were held to expand the investor base, such as an Investor Fair and educational events held to promote greater understanding of investment in securities for both local and foreign investors, including institutions. As a measure of success, as at November 30, 2001, the number of investors in the market was recorded at 211,542. The SET also initiated a Youth Development Program - the SET Junior Achievement Thailand or SET-JAT - to develop understanding of economics and investment amongst Thai youth, which generated great interest and participation from a large number of young people and from academic institutions. At the same time,

the Thailand Securities Institute (TSI) also geared up to provide training and examination services to securities professionals, especially for those who require certification to perform their jobs. This will enhance the quality of human resources in the market. The range of information service provided through the SET website www.set.or.th was increased also, as well as customer services via the SET's Call Center - all improved to be more responsive to investor needs.

Trading and subscribing to shares via the Internet

The total value of securities trading via the Internet in 2001 through WWW.SETTRADE.COM (offered by SETTRADE.COM Co., Ltd.) increased ten times from an average of Baht 200 million to Baht 2,000 million a quarter. Presently there are seven companies utilizing the services of SETTRADE.COM. The company has, in addition, offered the first IPO subscription system in Thailand via the Internet, (SETTRADE*IPO*) aimed to serve the needs of the investors and underwriters with convenient, fast and cost-effective services. The first securities that investors could subscribe to online were the common shares of Internet Thailand Public Co., Ltd.

Increasing trading liquidity

The SET established a best practice manual for personnel in the securities brokerage business and for the member companies to use as a guideline for the supervision of securities trading services. These aim at delivering good standards, quality and creditability. Various rules and regulations were also adjusted to cope with current conditions and to increase liquidity in the market. These include a review of the price spread (to become ten price intervals), extension of the ceiling on trading orders on the main board of the SET and MAI to 10 million shares, and an adjustment of the proportion of minority shareholders required which, in newly listed companies, was changed from 15% to 20% of the companies' registered capital, and in existing listed companies, from 10% to 15% of registered capital.

Meanwhile, the SET discussed with industry operators and related organizations a review of the liberalization of brokerage fees in the light of current market conditions, and finally determined that the minimum rate should be 0.25% for all types of customer accounts, and 0.20% for trading of securities via the Internet. The promotion of non-member companies to member status was also finalized.

Improving services for related parties

The SET is committed to excellence of service by improving service quality to enhance transparency, convenience, and the speed of operations, whilst at the same time reducing the costs and risks to the parties concerned. In this regard, the "Back Office Service Bureau" was established to offer back office services to securities companies in October 2001.

Creating Transparency and Fairness in Securities Trading

The SET is determined to supervise trading activities in an appropriate way with honesty and fairness. In 2001, the SET issued three major edicts on "Measures to Deal with Irregular Trading". These aim at a timely and rapid market trading surveillance program to guard against irregular trading and price manipulation, and to prevent severe damage to the overall industry.

Regarding market surveillance, in 2001, the SET found 58 possible cases of irregular or unfair trading that might have involved price manipulation and insider trading. As a result, the SET has examined the cases and given a primary determination that they were likely to infringe the Securities and Exchange Act B.E. 2535. Out of these cases, twelve have already been adjudicated by the SEC while twelve are still under examination.

Furthermore, in twenty-four cases found to infringe SET regulations, the SET determined to punish those securities companies and their officers concerned. Fifty-five individuals were punished, while two securities firms were fined and nineteen warned. In the case of marketing and licensed officers, eighteen persons received written warnings, one was put on probation, nine were fined between Baht 5,000-250,000, three were suspended for a period from one month to one year, and three also had their licenses revoked. Major offenses included issuing inappropriate trading orders such as sending and canceling orders with the intention to deceive, sending orders in pairs or matching orders of customers or connected groups, and closing-price manipulation. Moreover, cases of infringement of acceptable practices were found, such as fraudulent practices in regard to customers' assets and accounts, making investment decisions on behalf of the customer, and allowing others to use their Trader ID number, etc.

Organization Development in Response to Changes in Thai Capital Markets

The SET recognized the importance of promoting collaboration and good relationships with both overseas exchanges and related organizations. In 2001, the SET signed a MoU with the Hong Kong Exchange and Clearing Co., Ltd. for the exchange of information useful to investigations of securities trading, as well as for the development of the two exchanges, to enhance competitiveness, extend their business base, and strengthen the relationship between the two exchanges.

The SET has also adjust its organization and administrative structures to enhance efficiency in providing services to related parties in the securities industry, and to support the implementation of business and marketing strategies. In this end, the "Capital Market Opportunity Center" was established to support businesses to raise funds through the capital markets efficiently, as well as expanding the investor base, promote understanding about the capital markets and investment, raise the industry's professional standards, as well as conduct marketing activities and related services.

Revitalization and Development of the Thai Capital Markets

The SET collaborated with various organizations in the capital markets, as well as the public and private sectors, in brainstorming ideas and undertaking discussion in support of information beneficial for the public sector, to establish measures to help revitalize and develop the Thai capital markets (both equity and debt markets), the results of which were announced in late March 2001. Moreover, there were meetings held with experts and related parties from the public and private sectors to formulate the Capital Market Master Plan in line with the revitalization and development measures previously established, hence making the mechanism of the capital markets more efficient in driving the development of the economy as a whole.

Developing Thailand's Capital Market to Create a Sustainable Economy

The Capital Market Development Master Plan

will help strengthen the market's fundamentals and

creditability with both local and foreign investors. . .

Thai Capital Market Master Plan... the Driving Force of the Thai Economy

The development of the Thai capital markets to serve the need for funding for businesses in the aftermath of the economic crisis has been a challenging and urgent priority, especially amidst the fiercer competitive environment in the current free trade system. Having efficient capital markets, therefore, is an essential factor in sustainable economic growth. Now the Thai capital market is ready to become an attractive market for investors looking for higher returns, as well as a comparatively low-cost source of funds for entrepreneurs.

In 2001 the SET actively implemented the development plan for the Thai capital markets initiated by the Deputy Prime Minister and the Minister of Finance, Dr. Somkid Jatusripitak, in conjunction with capital market experts from all related organizations in the public and private sectors, such as the Ministries of Finance, Commerce, and Industry, plus the Bank of Thailand, the Board of Investment, the Securities and Exchange Commission, the Stock Exchange of Thailand, the Government Pension Fund, the Thai Bond Dealing Center, Listed Companies Association, the Association of Securities Companies, and the Federation of Thai Industries. These jointly formulated the **"Thai Capital Market Master Plan"** to set the direction and long-term development strategies for the Thai capital markets. The Master Plan's strategic target is to develop the Thai capital markets to become a key mechanism for driving and supporting the economic development of the country, as well as achieve a level of competitive competence in international markets.

The Thai capital markets need to efficiently perform its function of mobilizing savings for the productive sector. It has to be efficient as well as be attractive to fundraisers and an attractive investment market for investors. The latter should comprise an extensive and balanced investor base with sufficient choices from a variety of quality products, with strong intermediary institutions, standardized corporate governance systems favorable to the creation of financial innovations in response to the needs of investors. Plus there should be transparency and creditability in all the organizations concerned and in their transactions.

In an excerpt from a speech in early January 2002, Dr. Somkid Jatusripitak expressed confidence in the results of the workshop organized to formulate the **"Thai Capital Market Master Plan". "We have to strengthen the Thai capital markets to make them attractive so as to ensure foreign capital flows in with confidence. I believe that Thailand has the potential to be competitive. Hence, during this downturn in the world economy, we should be well behaved and make ourselves attractive. I believe the capital flows in the**

world markets, some of which are going to flow out of countries having problems, will flow into our Thai capital markets."

This Master Plan brought together a comprehensive set of strategies aimed at building a concrete infrastructure for developing the potential of the Thai capital markets. These include the strengthening of both the demand and supply of securities as well as the intermediary institutions. More importantly, the creation of transparency has been encouraged by the promotion of good corporate governance to be implemented widely in every organization associated with the capital markets so as to restore the confidence of investors and all parties concerned. From the year 2002 onwards, it is hoped that all measures in the Master Plan will be fully implemented.

Strengthening the Infrastructure to Develop the Potential of Thai Capital Markets

1. Strengthening Knowledge and Confidence, and Extending the Investor Base

Strong capital markets with stable growth have to have an extensive, strong, and balanced base of investor comprising individual, institutional and foreign investors who have potential to invest in both the medium to the long term. Currently, the base of investors in Thailand has not yet expanded sufficiently, especially when compared to the large number of savers. One of the SET's targets in 2002, therefore, is to expand the local investor base, from the current 200,000 accounts opened with securities companies up to 400,000 accounts at years-end. The target group will be potential investors in the 30-40 year age group, members of the Government Pension Fund, plus retired or those approaching retirement.

Promoting an appropriate understanding of investment in securities and risk management, as well as educating investors in the benefits of investing, are important strategies for expanding this base and to improve the quality of investors. The SET has collaborated with several related organizations in conducting ongoing educational activities aimed at these target groups. From February 2002 onwards, the SET will collaborate with the Government Pension Fund to promote more understanding of securities investment through the media. It will also coordinate with the organizations concerned so as to enhance the services relating to securities investment through financial institutions, to help facilitate the needs of investors.

Furthermore, in order to lay the basic groundwork for saving and investment amongst Thai youth, the SET, in coordination with the Ministry of Education and the Ministry of University Affairs, will urge the inclusion of these subjects in the curriculum. In the meantime, in order to encourage and sustain long-term savings of present income earners, employees who have savings in the GPF system and change their jobs can now transfer their existing savings to other GPF funds or to the Retirement Mutual Fund (RMF).

Although institutional investors are known as experienced and professional investors, the Master Plan focuses on developing professional standards and the quality of institutional investors in order to regain the trust of these investors after the economic crisis and encourage more individual investors to invest through institutions. This will help increase the chance of extending the investor base and help create stability in securities trading as well.

Besides expanding the base of investors locally, foreign investors are another target group that must be broadened. There will be promotions to encourage greater confidence in the potential of the Thai economy and capital markets, plus support and opportunities will open to foreign investors to encourage them to make investments in Thailand and its stock market, through the provision of more privileges or other incentives.

2. Increasing the Quantity and Quality of Products in the Capital Markets

The quantity, quality and variety of investment products in the capital markets are important factors determining the attractiveness of particular capital markets in investors' decision-making. The Master Plan hence encourages more active promotion regarding these issues. As the Plan has set out, the SET, in collaboration with related organizations, has established a committee to encourage qualified large-, medium- and small-scale corporates to list on the SET or the MAI. The investors will then be able to make investment choices appropriate to their needs. In addition, the Capital Market Opportunity Center (CMOC) was established by the SET in early 2002 is responsible for proactive marketing, supporting companies with the potential to list, and enhancing the understanding of investors. It was the first mechanism developed to generate greater stock market exposure, gain interest from

both existing and potential investors, and find more businesses to list on the Exchange. In 2002, the SET aims to attract twenty companies to list on the SET plus fifty to list on the MAI.

In 2001, the privatization of SOEs progressed rapidly and, with active government support, proved a success. This is evident from the successful initial public offerings (IPO) of Internet Thailand Public Co., Ltd. and PTT Public Co., Ltd., which generated overwhelming interest from the public. It has also shown that the Master Plan, which fully supported fund mobilization in the capital markets for privatization by, for example, encouraging potential companies to list on the SET and MAI, and facilitate capital increases for both listed and public companies, will help considerably to broaden the number of quality products in the market from now on, no matter whether they are companies in the industrial and service sectors or leading state-owned enterprises.

Nevertheless, in attracting qualified companies to list on the Exchange, besides these facilitating procedures in the preparation and listing process, there must be incentives offered so as to make companies realize the benefits and privileges of becoming listed companies. The Master Plan thus places stress on incentives offered to both local and foreign companies, and has related organizations or parties assigned to consider and set out appropriate privileges and benefits.

The acceleration to establish a Derivatives Market and the issuance of all related laws to cope with derivatives instruments and their transactions are another vital step for the future development of the capital markets that enhances the attractiveness of the Thai capital markets by providing more risk management instruments for investors.

Moreover, the Thai Opportunity Fund, established in January 2002 from the cooperation of twelve organizations in the public and private sectors, namely the Stock Exchange of Thailand, along with Krung Thai Bank Plc., the Government Pension Fund, TSFC Securities Limited, the Electricity Generating Plc., Nam Seng Insurance Plc., Muang Thai Life Assurance Co., Ltd., Thaivivat Insurance Co., Ltd., Tisco Securities, Siam City Bank Plc., Bangkok Metropolitan Bank Plc. and Bankthai Plc., was another example showing the strong intention to build up fund mobilization channels that lead to investment in the capital markets and help promote greater investor confidence.

3. Strengthening and Developing the Potential of Intermediary Institutions

Whether the Thai capital markets will perform efficiently depends essentially on the capability and strengths of the intermediary institutions or operators in the securities industry. Under the current structure, operators in the securities industry are weak and restrained in extending the scope of their businesses. The Master Plan then has initiated measures both to strengthen and to develop the potential of the intermediaries' operations, which focuses on quality and international competitiveness. This will be made possible by bringing all parties concerned to jointly discuss how the scope of financial intermediaries may be broadened. There will also be ratings of these institutions in order to enhance their efficiency and raise their standards. From now on, we should see quality intermediaries in the Thai capital markets that are ready to offer quality services and are recognized as trustworthy by investors as well as being highly competitive in the international capital markets.

Good Corporate Governance...Essential Foundation in Building Confidence in Thai Capital Markets

In addition to the strengthening of three main infrastructures of the Thai capital markets described above, another major element to be urgently addressed is the **promotion of good corporate governance** in every organization in the capital markets. This will help create a favorable investment climate as well as the trust in the Thai capital markets, as creating this confidence is vital to their development. This will enhance the creditability of all parties concerned, including issuers and intermediaries. Meanwhile, investors have to be assured that they are being reasonably protected. Good corporate governance is the key, reflecting the system's transparency, the accountability of executives, and justice in the treatment of all parties through the business ethics of these executives as a whole.

In pursuit of this goal of good corporate governance, while there are already a number of the listed companies and organizations in Thailand that recognize the importance of good corporate governance systems, there are still many organizations that have not yet embraced this cause. Hence the Master Plan has made 2002 the year for the start of a campaign on **"The Building of Good Corporate Governance**

Systems", which will be included in a national agenda and for which promotional activities will be conducted continually. It is believed that when good corporate governance has been implemented and exists in every organization, the Thai capital markets will be able to develop to become one of the leading capital markets in the region.

On February 5, 2002, H.E. Prime Minister Dr. Thaksin Shinawatra appointed a **"National Committee on Good Corporate Governance"** to help organize promotional activities and set out practical plans, that will have the Prime Minister himself or a designated Deputy Prime Minister act as chairman. Twenty top-level executives from related agencies and organizations from the public and private sectors as well as other experts will join as members. The Committee will be responsible for establishing the policy framework, measures, systems and procedures leading to the accomplishment of good corporate governance in the institutions, associations, companies, and government agencies in the capital markets. It will also promote greater understanding of the efficient application or implementation of good corporate governance, so as to enhance its international acceptance. Explication of good corporate governance will be promoted continually through the media as well.

In addition to these strategies and measures that combine vital elements for strengthening the infrastructure of the Thai capital markets, the organizations that are directly related to the development of the markets, such as the SEC and the SET, also have their own plans to adjust their organizational structure and operations to come into line with the Master Plan and the changing environment, which should enhance the efficiency and flexibility of their administration and operations. They will then become vital supports in the development of the Thai capital markets. When all parties fully cooperate under the Master Plan, the possibilities for the Thai capital markets to grow in a sustainable manner and attract investors from all over the world cannot be far from merging. The Thai capital markets will then be ready to drive the economy so that it will grow on a sustainable path.

BIGC
LOXLEY
MAKRO
MINOR
SPC
SPI
ADVANC
JASMIN

A New Opportunity for SMEs

An alternative fundraising channel for small and medium enterprises **(SMEs)** has come into being with the establishment of the **Market for Alternative Investment (MAI)**. . .

Market for Alternative Investment (MAI)

Business operations have been undergoing dynamic changes and adaptations in response to the current business climate. In this fiercely competitive environment, it is necessary for small and medium enterprises (SMEs) to make the necessary adjustments to continue growth by seeking new opportunities to strengthen both their business potential and their competitiveness. Cost management is an important factor in promoting sustainable business operations and expansion at the lowest operational costs, combined with efficient systems of management.

The Stock Exchange of Thailand recognizes the importance of SMEs as the building blocks in the economic development of the country, as well as the need to help develop their potential and promote their businesses. The SET has, therefore, been offering support to the entrepreneur owners of these SMEs to access cheaper long-term sources of funding at lower risk so as to enhance the efficiency of their financial management and reduce the costs to their businesses. As a result, the **"Market for Alternative Investment" (MAI)** has come into being.

MAI...a Funding Oasis for SMEs

The MAI assists those SMEs with good growth potential and less than Baht 200 million in registered capital, to access long-term capital sources for investment and business expansion without the burden of interest costs. It provides an opportunity for SMEs to raise funds through the Capital Markets by offering shares to the general public just as large-scale businesses do.

The listing requirements of the MAI are based on rules that require information to be accurately, clearly, and sufficiently disclosed to investors, similar to those imposed on companies listed on the SET. Furthermore, listing requirements also include meeting accounting standard benchmarks, having strong internal control systems and good corporate governance. This is so as to promote good, standardized management systems, trustworthiness and attractiveness as an investment choice. Distribution to retail shareholders also ensures shares have sufficient liquidity after listing.

Performance in 2001

The government and organizations concerned to help facilitate the listing of SMEs and supported the operational performance of the MAI in 2001 in the follow ways:

- In a tax incentive scheme to attract companies to list on the MAI, the government reduced corporate income tax from 30% to only 20% for five consecutive accounting periods for companies listed on the MAI, up until September 5, 2004.
- Listing fees were relaxed. The first ten companies that listed on the MAI by December 31, 2001 had their application and admission fees waived, and received a 50% discount on the annual fee for five consecutive years.
- The MAI and the SEC amended the listing rules in order to reduce redundancy, as well as to facilitate companies with potential to list.
- Expenses involved in listing were cut. It is no longer compulsory for listed companies to have financial advisors for three consecutive years.

- Listing process and time were shortened, so as to facilitate the listing of those companies with potential.
- Educational activities were held to promote the development of companies' readiness and competitiveness in both the pre- and post-listing periods.
- Proactive marketing activities were implemented. Information services to companies interested in listing on the MAI were provided and target companies were visited regularly.

The first batch of companies to list on the MAI comprised three companies that altogether listed four securities last year - common shares and warrants of the Brooker Group Plc., common shares of Roynet Plc., and the common shares of Team Precision Plc. Total trading turnover in 2001 was recorded at Baht 2,011.11 million.

Listing Date	Company		Type of Business	Registered Capital (Million Baht)
17/09/2001	The Brooker Group Plc.	(BROOK)	Research services	94.61
25/10/2001	Roynet Plc.	(ROYNET)	Internet services	61.00
8/11/2001	Team Precision Plc.	(TEAM)	Electronic components	150.00

Ms. Sopawadee Lertmanaschai

Managing Director
CMOC and MAI

The MAI Board has, furthermore, now approved in principle the listing of the common shares of Chuo Senko (Thailand) Plc., which will conduct its Initial Public Offering in early 2002.

Business Plan and Marketing Strategies in 2002

For the year 2002, the MAI will concentrate on proactive marketing strategies to promote more listing of those SMEs with potential. The target number of new listings in 2002 is thirty companies. The MAI has established two approaches to implement the plan in order to achieve efficiency and the desired target, as follows:

1) Personal Selling Strategy

A direct approach to target companies will be implemented to persuade them to list on the MAI. Advisory services to both assist with the preparations for listing and the selection of a financial advisor will be provided. The MAI will, in addition, act as a coordinator and jointly work to resolve problems that may arise with the companies and their financial advisors.

2) Networking Management

The MAI has created a network of relationships in collaboration with various organizations focusing on SMEs, such as the Small Industry Finance Corporation (SIFC), Credit Insurance for SMEs, the Board of Investment (BOI), the Export-Import Bank (EXIM Bank), the Kenan Institute Asia (KIAsia), the Thai Chamber of Commerce (TCC), and the Federation of Thai Industries (FTI). This collaboration includes public relations, the exchange of information regarding listing qualifications, marketing activities through various medias, and organizing seminars to promote knowledge about the MAI process to each of these organization's customers.

Board of Governors

Mr. Chavalit Thanachanan

Chairman

Mr. Somjate Moosirilert

Vice Chairman

Mr. Chokechai Tanpoonsinthana

Governor

Mr. Suvit Mapaisansin

Governor

Mr. Suthep Peetakanont

Governor

Mr. Machima Kunjara Na Ayudhya

Governor

Mr. Penwan Thongdeetae

Governor

Mrs. Dayana Bunnag

Governor

Mr. Anant Asavabhokhin

Governor

Mr. Montree Sornpaisarn

Governor

Mr. Kittiratt Na-Ranong

President

Board of Governors

Mr. Chavalit Thanachanan

Chairman

Education

- B.A. in Economics (Honours), University of Manchester, England

Other Current Positions

- Chairman, Thai Institute of Directors Association
- Chairman, Sub-committee for Good Corporate Governance
- Chairman, Bank of Asia Public Company Limited
- Chairman, Bangkok Life Assurance Company Limited

Past Experience

- Governor, Bank of Thailand
- Director, Bank for Agriculture and Agricultural Cooperatives
- Manager, Exchange Equalization Fund, Bank of Thailand
- Deputy Minister, Ministry of Finance
- Chairman, The Mutual Fund Public Company Limited
- Chairman, The Industrial Finance Corporation of Thailand
- Chairman, Securities One Public Company Limited
- Chairman, Thai Thamrong Finance Company Limited
- Chairman, Srivara Real Estate Group Public Company Limited

Mr. Somjate Moosirilert

Vice Chairman

Education

- Master of Management, Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Commerce and Accountancy, Thammasat University

Other Current Positions

- Chairman of Executive Board, National Securities Company Limited
- Director and Executive Committee, National Finance Public Company Limited
- Chairman, Association of Securities Companies
- Director, Muramoto Electron (Thailand) Public Company Limited
- Director and Acting President, Government Housing Bank

Past Experience

- Committee, The Special Scrutiny Committee the Senate on Revised Public Companies Act. B.E. 2535
- Vice Chairman, Association of Securities Companies
- Director, Expressway and Rapid Transit Authority of Thailand

Mr. Machima Kunjara Na Ayudhya

Governor

Education

- Master of Science (Economics), Pittsburg State University, U.S.A.
- Bachelor's Degree in Economics, Thammasat University

Other Current Positions

- Director, Krung Thai Bank Public Company Limited
- Director, Listed Companies Association
- Senior Executive Vice President & Chief Financial Officer, Electricity Generating Public Company Limited

Past Experience

- Chief Loan Management for the State Enterprises and Chief Loan Officer in Loan Policy, Ministry of Finance
- Secretary and Director of Real Property Renting Management, The Treasury Department, Ministry of Finance
- Committee and Audit Committee, Government Saving Bank

Mr. Penwan Thongdeetae

Governor

Education

- B.Sc. (Commerce), B.Sc. (Accounting), Thammasat University

Other Current Positions

- Chairman to the Audit Committee, The Stock Exchange of Thailand
- Director, Thailand Securities Depository Company Limited
- Director, Securities Analysts Association
- Committee, Performance Agreement Negotiating Committee, Comptroller-General's Department, Ministry of Finance

Past Experience

- Assistant Governor, Bank of Thailand
- Advisor, The Office of the Securities and Exchange Commission
- Director, Bank of Asia Public Company Limited
- Vice President, The Institute of Certified Accountants and Auditors of Thailand (ICAAT)

Mrs. Dayana Bunnag

Governor

Education

- Master of Business Administration, University of Texas at Austin, U.S.A.
- Bachelor Degree, Economics, Chulalongkorn University

Other Current Positions

- President, Thai Farmers Asset Management Company Limited
- Deputy Chairperson and Chairperson of Provident Fund Group, Association of Investment Management Companies
- Subcommittee for Drafting Pension and Provident Fund Reform Plan, Fiscal Policy Office, Ministry of Finance
- Subcommittee for a Study of Straight Through Processing (STP), The Stock Exchange of Thailand
- Investor Base Expansion Committee, the Stock Exchange of Thailand

Past Experience

- First Senior Vice President and Secretary to the Executive Board of Directors, Phatra Thanakit Company Limited
- Director, Securities Analysts Association (SAA)
- Chairperson and Secretary, Association of Investment Management Companies (AIMC)
- Director, Association of Provident Fund Managers

Mr. Chokechai Tanpoonsinthana

Governor

Education

- M.B.A. (Quantitative Analysis & Finance), University of Wisconsin (Madison Campus), U.S.A.
- M.S. (Civil Engineering), University of Wisconsin (Madison Campus), U.S.A.
- B.E. (Civil Engineering), Chulalongkorn University

Other Current Positions

- Managing Director, Bangkok First Investment & Trust Public Company Limited
- Director and Secretary General, Association of Finance Companies
- Authorized Director, BFIT Securities Company Limited
- Director, Thailand Securities Depository Company Limited
- Director and Member of the Audit Committee, Thai Stanley Electric Public Company Limited
- Director, Tawana Hotel Company Limited

Past Experience

- Executive Director and Director, The Thai Bond Dealing Centre
- President, Investment Banking Club of Association of Securities Companies

Mr. Suvit Mapaisansin

Governor

Education

- Master of Business Administration, Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Administration (Economics), Chulalongkorn University

Other Current Positions

- Managing Director, Merrill Lynch Phatra Securities Company Limited

Past Experience

- Senior Executive Vice President, Merrill Lynch Phatra Securities Company Limited
- Senior Executive Vice President, Phatra Thanakit Public Company Limited
- Senior Vice President, Phatra Thanakit Public Company Limited

Mr. Suthep Peetakanont

Governor

Education

- Master of Business Administration, University of Missouri-Kansas City, U.S.A.
- Bachelor of Accountancy, Chulalongkorn University

Other Current Positions

- Chairman & Chairman of the Executive Board, Capital Nomura Securities Public Company Limited

Past Experience

- Executive Director, Capital Nomura Securities Public Company Limited
- General Manager - SEVP, Capital Nomura Securities Public Company Limited
- Director of Institutional Sales, General Finance & Securities Public Company Limited

Mr. Anant Asavabhokhin

Governor

Education

- M.S. Industrial Engineering, Illinois Institute of Technology, Chicago, U.S.A.
- M.B.A., Thammasat University
- B. Engineering (Civil), Chulalongkorn University

Other Current Positions

- President/CEO, Land & Houses Public Company Limited
- Director, Grammy Entertainment Public Company Limited
- Director, Quality Houses Public Company Limited
- Director, Modernform Group Public Company Limited
- Director, Home Product Center Public Company Limited

Past Experience

- General Manager, Land & Houses Public Company Limited
- Project Manager, Land & Houses Public Company Limited

Mr. Montree Sornpaisarn

Governor

Education

- Chartered Financial Analyst (CFA)
- Master of Business Administration, Thammasat University
- Bachelor of Engineering (Computer), Chulalongkorn University

Other Current Positions

- Chief Executive Officer, Kim Eng Securities (Thailand) Company Limited
- Director, Investment Banking Club of Association of Securities Companies

Past Experience

- Member of the Board of Directors and Lending & Investment Sub-committee, the Government Savings Bank
- Managing Director - Investment Banking, Vickers Ballas Securities (Thailand) Company Limited
- Director - Corporate Coverage, SG Asia Credit Public Company Limited
- Director - Direct Investment, American International Assurance Company Limited
- EVP - Corporate Finance, Jardine Fleming Thanakom Securities Company Limited

Mr. Kittiratt Na-Ranong

President

Education

- M.B.A., Finance and International Business, Sasin Graduate Institute of Business Administration, Chulalongkorn University, and Exchange Student, Kellogg Graduate School of Management, Northwestern University, U.S.A.
- BS, Economics (Quantitative), Chulalongkorn University

Past Experience

- Executive Director, Chief Investment Officer, Univentures Public Company Limited
- Director, Univentures Consulting Company Limited
- Chairman, Cathay Asset Management Company Limited
- Managing Director, Equity Sales and Research, Securities One Public Company Limited
- President, First Asia Securities Public Company Limited
- President, One Asset Management Limited
- Senior Vice President, Securities One Public Company Limited
- Independent Director, Trang Seafood Products Public Company Limited
- Director, Mass Rapid Transit Authority of Thailand
- Honorary Advisor, Permanent Committee on Economic Affairs, House of Parliament

Compliance to the Principles of Good Corporate Governance

Policy on Corporate Governance

Principle 1

The SET realizes the importance of good corporate governance, which is a major component in helping strengthen an organization's efficiency and as a foundation for sustainable growth. Therefore we have been trying to encourage the implementation of good corporate governance in listed companies and amongst SET member companies. Fifteen principles of good corporate governance have been proposed as a set of guidelines for companies to adopt and then report the results of their implementation in practice. Here at the SET, we also place the highest importance on good corporate governance systems that are both transparent and equitable to all stakeholders, and have therefore suggested these fifteen principles of good corporate governance as follows:

The Rights of Shareholders and Stakeholder Groups

Principle 2, 3 and 4

As the SET is a juridical entity constituted under the Securities and Exchange Act, it does not have a corporate structure and hence no shareholders. Nevertheless, as a Stock Exchange, the SET always upholds the benefits to all organizations concerned or all groups of stakeholders-listed companies, SET member companies, non-member securities companies, investors, and including other stakeholders such as business partners, employees, executives of the SET and its subsidiaries, even the public sector and groups likely to be effected in society. The issuance of rules and regulations will be carefully conducted through public hearings involving related parties or through the establishment of a specific committee comprising representatives from all stakeholder groups to jointly consider the issues before any official notification takes place.

The Board of Directors

Structure, Roles & Responsibilities, and Independence

Principle 5, 8, 9, 11 and 14

The SET Board of Governors has 11 members, which includes no less than one-third independent directors. There are 10 non-executive directors, five of whom the Securities and Exchange Commission (SEC) appoints and the other five are elected from securities companies. These 10 directors will then elect one of the directors to be the Chairman of the Board.

The SET Board of Governors will be in office for a two-year term but may, after this term, continue in office. However they cannot serve more than two consecutive terms. Likewise for the SET President, who may either be elected or appointed by the SEC, has a term of four years and may be re-appointed for one consecutive term only.

The SET Board of Governors is responsible for establishing the SET's policies, plans and business strategies, including overseeing the operations of the SET. The SET President, as Chief Executive, is responsible to the Board of Governors in managing the business and operations of the SET in line with the Board's policies.

The Board has regular monthly meetings but may hold special meetings if deemed appropriate. These Meetings should have specific agendas and send relevant documents to the Governors prior to the Meeting, so as to allow sufficient time for them to review data and information. In 2001, the SET Board of Governors held twelve ordinary meetings and six special meetings, a total of eighteen meetings. Records of attendance are summarized as follows:

Name	Term Appointed to Office	Attendance (times)/ Number of Meetings (times)		
		Regular Meetings	Special Meetings	Total
1. Mr. Chavalit Thanachanan	Aug. 1, 2001 - Jul. 31, 2003	5/5	3/3	8/8
2. Mr. Somjate Moosirilert	May 28, 2000 - May 27, 2002	11/12	6/6	17/18
3. Mr. Penwan Thongdeetae	Jul. 24, 2000 - Jul. 23, 2002	9/12	3/6	12/18
4. Mr. Machima Kunjara Na Ayudhya	Jun. 9, 2000 - Jun. 8, 2002	8/12	6/6	14/18
5. Mrs. Dayana Bunnag	Jul. 24, 2000 - Jul. 23, 2002	7/12	5/6	12/18
6. Mr. Chokechai Tanpoonsinthana	May 28, 2000 - May 27, 2002	12/12	6/6	18/18
7. Mr. Suvit Mapaisansin	Feb. 6, 2001 - May 27, 2003	11/11	5/6	16/17
8. Mr. Montree Sornpaisarn	Oct. 19, 2001 - May 27, 2002	3/3	1/1	4/4
9. Mr. Suthep Peetakanont	May 28, 2001 - May 27, 2003	7/7	4/4	11/11
10. Mr. Anant Asavabhokhin	Sep. 14, 2001 - Sep. 13, 2003	4/4	1/1	5/5
11. Mr. Kittiratt Na-Ranong	Sep. 10, 2001 - Sep. 9, 2005	5/5	3/3	8/8

The SET Board of Governors realizes the importance of accurate and reliable financial statements, and thus produces a report of the Board of Governors' Responsibilities for Financial Statements that includes all the main issues as prescribed in the SET's guidelines for companies' directors. Details can be found on page 60.

The Committees

The SET Board of Governors have appointed an Executive Committee, an Audit Committee, a Remuneration Committee, and a Risk Management Committee to study, scrutinize and oversee these requisite and vital tasks. Committee membership is comprised of non-executive members and the Chairman who is a non-executive and independent director. The scope of the role and responsibilities of each committee can be found on **page 44**.

Principle 12

Remuneration for Directors and the Management

Honorariums for Governors of the Board and remuneration for senior executives has been established in a transparent matter with approval from the Remuneration Committee. Meeting of the SET Members must approve remuneration packages for the Board of Governors.

Principle 10

Conflict of Interests

The SET has a clearly stated process to eliminate conflicts of interests amongst members of the Board during their terms in office. During any session where a conflict may arise, they are not permitted to attend or vote.

Principle 6

Business Ethics

The SET issued a code of conduct in regard to business ethics for SET employees to use as a guideline in performing their jobs and duties that is based on the SET's Mission Statement, to do with "honesty, integrity and equitability in treatment of all groups of stakeholders in the SET, the public and to society". Since the SET's principal activity is supervising trading activities in the Stock Market, which is related to the public interest, in order to create transparency and affirm the confidence of investors, the SET established a code of conduct relating to the trading activities by SET Governors or employees. They are prohibited from trading securities using insider information. They are also prohibited from securities investment if they are in the position to exercise influence on the companies they invest in. Furthermore, every trading transaction must be reported. All executives of the SET have to comply with these rules as well. The code of conduct regarding business

Principle 7

ethics and the trading of securities became effective from January 1, 2001 onwards, and both the SET Board of Governors and the SET's employees have accepted these codes.

Internal Audit System and Risk Management

Principle 13

The SET Board of Governors recognizes the importance of building internal control systems for operations, finance and compliance. There is an audit department responsible for examining the work of employees and the computer systems to ensure that the key operation and financial activities are conducted in line with the guidelines plus with the highest efficiency. In order to assure that the independence and "checks and balances" role of the Audit Unit is exercised fully, the SET Board of Governors requires the Audit Department to report directly to and be appraised by the Audit Committee. Moreover, the SET has also put in place risk management procedures to reduce possible risks and ensure that stability remains intact. The Board has established a Committee on Risk Management to set the scope and policy for the SET's risk management, and the Risk Management Department to develop an efficient risk management system.

Information Disclosure and Investor Relations

Principle 15

The SET Board of Governors emphasizes transparent and widely distributed information concerning the SET's operations, securities trading, and important data that may influence the stock price of listed companies. The SET disseminates this information to investors and related parties through various channels as well as the SET's own distribution media. A specific unit was established to provide information services and distribute news on the SET's activities directly, conduct promotional activities to enhance understanding of investment in securities to the general public and interested parties, and to distribute information through the news media.

SET COMMITTEE 2001

In 2001, the SET Board of Governors appointed the following committees to carry out duties in line with the Board's policies or principles:

1) Executive Committee

Structure	Name	Position
The SET Chairman	Mr. Chavalit Thanachanan	Chairman
The SET Vice Chairman	Mr. Somjate Moosirilert	Member
The SET President	Mr. Kittiratt Na-Ranong	Member

The Executive Committee is responsible for the following:

- Supervising securities trading
- Investigating member companies
- Securities listing and information disclosure
- Managing human resources, procurement and outsourcing
- Revising and determining Exchange fees

2) Market for Alternative Investment Board of Directors

Structure	Name	Position
At least 40% of the Board members must be independent and not involved in the securities business.	Mr. Hiran Radeesri	Chairman
	Mr. Sansern Nilrat	Member
	Mr. Yarnsak Manomaiphiboon	Member
	Mr. Thira Wipuchanin	Member
	Mr. Kulvat Janvatanavit	Member
	Mr. Montree Sornpaisarn	Member

The Market for Alternative Investment Board of Directors is responsible for the following:

- Establishing policy concerning the operations of the Market for Alternative Investment (MAI)
- Listing of Securities on the MAI
- Issuing related rules and regulations.

3) Audit Committee

Structure	Name		Position
Three SET Governors who are not in the Executive Committee, with at least one member knowledgeable about accounting and finance.	Mr. Penwan	Thongdeetae	Chairman
	Mr. Machima	Kunjara Na Ayudhya	Member
	Mr. Suthep	Peetakanont	Member

The Audit Committee is responsible for the following:

- Reviewing SET financial statements before submission to the SET Board of Governors.
- Recommending external auditor appointments and related audit fees. Coordinating with external auditors on audit objectives, audit scope and programs, problems encountered and significant issues as identified by external auditors.
- Coordinating with the SET Internal Audit Department on audit objectives, audit plans, audit reports, assessment of effectiveness of the SET internal control system, adequacy of resources for internal control and problems encountered during an audit.
- Advising on and reviewing conclusions and recommendations of internal and external auditors, as well as monitoring management operations to ensure compliance with auditor recommendations in order to report to the SET Board of Governors.
- Monitoring management operations to ensure compliance with laws and regulations as prescribed by the regulatory bodies involved with securities exchange activities and ensuring that Exchange operations are in compliance with the Board's policies, and laws and regulations as prescribed by the regulatory bodies overseeing securities activities.
- Monitoring management operations to ensure the adequacy of the Exchange's business risk management systems.
- Responsibility for any other areas as assigned by the SET Board of Governors.
- Submitting reports on work carried out to the SET Board of Governors at least four times a year.

4) Risk Management Committee

Structure	Name		Position
Three experts in accounting, finance, and risk management	Mr. Songdej	Praditsmanont	Chairman
	Mr. Panya	Chanyarungrojn	Member
	Mrs. Oranuch	Apisaksirikul	Member
Advisor - Risk Management Dept.	Dr. Anya	Khanthavit	Member
The SET President	Mr. Kittiratt	Na-Ranong	Member
The SET Executive Vice President - Risk Management	Mrs. Patareeya	Benjapolchai	Member

Risk Management Committee is responsible for the following:

- Considering and establishing a framework and basic policy covering the SET's risk management, to be approved by the SET Board of Governors.
- Considering proposals from the Risk Management Division in order to limit the risks in all departments of SET and reporting on this to the SET Board of Governors.

5) Committee for Offenses and Punishments in the Charging of Brokerage or Agent's Fees

Name		Position
Mr. Yothin	Ari	Chairman
Pol.Col. Chaiya	Siriamphunkul	Member
Mr. Chongrak	Rarueysong	Member
Mr. Kobkiat	Boontherawara	Member
Mr. Kittiratt	Na-Ranong	Member

The Committee for Offenses and Punishments in the Charging of Brokerage or Agent's Fees is responsible for considering offenses and punishments in cases where SET member companies, non-member companies, or the executives or officers of these companies infringe the SET's "Rules and Procedures for Charging Brokerage or Agent's Fee for the Buying or Selling of Listed Securities and Members' Good Corporate Governance (2002)".

6) Remuneration Committee

Structure	Name		Position
The SET Chairman	Mr. Chavalit	Thanachanan	Chairman
The SET Vice Chairman	Mr. Somjate	Moosirilert	Member
The SET Chairman of Audit Committee	Mr. Penwan	Thongdeetae	Member

The Remuneration Committee is responsible for the following:

- Advising on policy and the rules concerning remuneration for the SET Board of Governors, the President, Advisors, Committees appointed by the Board of Governors, and Executives from Senior Vice President-level upwards.
- Establishing annual remuneration, annual salary adjustments, salary adjustments and other instances of remuneration for the President or individual executives.
- Considering the budgets for annual remuneration adjustments and annual rewards for executives from Senior Vice President-level upwards.

7) Legal Committee

Structure	Name		Position
Three legal experts and the SET President	Mr. Direk	Sunthongate	Chairman
	Mr. Manit	Wityatem	Member
	Mr. Kasem	Sorasakkasem	Member
	Mr. Kittiratt	Na-Ranong	Member

The Legal Committee is responsible for providing advice, opinions and recommendations regarding Exchange Laws and Regulations to the SET Board of Governors.

8) Disciplinary Committee

Name		Position
Mr. Somkiat	Homla-or	Chairman
Mr. Machima	Kunjara Na Ayudhya	Member
Mr. Chinnawat	Thongpakdee	Member
Mr. Sukri	Kaocharern	Member
Ms. Yaowalak	Aramthaveethong	Member
Mr. Kittiratt	Na-Ranong	Member

The Disciplinary Committee is responsible for the following:

- Determining the guilt of and penalty for any individual(s) violating (or contributing in some way to the violation of) SET rules and regulations, and then reporting to the SET Board of Governors, except in the following cases where the Disciplinary Committee has to examine related facts and evidence and report to the SET Board of Governors so that they may take appropriate action:
  - Securities delisting
  - Imposing temporary trading suspension on a member company
  - Membership revocation
  - Adding specific individuals to the SET's list of names of those ineligible to act as executives of listed companies
  - Other cases as deemed appropriate by the SET Board of Governors.
- Considering and directing other cases as deemed appropriate under the Disciplinary Guilt and Penalty Determination, including taking appropriate actions.

9) Appeals Committee

Name	Position
Mr. Chaikasem Nitisiri	Chairman
Mr. Hiran Radeesri	Member
Mr. Pratip Wongnirund	Member
Mr. Nawaporn Ruangskul	Member
Mr. Sukri Kaocharern	Member

The Appeals Committee is responsible for the following:

- Considering appeals from plaintiffs, with recommendations to the SET Board of Governors on the appropriate course of action
- Considering and directing abatement cases
- Considering and directing cases in accordance with Determination and Appeal Rules, including recommending appropriate action.

10) Associate Members Committee

Structure	Position
The SET Chairman	Chairman
The SET President	Vice Chairman
Managing Director or Directors delegated by Members	Member

The Associate Members Committee is responsible for the following:

- Encouraging and supporting cooperation and teamwork between Members and the SET and between individual Members in any transaction that is required to comply with SET policies.
- Surveying Members for comments and opinions that may contribute to the development of the Securities Business and the Capital Markets in order to propose these to the SET Board of Governors.
- Promoting the reputation of the SET, its Members and the Securities Business as a whole.

11) Technology Development Committee

Name		Position
Mr. Kittiratt	Na-Ranong	Chairman
Mr. Pakhawat	Kovithvathanaphong	Member
Mr. Somjate	Moosirilert	Member
Dr. Surat	Palalikit	Member
Mr. Somkid	Jiranuntarat	Member
Mrs. Nongram	Wongwanich	Member
Ms. Sopawadee	Lertmanaschai	Member
Mrs. Patareeya	Benjapolchai	Member
Mr. Suvit	Mapaisansin	Member
Mr. Wiboon	Perm-Arayawong	Member
Mr. Charamporn	Jotikasthira	Member
Mr. Vites	Techangam	Member
Mr. Wittaya	Watcharawittayakul	Member
Mr. Trin	Tantsetthi	Member
Mr. Patchra	Surajaras	Member
Dr. Twittie	Senivongse Na Ayudhya	Member

Technology Development Committee is responsible for the following:

- Considering various models of business and IT integration, and being able to respond the SET's mission to be one of the most attractive Capital Markets in Asia.
- Considering business operations and lines of business that are appropriate to the Securities Business, from Pre-Trading to Post-Trading, using a Market-Integrated strategy and Straight-Through-Processing.
- Considering the direction, line and policies relating to Technology Development and System Architecture for both the SET Securities Business and member companies in terms of appropriate technology and business development for the future.
- Considering the direction of Human Resources Effective Skills Development in IT to develop knowledge in relation to business and technology, including the possibilities for applying technology in any type of transaction.
- Evaluating appropriate Business and Technology Partners for the SET, to be responsible for the development of IT Human Resources and Computer Systems, in particular Post-Trading and Straight Through Processing.

12) Back Office Service Bureau Committee

Name		Position
Dr. Surat	Palalikit	Chairman
Mr. Pakhawat	Kovithvathanaphong	Vice Chairman
Mr. Somjate	Moosirilert	Member
Mrs. Nongram	Wongwanich	Member
Ms. Sopawadee	Lertmanaschai	Member
Mr. Somkid	Jiranuntarat	Member
Mrs. Chanisa	Tongsudjaitham	Member & Secretary

Back Office Service Bureau Committee is responsible for the following:

- Considering the management structure, the service structure and the fee structure.
- Providing and proposing business plans and budget plans to the SET Board of Governors.
- Follow up on the progress to ensure compliance with the plans and provide an annual report on the business operations.

13) SET Junior Achievement Thailand Committee

Name		Position
Dr. Chai-Anan	Samudavanija	Chairman
The SET President		Member
Permanent Secretary - Dept. of Curriculum and Instruction Development		Member
Permanent Secretary - Department of Probation		Member
Dr. Somsakdi	Xuto	Member
Dr. Sarasin	Viraphol	Member
Mr. Mechai	Viravaidya	Member
Mr. Kwang	Robkob	Member
Mr. Veeravat	Kanchanadul	Member
M.L. Subhasiddhi	Jumbala	Member
Mr. Apirak	Kosayodhin	Member
Mr. Paul	Wedel	Member
Mr. Yuth	Vorachattarn	Member
Mr. Montree	Sornpaisarn	Member
Dr. Surat	Palalikit	Member
Mr. Rapee	Sujaritkul	Member
Director - Office of Capital Market Policy and Planning, the SEC		Member
Mrs. Karuna	Aksaravut	Member

SET Junior Achievement Thailand Committee is responsible for the following:

- Establishing the Vision and the Mission for SET Junior Achievement Thailand
- Helping solicit funds to support its operations

14) Thailand Securities Institute Committee

Structure	Position
Dr. Somsakdi Xuto	Chairman
Representative from the SEC	Member
The SET President	Member
Representative from the SET	Member
Representative from the Bank of Thailand	Member
Representative from the Association of Securities Companies	Member
Representative from the Association of Investment Management Companies	Member
Representative from the Listed Companies Association	Member
Representative from the Institute of Certified Accountants and Auditors of Thailand	Member
Representative from the Thai Bankers' Association	Member
Representative from the Thai Life Assurance Association	Member
Representative from the Thai Bond Dealing Center	Member
Money and Capital Market expert	Member
Academic expert	Member

Thailand Securities Institute Committee is responsible for the following:

- Establishing Guidelines and Policy concerning the operation of the Thailand Securities Institute.
- Considering Policy for the development of Human Resources Standards in both the Money and Capital Markets.

Audit Committee Report

The Board of Governors of the Stock Exchange of Thailand (SET) formally constituted an Audit Committee on the of October 1, 1997. It comprises three Non-Executive Governors of the SET, who are independent from SET operations, with the SET Internal Audit Vice President acting as Secretary. The Audit Committee has been empowered by the Board of Governors to carry out those duties as stated on Page 45.

The Committee has performed these duties and responsibilities assigned by the Board of Governors. It has also encouraged the SET to conform to the requisite standard of ethics, with a system of checks & balances and transparency required of such an institution. During the year 2001, the Committee convened 12 meetings and reported its findings to the Board of Governors on a quarterly basis, apart from exceptional cases that were reported monthly, both to inform the Board and to seek appropriate actions where necessary. Management is invited to participate in the meetings to provide extra information deemed appropriate. Matters affecting management that were subject to consideration during the year 2001 were as follows:

- Reviewed quarterly financial statements; reviewed and concurred with the annual financial statements prior to submission for consideration by the Board of Governors.
- Acknowledged and provided suggestions on audit plans and external auditors' findings.
- Reviewed the internal auditor's conclusions, recommendations on the internal control systems and submissions on actions to be taken by the SET management, as well as following up on the progress of these actions.
- Reviewed the Year 2002 audit plans of the Internal Audit Department as well as providing recommendations and suggestions.
- Recommended that the SET should explain the revised SET Ethics and Best Practices for Buying & Selling Shares to governors and staff, and that staff should sign an acknowledgement that they understood these, to ensure that they have a comprehensive picture of their roles and responsibilities. As well it was recommended that SET should post these on the SET website to promote the positive image and the integrity of the SET.

- Recommended that SET should have a representative from the IT Club of the Association of Securities Companies as an independent member of the IT and Telecommunication Policy and Specification Committee. Given their independence, knowledge and familiarity with the technology, and as their systems are directly linked to the SET computer systems, this should help ensure an efficient and appropriate procurement program for computer components and telecommunication equipment for the SET operations as well as market participants.
- Recommended that the SET's risk management systems should be reviewed by specialists so that these risk management systems, when established, shall be at least equal to other leading organizations.
- Recommended that SET should review its role and responsibilities in the dissemination of information to listed companies in order to minimize the risk of delays and to enhance the integrity of the SET's systems.
- Followed up and commented about return on SET's investments.
- Followed up on the SET's progress in complying with its obligations to the World Federation of Exchanges (WFE).

The Audit Committee also recommended to the Board of Governors that Mrs. Nattaporn Phan-Udom or Miss Wimol Chiamchittrong - PricewaterhouseCoopers ABAS Ltd. be reappointed as the SET auditor for the financial year ending the of December 31, 2002. Suggested remuneration for this role was Baht 670,000. Furthermore, the Audit Committee also reviewed remuneration for the audit of its five subsidiary companies for the financial year ending the of December 31, 2002.

(Mr. Machima Kunjara Na Ayudhya)
Member of the Audit Committee
February 21, 2002

Transparent Communication to Support Investor Confidence

Accurate and comprehensive accounting methods will significantly boost both confidence and creditability in the industry. . .

Operational Results

The Thai economy in 2001 reflected the decline in the export sector, on account of the impact of the global economic slowdown since the beginning of the year and the September 11th terrorist attacks in the United States. The economic situations impacted on the recovery and operational results of listed companies especially those focusing on export. However, the overall Thai economy still remained unchanged, stimulated by domestic spending.

The attraction of the Thai capital markets was influenced by the stabilized political conditions and government policy in dealing with economic issues. In addition, the expectations of economic recovery, the State Enterprises privatization plan and listing on the Exchange, together with other stimulus measures droved securities trading turnovers. As a result, trading volume in 2001 increased by 71% from that of 2000. There were 385 listed companies in total on both the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (MAI) at the end of 2001. During the year, there were ten newly listed companies joined the bourse while six were delisted.

The operational results of the Stock Exchange of Thailand (SET) and its subsidiaries in 2001 recorded an excess of revenues over expenses of Baht 567 million, down by Baht 119 million or 17% from that of 2000. Major factors contributing to the changes in revenues and expenses were as follows:

Revenues

In 2001, the Stock Exchange of Thailand and its subsidiaries recorded consolidated revenues of Baht 1,400 million, down by Baht 2 million or 0.14% from that of 2000. The major reasons for this decline are listed below:

- The revision of listing fees and stock registrar fees in 2001 resulted in a decrease of revenue from listing fee totaling Baht 22 million (annual fee revenue decreased by Baht 14 million and initial listing fee revenue decreased by Baht 8 million) and the decrease of the stock registrar fee amounting to Baht 34 million.
- Revenue from trading fees increased by Baht 54 million or 50% owing to an increase in trading volume. Average trading volume in year 2001 stood at Baht 6,439 million per day, a jump of Baht 2,700 million or 71% from Baht 3,739 million per day of year 2000.

Expenses

In 2001, the Stock Exchange of Thailand and its subsidiaries recorded consolidated expenses of Baht 839 million, up by Baht 121 million or 17% from that of 2000. This was mainly caused by an increase in marketing expense totaling Baht 116 million or 11 time due to the SET policy aimed at expanding the investor base and

encouraging new listings. Marketing campaigns launched during the year included an investor fair, communications campaigns to promote corporate images and support for State Enterprises privatization.

Statement of Financial Position

The financial status of the SET and its subsidiaries in 2001 changed from that of 2000 primarily because of the following transactions:

Assets

As of December 31, 2001, the SET and its subsidiaries reported total assets of Baht 12,049 million, an increase of Baht 580 million or 5% when compared to the total assets of Baht 11,469 million at the end of 2000. The assets were composed of current assets, amounting to Baht 9,455 million, and non-current assets, totaling Baht 2,594 million. A significant item in the current assets was the short-term investment, amounting to Baht 8,940 million, up by Baht 5,011 million or 128%. While the major item in the non-current assets was long-term investment, totaling Baht 1,752 million, down by Baht 4,463 million or 72%. The change in these two items was a consequence of the reclassification from long-term investment to short-term investment of the cash at banks, promissory notes and bonds due within one year.

Liabilities

The current liabilities at the end of 2001, amounting to Baht 260 million, increased by Baht 15 million or 6% from that of 2000 due to the increase of accrued expenses.

Funds

The Exchange is a self-funded, non-profit, juristic organization that operates under the Securities and Exchange of Thailand Act, B.E. 2517 (1984), and the Securities and Exchange Act, B.E. 2535 (1992). As part of its operations, the Exchange has established a number of funds to help it achieve its main objectives. Expenses or revenues related to each fund are deducted and transferred to the appropriate funds, according to the rules prescribed by the SET Board of Governors.

The General Fund underwent a significant change from last year. As of December 31, 2001, the General Fund totaled Baht 9,455 million, an increase of Baht 572 million or 6% from that of 2000. The increase was attributed to the operational gain in 2001 of Baht 567 million, and the receipt of admission fees of Baht 5 million from member companies.

Liquidity

At the end of 2001, the SET and its subsidiaries enjoyed high levels of liquidity with Baht 161 million in cash and cash equivalent. A decrease from the previous year of Baht 100 million in cash was invested in short-term investments.

The Exchange does not have a policy to seek outside financing in the near future. The SET instead is pursuing a policy of managing for a good return at an appropriate level of risk. The allocations of the SET investment have complied with the rules prescribed by the SET Board of Governors. An investment working committee was appointed to review the investment policy and investment alternatives.

Risk Management Policy

The Exchange has established the Risk Management Department as of January 1, 2001, with the objective to operate as a centralized unit for monitoring and managing any possible risks arising from the running of the day-to-day business of the Stock Exchange of Thailand (SET), including its subsidiaries. The scope of the SET risk management systems is to:

- Monitor and manage any possible risks arising from the day-to-day running of the SET, including its subsidiaries. Emphasis is on those risks that may negatively impact on either the trading or the clearing and settlement systems by using the Aggregated Enterprise-wide Risk Management system, which can ensure the stability of both the marketplace and the Exchange.
- Monitor any possible risks originating from any participant in the capital market (inclusive of any transactions that may affect the business of the SET and its subsidiaries); such as the monitoring of securities companies who are members of the SET, and monitoring of the clearinghouse members by the Thailand Securities Depository Co., Ltd. (TSD). This is to ensure the efficiency of the clearing and settlement system and that proper risk management systems are in place to deal with any contingencies.

In 2001, infrastructure development of the organizational risk management system was the foremost task, starting from determining corporate risk management policies and risk management guidelines. The objective is to ensure that firstly, every department follows this guideline, and that they should also develop measurements for their own individual levels of risk. In addition, in line with the policy to promote a common perspective and a language for developing uniform practices and a framework for risk management within the Exchange, a succession of in-house seminars have been arranged.

Both the trading and the clearing and settlement systems are considered by the SET as being at the front line when managing risk as these two major systems may significantly affect to the image, reputation, and the financial status of the SET itself.

However, those risk management systems already in place are the Early Warning System and the Financial Surveillance System. The Early Warning System is aimed at controlling risk that may arise by the actions by clearinghouse members within the clearing and settlement system, while the Financial Surveillance System is used to predict the financial status of members by analyzing past financial ratios. Furthermore, the SET has also maintained appropriate reserves, such as the Clearing Reserve Fund and Clearing Funds, to ensure that adequate liquidity is available at all times.

Revenues of the SET and Its Subsidiaries in 2001 and 2000

- Trading Fees
- Listing Fees
- Revenues from stock registrar fees
- Information service income
- Income from investments
- Income from share clearing, deposit fees and others
- Share of profit in subsidiaries and associate
- Other revenues

2001

2000

Expenses of the SET and Its Subsidiaries in 2001 and 2000

- Staff costs
- Compensation for Mutual Separation Program
- Personnel development expenses
- Marketing expenses
- Fees to external parties
- Director's fees
- Communication expenses
- Office building expenses
- Depreciation and amortization
- Contribution to the Office of the SEC
- Doubtful debts
- Other expenses
- Income tax

2001

2000

Report of the Board of Governors' Responsibilities for Financial Statements

The Board of Governors is responsible for the Stock Exchange of Thailand (SET) and its subsidiaries' financial statements and financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles, using appropriate accounting policy consistently employed by the SET as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statement.

The Board of Governors has provided and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operation.

To accomplish this task, the Board of Governors has appointed an audit committee, which consists of Non-Executive Governors responsible for the quality of financial statements and internal control system, whose comments on these issues are readily included in the Audit Committee Report in this annual report.

The Board of Governors is of the opinion that the SET's overall internal control system has functioned up to the satisfactory level and rendered credibility and reliability to the SET's and its subsidiaries' financial statements for the year ended December 31, 2001.

(Mr. Chavalit Thanachanan)
Chairman

(Mr. Kittiratt Na-Ranong)
President

Auditor's Report

To the Members of the Stock Exchange of Thailand

I have audited the accompanying consolidated balance sheets and balance sheets of the Stock Exchange of Thailand as at December 31, 2001 and 2000, and the related consolidated statements of revenues and expenses and statements of revenues and expenses, and the consolidated statements of cash flows and statements of cash flows for the years then ended. These financial statements are the responsibility of the Stock Exchange of Thailand's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position and financial position of the Stock Exchange of Thailand as at December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows and results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

Nattaporn Phan-Udom
Certified Public Accountant
(Thailand) No. 3430
PricewaterhouseCoopers ABAS Limited

Bangkok
February 21, 2002

Balance Sheets

As at December 31, 2001 and 2000

(Thousand Baht)

	Notes	Consolidated 2001	Consolidated 2000	SET 2001	SET 2000
Assets					
Current Assets					
Cash in hand and at banks		161,281	261,782	74,306	131,253
Short-term investments	3	8,940,102	3,929,102	8,591,582	3,624,550
Accounts receivable and accrued income, net	4	38,143	28,484	84,571	96,037
Accrued interest receivable		226,904	161,450	224,760	158,420
Other current assets		88,790	29,901	75,848	12,324
Total Current Assets		9,455,220	4,410,719	9,051,067	4,022,584
Non-Current Assets					
Investments in subsidiaries and associate	5	138,091	135,864	543,488	551,402
Long-term investments	6	1,752,098	6,214,808	1,749,098	6,174,668
Loans to members, net	7	-	30	-	30
Property and equipment, net	8	623,386	652,615	605,249	626,908
Intangible assets	9	73,468	47,640	44,153	16,746
Other assets		7,219	7,328	6,350	6,556
Total Non-Current Assets		2,594,262	7,058,285	2,948,338	7,376,310
Total Assets		12,049,482	11,469,004	11,999,405	11,398,894

The notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 67 to 87 form an integral part of these financial statements.

(Thousand Baht)

	Notes	Consolidated 2001	Consolidated 2000	SET 2001	SET 2000
Liabilities and fund balances					
Current Liabilities					
Accounts payable and accrued expenses		148,758	108,566	123,325	82,096
Fees received in advance		103,160	123,201	101,692	113,908
Accrued income tax		1,092	2,537	-	-
Other current liabilities		7,435	11,119	9,064	10,169
Total Liabilities		260,445	245,423	234,081	206,173
Fund Balances					
Clearing Reserve Fund	10	2,000,000	2,000,000	2,000,000	2,000,000
Staff Welfare Fund	11	33,677	32,855	33,677	32,855
Indemnity Fund	12	30,000	30,000	30,000	30,000
SET Building Fund	13	246,328	246,328	246,328	246,328
General Fund	14	9,455,319	8,883,538	9,455,319	8,883,538
Unrealized gain on securities available-for-sale		3,416	4,741	-	-
Minority interest		20,297	26,119	-	-
Total Fund Balances		11,789,037	11,223,581	11,765,324	11,192,721
Total Liabilities and Fund Balances		12,049,482	11,469,004	11,999,405	11,398,894

The notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 67 to 87 form an integral part of these financial statements.

For the years ended December 31, 2001 and 2000

Statements of Revenues and Expenses

(Thousand Baht)

	Notes	Consolidated 2001	Consolidated 2000	SET 2001	SET 2000
Revenues					
Trading fees		163,461	109,171	161,726	109,171
Listing fees		196,851	219,480	196,851	219,480
Stock registrar fees		373,981	407,943	-	-
Information service income		52,290	44,182	51,994	44,182
Income from investments		514,900	500,201	500,857	483,847
Income from share clearing, depository and others		39,476	40,077	-	-
Service fees from related parties	19	-	-	268,108	270,979
Share of profit in subsidiaries and associate	5	2,227	2,698	25,286	34,441
Other income	15	57,571	79,179	40,693	59,340
Total Revenues		1,400,757	1,402,931	1,245,515	1,221,440
Expenses					
Staff costs		320,063	281,054	259,673	216,875
Compensation for Mutual Separation Program		-	13,983	-	6,960
Personnel development expenses		17,505	16,494	15,759	14,259
Marketing expenses		127,158	11,208	126,121	9,882
Fees to external parties		50,228	97,238	39,730	73,804
Director's fees		10,125	9,859	7,835	7,569
Communication expenses		48,277	43,167	11,268	11,780
Office building expenses		39,116	37,517	37,757	36,179
Depreciation and amortization	8, 9	80,708	77,675	63,443	64,471
Contribution to the Office of the SEC	16	60,000	64,450	60,000	64,450
Doubtful debts		(5,233)	(5,754)	(2,101)	(9,160)
Other expenses		76,939	54,973	58,931	38,532
Income tax		14,524	16,672	-	-
Total Expenses		839,410	718,536	678,416	535,601
Excess of revenues over expenses before minority interest		561,347	684,395	567,099	685,839
Minority interest		5,801	1,444	-	-
Excess of revenues over expenses		567,148	685,839	567,099	685,839

The notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 67 to 87 form an integral part of these financial statements.

Statements of Cash Flows

For the years ended December 31, 2001 and 2000

(Thousand Baht)

	Notes	Consolidated 2001	Consolidated 2000	SET 2001	SET 2000
Cash Flows from Operating Activities					
Excess of revenues over expenses		567,148	685,839	567,099	685,839
Adjustments:					
Doubtful debts		(5,233)	(5,754)	(2,101)	(9,160)
Depreciation and amortization	8, 9	80,708	77,712	63,443	64,471
(Gain) or loss on sale of fixed assets		8,820	(3,856)	10,707	(2,897)
Transfer work in process to expense	9	3,975	-	3,975	-
Income from investments		(514,900)	(500,201)	(500,857)	(483,847)
Share of profit in subsidiaries and associate	5	(2,227)	(2,698)	(25,286)	(34,441)
Dividend income		(4,502)	(3,100)	(4,502)	(3,100)
Minority interest		(5,801))	(1,444)	-	-
Excess of revenues over expenses before changes in operating assets and liabilities		127,988	246,498	112,478	216,865
(Increase) Decrease in Operating Assets					
Accounts receivable and accrued income		(6,767)	20,045	11,225	(14,871)
Other current assets		(58,889)	(7,280)	(63,524)	(989)
Other assets		109	1,753	206	1,753
Increase (Decrease) in Operating Liabilities					
Accounts payable and accrued expenses		40,123	2,966	41,230	(1,841)
Fees received in advance		(20,041)	12,129	(12,216)	1,519
Accrued income tax		(1,444)	(5,989)	-	-
Other current liabilities		(3,685)	(781)	(1,105)	(422)
Net Cash from Operating Activities		77,394	269,341	88,294	202,014

The notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 67 to 87 form an integral part of these financial statements.

(Thousand Baht)

	Notes	Consolidated 2001	Consolidated 2000	SET 2001	SET 2000
Net Cash from Operating Activities		77,394	269,341	88,294	202,014
Cash Flows from Investing Activities					
Cash at banks under M.O.U.		3	(5,668)	3	(5,668)
Cash received from short-term investments		3,475,095	3,119,653	3,313,224	3,038,923
Interest received		414,315	429,982	398,235	413,340
Cash paid for purchases of short-term investments		(2,916,489)	(1,712,062)	(2,745,313)	(1,523,500)
Long-term bank deposits		(823,600)	(2,728,835)	(823,600)	(2,728,835)
Purchases of long-term promissory notes-financial institutions		(89,915)	(999,766)	(89,915)	(999,766)
Purchases of bonds		(52,017)	-	(52,017)	-
Purchases of debentures		(100,000)	(140,775)	(100,000)	(140,775)
Purchases of fixed assets	8	(57,763)	(71,800)	(54,696)	(64,723)
Purchases of intangible assets	9	(40,383)	-	(34,300)	-
Proceeds from sales of fixed assets		8,043	4,855	5,122	12,565
Investment in subsidiaries		-	-	-	(66,000)
Investment in other company		(7,584)	-	(7,584)	-
Dividend received		4,502	3,100	37,702	45,100
Repayment of loan with interest from members		2,371	-	2,371	-
Net Cash used in Investing Activities		(183,422)	(2,101,316)	(150,768)	(2,019,339)
Cash Flows from Financing Activities					
Admission fees received from members		4,682	28,776	4,682	28,776
Interest received on investments from Staff Welfare Fund		845	1,057	845	1,057
Net Cash from Financing Activities		5,527	29,833	5,527	29,833
Net (Decrease) in Cash and Cash Equivalents		(100,501)	(1,802,142)	(56,947)	(1,787,492)
Cash and Cash Equivalents at Beginning of the Year		261,782	2,063,924	131,253	1,918,745
Cash and Cash Equivalents at End of the Year		161,281	261,782	74,306	131,253
Supplementary Information for Cash Flow:					
Interest paid		-	629	-	420
Income tax paid		15,968	22,661	-	-

The notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 67 to 87 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements and Financial Statements

1. General Information

The Stock Exchange of Thailand (SET) is a juristic entity set up under the Securities Exchange of Thailand Act, B.E. 2517 (1974) that first began trading on April 30, 1975. Its mandate is to be a market or center for the purchase and sale of securities including any related services connected to such activities, without distributing any profits to members. It must operate under the legal framework laid down in the Securities & Exchange Act, B.E. 2535 (1992). The address of the Stock Exchange of Thailand is as follows:

62 Rachadapisek Road, Klongtoey, Bangkok 10110.

The principal business operations of the SET and its subsidiaries are summarized as follows:

1. Securities listing;
2. Provide listed securities trading system;
3. Information dissemination and investor education;
4. Market surveillance, listed company and member company supervision;
5. Provide back-office services for clearing and settlement, shares depository and shares registrar;
6. Management of open-ended mutual fund to encourage foreign investment in the Stock Exchange of Thailand;
7. Provide services, develop or lay down computer systems, information technology and other communication network systems which relate to or connect with trading of securities, payment and delivery of security; and
8. Engage in the business of investment management by issuing the Non-Voting Depository Receipt (NVDR) to investors as prescribed by the Securities and Exchange Commission (SEC) and invest the proceeds from the issuance of such instrument in shares of listed companies or public companies those be approved by the Office of the SEC to offer to the public, or other securities prescribed by the SEC.

As at December 31, 2001 the Stock Exchange of Thailand and its subsidiaries employ 463 staff. (2000: 456 staff)

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated and financial statements of the SET are set out below.

2.1 Basis of Preparation

The consolidated financial statements and the financial statements of the SET have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act, B.E. 2543 being those Thai Accounting Standards issued by the Institute of Certified Accountants and Auditors of Thailand and approved under law by the Board of Supervision of Auditing Practices appointed by the Minister of Commerce under the

Auditor Act, B.E. 2505 and the financial reporting requirements of the Securities and Exchange Commission. The SET has early adopted in 2001, prior to its effective date, for Thai Accounting Standard No. 51 : Intangible Assets. The consolidated and the SET's financial statements have been prepared under the historical cost convention, except for certain items, investments in trading and available-for-sale securities presented at fair value.

2.2 Consolidation

Subsidiary undertakings directly or indirectly, which has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the SET and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealized surpluses and deficits on transactions between the SET and its subsidiaries have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the SET.

A listing of the SET's principal subsidiaries and the financial effect from net share of results of subsidiaries is shown in Note 5.

2.3 Investments in Subsidiaries and Associate

Investments in subsidiary undertakings are accounted for in the non-consolidated financial statements by the equity method of accounting. These are undertakings over which the SET has over 50% of the voting rights, and over which the SET exercises control. Provisions are recorded for impairment in value.

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the SET has between 20% and 50% of the voting rights, and over which the SET exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognizing in the statement of revenues and expenses the SET's share of the subsidiaries and associate's profit or loss for the year. The SET's interest in the subsidiaries and associate are carried in the balance sheet at an amount that reflects its share of the net assets of the subsidiaries and associate.

Where a subsidiary undertaking is acquired and held exclusively with a view to be temporarily held because the subsidiary operates under severe long-term restrictions that significantly impair its ability to transfer funds to the SET, the interest in the subsidiary undertaking is accounted for in the consolidated financial statements and financial statements in accordance with the accounting policy on investments as shown in Note 2.7.

2.4 Foreign Currencies Translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the exchange rate ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at balance sheet date denominated in foreign currencies, are recognized in the statement of revenues and expenses.

2.5 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand and at banks due within or less than 3 months.

2.6 Accounts Receivable and Accrued Income

Accounts receivable and accrued income are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

2.7 Investments

Debt securities and marketable equity securities classified as available-for-sale securities are carried at fair values. Fair value of debt securities is calculated by reference to risk-free yield curve adjusted by appropriate risk premium. Fair value of marketable equity securities is calculated by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount are credited/charged against unrealized gains/losses on investments in available-for-sale securities in fund balances.

Debt securities and marketable equity securities classified as trading securities are carried at fair values. Fair value of debt securities is calculated by reference to risk-free yield curve adjusted by appropriate risk premium. Fair value of marketable equity securities is calculated by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount are credited/charged against realized gains/losses on sale of trading securities in statement of revenues and expenses.

Investment in debt securities classified as held-to-maturity securities are carried at amortized cost.

Investment in non-marketable equity securities classified as general investments are carried at cost.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is less than its recoverable amount, impairment loss is charged to the statement of revenues and expenses.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of revenues and expenses.

When disposing of part of the SET's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined from the average carrying amount of the total holding of the investments.

2.8 Property and Equipment

All property and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight line method to write off the cost of each asset except for land as it is deemed to have an indefinite life to their residual values over their estimated useful life as follows:

Building	30	years	Building improvements	10	years
Furniture and fixtures	5	years	Office equipment	5	years
Motor vehicles	5	years	Computers	3-5	years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in other revenues or other expenses.

Expenditures for addition, renewal and betterment, which result in a substantial increase in an asset's current replacement value, are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

2.9 Accounting for Leases - where a group company is the lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of revenues and expenses on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

2.10 Intangible Assets

Intangible assets comprise computer software development costs.

Generally, costs associated with developing or maintaining computer software programmes are recognized as an expenses as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the SET and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible assets. Direct cost includes purchase price and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives of 3-5 years.

2.11 Pension Obligations and Employee Benefits

The SET operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the SET and its subsidiaries.

The SET's contributions to the provident fund are charged to the statement of revenues and expenses in the year to which they relate.

2.12 Revenue Recognition

Services are recognized upon performance of services, net of discounts and sales taxes. For consolidated financial statements, inter-group services are eliminated.

In case the listing fee of a listed company was accrued over 3 months, SET will stop recognizing the income from that company.

Income from investments and other revenues are recognized on the following bases:

i) Interest income - as it accrues unless collectibility is in doubt.

ii) Dividend income - when the shareholder's right to receive payment is established.

iii) Other income - when the SET's right to receive payment is established.

2.13 Comparatives

Certain comparative figures have been adjusted to conform with changes in presentation in the current year. The SET and its subsidiaries have early adopted TAS 51: "Intangible Assets" in 2001, prior to its effective date, and comply with transitional provisions requirements. Intangible assets have been reclassified from property and equipment in the balance sheet both in the current year, and the last year for comparative purposes.

3. Short-term Investments

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Investments managed by the SET				
General investments				
Fixed deposits	3,025,803	1,690,682	3,025,766	1,690,682
Negotiable certificates of deposit	911,663	10,930	900,733	-
Promissory notes	2,540,438	1,731,625	2,268,691	1,526,284
Total	6,477,904	3,433,237	6,195,190	3,216,966
Securities available-for-sale	65,806	88,281	-	-
Debt securities due within one year	396,621	407,584	396,621	407,584
Total investments managed by the SET	6,940,331	3,929,102	6,591,811	3,624,550

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Investments managed by Private Funds				
General investments				
Fixed deposits	30,000	-	30,000	-
Saving accounts	29,801	-	29,801	-
Other debt instruments	562,812	-	562,812	-
Total	622,613	-	622,613	-
Trading securities	1,377,158	-	1,377,158	-
Total investments managed by Private Funds	1,999,771	-	1,999,771	-
Total short-term investments	8,940,102	3,929,102	8,591,582	3,624,550

Investments managed by the SET

Fixed deposits represent fixed deposits at bank with original term of 6 months to 1 year with interest rates of 1.00% - 5.25% per annum (2000: 0.75% - 5.75% per annum).

The negotiable certificates of deposits (NCD) were issued by Krung Thai Bank Public Company Limited. The NCD are due within one year and carried interest at floating interest rates. Interest is receivable on monthly and annual basis.

Promissory notes represent the promissory notes of financial institutions due within one year with interest rates of 1.50% - 5.50% per annum (2000: 2.25% - 6.25% per annum).

Securities available-for-sale as shown in the consolidated financial statements represent government and state enterprise bonds due within 2003 with interest rates of 8.25% per annum. (2000: 6.18% - 8.25% per annum) and yields of 5.60% - 5.745% per annum (2000: 5.60% - 14.25% per annum). The securities may be sold at discount to any commercial banks when necessary.

Debt securities due within one year represent government and state enterprise bonds and debenture due within 1 year with coupon rates of 5.90% - 9.67% per annum (2000: 5.875% - 13.45% per annum) and yields of 4.64% - 14.72% per annum (2000: 4.30% - 15.00% per annum) for which the aggregated market value was Baht 410 million (2000: 412 million).

Investments managed by Private Funds

A portion of investment was in private funds managed by two asset management companies. The investment policy of private funds was based on the SET's regulation: Deposit with financial institution and Investment as mentioned in Note 21-Financial Instruments. The investments in private funds were presented under short-term investments.

Other debt instruments represent promissory notes of financial institutions, bill of exchange and treasury bill with interest rates of 1.25% - 4.70% per annum.

Trading securities presented in the consolidated financial statement consisted of government bond, treasury bill, debt instruments guaranteed by the Ministry of Finance and debenture with interest rates of 2.95% - 8.95% per annum and yields of 2.53% - 7.50% per annum.

4. Accounts Receivable and Accrued Income

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Accounts receivable	70,106	77,371	45,475	77,818
Less Allowances for doubtful accounts	(58,475)	(61,367)	(17,450)	(17,208)
Accounts receivable, net	11,631	16,004	28,025	60,610
Add Accrued income	26,512	12,480	56,546	35,427
Accounts receivable and accrued income, net	38,143	28,484	84,571	96,037

The outstanding accounts receivable at December 31, 2001 and 2000 can be analyzed as follows:

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Less than 3 months	8,743	11,917	26,764	57,553
3 - 6 months	2,889	2,330	1,253	2,072
6 - 12 months	8,368	10,302	187	344
Over 12 months	50,106	52,822	17,271	17,849
	70,106	77,371	45,475	77,818
Less Allowance for doubtful accounts	(58,475)	(61,367)	(17,450)	(17,208)
	11,631	16,004	28,025	60,610

As at December 31, 2001, there were 7 listed companies, having accrued listing fees 6-12 months and exceeding 12 months amounting to Baht 5.57 million and 5.90 million respectively. The SET has ceased recognition of income for these receivables. These receivables were transferred to be unrecognized accounts receivable and were not included in accounts receivable.

The SET had no significant concentration of credit risk from accounts receivable other than receivable from Thailand Securities Depositories Co., Ltd., a subsidiary, which represents 45% of the total balance of accounts receivable in the SET's financial statement. The SET's management believed that the SET had no credit risk other than the allowance for doubtful account which was already recorded in the financial statements.

5. Investments in Subsidiaries and Associate

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Opening net book amount	135,864	133,166	551,402	492,961
Investment in Thai NVDR Co., Ltd.	-	-	-	10,000
Investment in SETTRADE.COM Co., Ltd.	-	-	-	56,000
Add Net share of results	2,227	2,698	25,286	34,441
Less Share of dividend	-	-	(33,200)	(42,000)
Closing net book amount	138,091	135,864	543,488	551,402

The principal subsidiaries and associate undertakings are:

	Business	Country of Incorporation	Percentage of Holding	
			2001	2000
Thailand Securities Depository Co., Ltd.	See (1) below	Thailand	99.99	99.99
Thai Trust Fund Management Co., Ltd.	Manage mutual fund	Thailand	99.99	99.99
Clearing Fund	Fund	Thailand	47.07	49.50
Thai NVDR Co., Ltd.	See (2) below	Thailand	99.99	99.99
SETTRADE.COM Co., Ltd.	See (3) below	Thailand	70.00	70.00

(1) Provide back-office services for clearing and settlement, shares depository and shares registrar.

(2) Manage investment in Non-Voting Depository Receipt (NVDR).

(3) Provide services, develop computer system, information technology and other communication network systems related to trading of securities, payment and delivery of security.

The SET has no control over the operations of the Clearing Fund. Clearing Fund is operated under the Regulation of the Clearing Fund (No. 1) B.E. 2541 (1998) which requires the SET to pay a lump sum amount of Baht 100 million as the initial contribution. The percentage of holding will be changed according to contributions by other members of the Clearing Fund. Therefore, the investment in Clearing Fund is classified as the investment in associate.

Details of investments at December 31, 2001 and 2000 were shown below:

(Thousand Baht)

	Consolidated 2001				
	Paid-up capital	% holding	Book Value at cost	Book Value under equity method	Dividend
Clearing Fund	288,664	47.07	100,000	138,091	-

(Thousand Baht)

	Consolidated 2000				
	Paid-up capital	% holding	Book Value at cost	Book Value under equity method	Dividend
Clearing Fund	269,012	49.50	100,000	135,864	-

(Thousand Baht)

	SET 2001				
	Paid-up capital	% holding	Book Value at cost	Book Value under equity method	Dividend
Thailand Securities Depository Co., Ltd.	200,000	99.99	200,000	252,939	31,200
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	103,411	2,000
Clearing Fund	288,664	47.07	100,000	138,091	-
Thai NVDR Co., Ltd.	10,000	99.99	10,000	10,002	-
SETTRADE.COM Co., Ltd.	80,000	70.00	56,000	39,045	-
			466,000	543,488	33,200

(Thousand Baht)

	SET 2000				
	Paid-up capital	% holding	Book Value at cost	Book Value under equity method	Dividend
Thailand Securities Depository Co., Ltd.	200,000	99.99	200,000	249,885	42,000
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	103,084	-
Clearing Fund	269,012	49.50	100,000	135,865	-
Thai NVDR Co., Ltd.	10,000	99.99	10,000	9,938	-
SETTRADE.COM Co., Ltd.	80,000	70.00	56,000	52,630	-
			466,000	551,402	42,000

6. Long-term Investments

Long-term investments at December 31, 2001 and 2000 consisted of:

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
General investments				
Time deposits	772,200	2,788,835	772,200	2,788,835
Cash at banks under commitment	3,000	3,000	-	-
Cash at banks by M.O.U.	123,705	123,708	123,705	123,708
Negotiable certificates of deposit	-	913,719	-	900,733
Promissory notes	94,000	1,395,384	94,000	1,371,230
Equity securities	61,098	53,514	61,098	53,514
Total	1,054,003	5,278,160	1,051,003	5,238,020
Debt securities held to maturity	698,095	936,648	698,095	936,648
	1,752,098	6,214,808	1,749,098	6,174,668

Time deposits represent fixed deposits at banks with original maturity over a period of 1 year with interest rates of 4.00% - 4.25% per annum (2000: 3.75% - 5.75% per annum).

As at December 31, 2001 and 2000, cash at banks under commitment were pledged as collateral for credit facilities from banks, whilst cash at banks by M.O.U. were also required according to memorandums of understanding with a bank for housing loans provided to the employees of the SET and its subsidiaries.

Promissory notes represent promissory notes issued by financial institutions, due within 1.5-2 years (due in 2003). The promissory notes carried interest at the rates of 3.75% per annum. Interest is receivable on monthly and annual basis (2000: 4.25% - 5.50% per annum).

Debt securities represent government and state enterprise bonds and debenture due within 2-5 years with coupon rates of 5.25% - 8.95% per annum (2000: 5.25% - 9.67% per annum) and yields of 3.46% - 14.64% per annum (2000: 4.64% - 14.72% per annum), for which the aggregated market value in the consolidated financial statements and financial statements at December 31, 2001 was Baht 742 million (2000: Baht 1,034 million).

(Thousand Baht)

	Consolidated and SET			
	2001			
	Available-for-sale	Held to maturity	General investments	Total
Debt securities (Bonds) Government bonds	-	432,184	-	432,184
State enterprise bonds	-	432,317	-	432,317
Debt securities (Debentures)	-	230,215	-	230,215
Less Current portion	-	(396,621)	-	(396,621)
	-	698,095	-	698,095
Equity securities (Other Companies)				
Thai Rating & Information Service Ltd.	-	-	11,098	11,098
TSFC Securities Limited	-	-	50,000	50,000
Total	-	698,095	61,098	759,193

As at December 31, 2001, fair value and unrealized gains (losses) from investments in debt securities are as follows:

(Thousand Baht)

	Consolidated and SET		
	2001		
	Fair value	Amortized cost net	Unrealized Gains (losses)
Bonds			
Government bonds	450,240	432,184	18,056
State enterprise bonds	476,297	432,317	43,980
Debentures	234,690	230,215	4,475
Total	1,161,227	1,094,716	66,511

(Thousand Baht)

	Consolidated and SET		
	2000		
	Fair value	Amortized cost net	Unrealized Gains (losses)
Bonds			
Government bonds	616,000	591,809	24,191
State enterprise bonds	687,579	611,821	75,758
Debentures	143,595	140,602	2,993
Total	1,447,174	1,344,232	102,942

7. Loans to Members

Loans to members at December 31, 2001 and 2000 are summarized as follows:

(Thousand Baht)

	2001	2000
Loans to members	11,812	13,779
Accrued interest income	99	509
Total	11,911	14,288
Less Allowances for doubtful accounts	(11,911)	(14,258)
Loans to members - net	-	30

In 1996, the Board of Governors approved a loan to members for a period of 3 years.

In 1997, eight members whose debts were not yet due for repayment to the SET, were ordered to close their operations by the Ministry of Finance. The collateral were sold by auction in 1998. The SET already set up allowances for amounts deemed not to be collectible.

In 2001, the SET received partial repayment amounting to Baht 2.37 million from members who were under the supervision of the Financial Sector Restructuring Authority (FRA). The SET filed cases to Bankruptcy Court for the remaining amounts.

8. Property and Equipment

(Thousand Baht)

	Consolidated				
	Land	Building & Building Improvements	Furniture Fixtures & Office Equipment	Motor Vehicles	Total
As at December 31, 2000					
Cost	100,613	516,839	993,048	12,338	1,622,838
Less Accumulated depreciation	-	62,916	859,456	7,779	930,151
Allowance for impairment	4,941	-	-	-	4,941
Adjustment of intangible assets (Note 9)	-	-	35,131	-	35,131
Net book amount	95,672	453,923	98,461	4,559	652,615
Year ended December 31, 2001					
Opening net book amount	95,672	453,923	98,461	4,559	652,615
Additions	-	5,406	46,780	5,577	57,763
Disposals	-	(12,628)	(1,360)	(2,876)	(16,864)
Depreciation charge	-	(20,526)	(47,702)	(1,900)	(70,128)
Closing net book amount	95,672	426,175	96,179	5,360	623,386
As at December 31, 2001					
Cost	100,613	503,530	873,475	7,381	1,484,999
Less Accumulated depreciation	-	77,355	777,296	2,021	856,672
Allowance for impairment	4,941	-	-	-	4,941
Net book amount	95,672	426,175	96,179	5,360	623,386

(Thousand Baht)

	SET				
	Land	Building & Building Improvements	Furniture Fixtures & Office Equipment	Motor Vehicles	Total
As at December 31, 2000					
Cost	100,613	516,839	843,333	10,534	1,471,319
Less Accumulated depreciation	-	62,916	765,913	6,404	835,233
Allowance for impairment	4,941	-	-	-	4,941
Adjustment of intangible assets (Note 9)	-	-	4,237	-	4,237
Net book amount	95,672	453,923	73,183	4,130	626,908
Year ended December 31, 2001					
Opening net book amount	95,672	453,923	73,183	4,130	626,908
Additions	-	5,406	43,713	5,577	54,696
Disposals	-	(12,628)	(325)	(2,876)	(15,829)
Depreciation charge	-	(20,526)	(38,385)	(1,615)	(60,526)
Closing net book amount	95,672	426,175	78,186	5,216	605,249
As at December 31, 2001					
Cost	100,613	503,530	784,792	5,577	1,394,512
Less Accumulated depreciation	-	77,355	706,606	361	784,322
Allowance for impairment	4,941	-	-	-	4,941
Net book amount	95,672	426,175	78,186	5,216	605,249

The legal title of building and building improvements had been transferred to land owner after the construction of the building was completed during 1998 according to condition of the leasing contract of land and building. However, the SET has the right to occupy the building for a period of 30 years as mentioned in Note 20 - Long-term lease.

9. Intangible Assets

(Thousand Baht)

	Consolidated		
	Work in Process	Software	Total
As at December 31, 2000			
Cost	12,509	137,702	150,211
Less Accumulated amortization	-	102,571	102,571
Net book amount	12,509	35,131	47,640
Year ended December 31, 2001			
Opening net book amount	12,509	35,131	47,640
Additions	23,792	16,591	40,383
Disposals	(3,975)	-	(3,975)
Amortization charge	-	(10,580)	(10,580)
Closing net book amount	32,326	41,142	73,468
As at December 31, 2001			
Cost	32,326	154,293	186,619
Less Accumulated amortization	-	113,151	113,151
Net book amount	32,326	41,142	73,468

(Thousand Baht)

	SET		
	Work in Process	Software	Total
As at December 31, 2000			
Cost	12,509	89,469	101,978
Less Accumulated amortization	-	85,232	85,232
Net book amount	12,509	4,237	16,746

(Thousand Baht)

	SET		
	Work in Process	Software	Total
Year ended December 31, 2001			
Opening net book amount	12,509	4,237	16,746
Additions	23,792	10,508	34,300
Disposals	(3,975)	-	(3,975)
Amortization charge	-	(2,918)	(2,918)
Closing net book amount	32,326	11,827	44,153
As at December 31, 2001			
Cost	32,326	99,977	132,303
Less Accumulated amortization	-	88,150	88,150
Net book amount	32,326	11,827	44,153

10. Clearing Reserve Fund

In 1997, the Board of Governors approved the appropriation of Baht 2 billion to set up the Clearing Reserve Fund for the purpose of compensating members for losses resulting from default in clearing and settlement of securities traded and other matters in dealing with the Thailand Securities Depository Company Limited.

11. Staff Welfare Fund

Staff Welfare Fund at December 31, 2001 and 2000 consisted of:

(Thousand Baht)

	2001	2000
Beginning balance	32,855	31,839
Interest from investments	636	817
Interest from loans to staff	186	199
Ending balance	33,677	32,855

In 1997, the Board of Governors approved Baht 25 million to establish a Staff Welfare Fund by initial transferring of Baht 17.43 million from the General Fund. All benefits earned from this fund are retained in this fund.

12. Indemnity Fund

The Board of Governors approved the establishment of an Indemnity Fund in 1993 by initial appropriation of Baht 10 million and the contribution of 1% of any excess of revenues over expenses each year until the fund has a total balance of Baht 30 million. This Fund had been fully appropriated since 1996.

13. SET Building Fund

SET Building Fund at December 31, 2001 and 2000 consisted of:

		(Thousand Baht)
	2001	2000
Beginning balance	246,328	246,358
Less Construction costs of the building transferred to General Fund (Note 14)	-	(30)
Ending balance	246,328	246,328

The fund was initially established by appropriation of Baht 580 million in 1992 after approval by the Board of Governors to build the SET building. The office building was completely constructed in 1998. The remaining fund was reserved for the construction of parking building after receiving permission from the land owner who was negotiating with the previous lessee.

14. General Fund

General Fund at December 31, 2001 and 2000 consisted of:

		(Thousand Baht)
	2001	2000
Beginning balance	8,883,538	8,168,892
Add Excess of revenues over expenses	567,099	685,840
Transferred from SET Building Fund (Note 13)	-	30
Admission fees received from members	4,682	28,776
Ending balance	9,455,319	8,883,538

15. Other Income

Other income for the year ended December 31, 2001 and 2000 comprised of:

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Revenues from Investor Fair	12,634	-	12,634	-
Fines from default in clearing and settlement	8,700	11,831	-	-
Member fines	7,187	25,831	7,187	25,831
Mutual fund management fee	5,765	4,375	-	-
Dividend income	4,502	3,100	4,502	3,100
Member's right transfer fee	-	13,800	-	13,800
Others	18,783	20,242	16,370	16,609
Total	57,571	79,179	40,693	59,340

16. Contribution to the Office of the Securities and Exchange Commission (SEC)

The Securities and Exchange Act B.E. 2535 (1992) requires the SET to contribute to the Office of the SEC in the amount specified by the SEC.

From 2000 onwards, the SEC requires the SET to contribute at the rate of 0.002% of trading value of previous years, with the minimum amount of Baht 50 million and the maximum amount of Baht 150 million. In addition, the calculation criteria will be reviewed every three years except there is an incident that requires any review of calculation criteria before the said period.

In 2001, the SEC specified new minimum contribution of Baht 60 million while the other criteria still remained the same.

17. Contingent Liability

As at December 31, 2001 the SET has letters of guarantee issued by banks, amounting to Baht 1.8 million (2000: Baht 1.8 million) for guarantee of the consumption of electricity in the normal course of business which is expected not to cause any significant liabilities.

18. Commitment

The future minimum lease payments under operating leases are as follows:

(Thousand Baht)

	Consolidated		SET	
	2001	2000	2001	2000
Not later than 1 year	9,159	9,010	7,442	8,324
Later than 1 year and not exceed 3 years	3,282	10,043	2,639	9,294
	12,441	19,053	10,081	17,618

19. Related Party Transactions

The following transactions were carried out with related parties:

i) **Services Income**

(Thousand Baht)

	SET	
	2001	2000
Subsidiaries		
Thailand Securities Depository Co., Ltd.	262,618	265,694
Thai Trust Fund Management Co., Ltd.	4,500	4,500
Thai NVDR Co., Ltd.	37	60
SETTRADE.COM Co., Ltd.	953	725
	268,108	270,979

Pricing Policy

The SET charged service income from subsidiaries by using estimated cost of service.

ii) **Services Expense**

(Thousand Baht)

	SET	
	2001	2000
Subsidiaries		
SETTRADE.COM Co., Ltd.	300	-

Pricing Policy

The SET paid service expense to subsidiary by using estimated cost of service.

iii) Outstanding Balances arising from Purchases/Sales of Services

(Thousand Baht)

	SET	
	2001	2000
Receivables from related parties:		
Thailand Securities Depository Co., Ltd.	58,245	85,436
Thai Trust Fund Management Co., Ltd.	1,000	-
Thai NVDR Co., Ltd.	37	-
SETTRADE.COM Co., Ltd.	895	897
	60,177	86,333
Payables to related parties:		
Thailand Securities Depository Co., Ltd.	3,928	3,928
SETTRADE.COM Co., Ltd.	202	-
	4,130	3,928

iv) Directors' Remuneration

Total remuneration of management of the SET and its subsidiaries, which consisted of director fee and other fees of Board of Governors and Board of Directors of subsidiaries, included the fee received as committee in sub-committee, and salary and other benefits of President of the SET and Managing Director of subsidiaries, were Baht 34.6 million (2000: Baht 19.6 million). The increase was a consequence of remuneration paid to SET's management who resigned during the year and the increase of the number of management in the SET's subsidiary.

20. Long-term Lease

The SET has entered into a 30-year land lease agreement expiring in July 2028 for the construction of the SET building. According to the agreement, the company that provides this land will settle all rentals for the SET. However, if the company does not pay the rental, the lessor has the right to claim payment from the SET. The annual rentals for the 1st - 5th year, 6th - 10th year, 11th - 15th year, 16th - 20th year, 21st - 25th year and the 26th - 30th year are Baht 29 million, Baht 30.45 million, Baht 31.97 million, Baht 33.57 million, Baht 35.25 million and Baht 37.01 million, respectively.

21. Financial Instruments

i) Key objective and conditions

The SET maintains high liquidity, therefore, there is no policy to seek outside financing in the near future. The SET has a policy to invest its funds in low-risk financial institutions with a good return.

ii) Credit Risk

The SET has no significant concentration of investments or deposits in financial institution but still has risk of issuers' financial status and market risk. However, the SET has policy to diversify its investments and deposits in secured financial institution according to the SET's regulation: Deposit with financial institution and Investment B.E. 2542. In addition, the maximum limit of investment in each financial institution is set up and reviewed by the Investment Working Committee.

Current policy, which is not changed from the previous year, is summarized as follows:

Type of Investment	Proportion to Total Investment
Government securities, debenture or bonds of state enterprise or entiry incorporated by specialized law	not less than 10%
Time deposits in Government Bank	not more than 50%
Time deposits in Commercial Bank	not more than 50%
Promissory notes in financial company	not more than 30%
Corporate Debenture	not more than 10%

iii) Fair values

The carrying amount of the following financial assets and financial liabilities are approximate to their fair value: cash in hand and at banks, accounts receivable and accrued income and accrued interest receivable, accounts payable, and accrued expenses. Fair value of short-term investments and long-term investments were disclosed in Note 3 and 6, respectively.

SET Organization Structure 2002

As of March 16, 2002

SET Executives

1. **Kittiratt Na-Ranong**
   President
2. **Dr. Surat Palalikit**
   Executive Vice President
3. **Suthichai Chitvanich**
   Executive Vice President
4. **Patareeya Benjapolchai**
   Executive Vice President
5. **Sopawadee Lertmanaschai**
   Managing Director of
   Capital Market Opportunity Center (CMOC)
   and Market for Alternative Investment (MAI)

1 2 3
4 5

1. **Junya Thanathanya**
   Vice President, Accounting and
   Finance Department
2. **Somchai Oksue**
   Vice President, Administration Department
3. **Preecha Sathitakorn**
   Vice President, Data Center Services Department
4. **Sakkarin Ruamrangsri**
   Vice President, Legal Department
5. **Pannaporn Sapsomboon**
   Vice President, IT Support Department
6. **Jiraporn Koosuwan**
   Vice President, Human Resources Department
7. **Varaporn Nana**
   Vice President, Business Support Department
8. **Patchara Wongnimitkul**
   Vice President, Internal Audit Department

1 2 3 4
5 6 7 8

1. **Supakit Jirapraditkul**
Senior Vice President - Regulation and Risk Management Division

2. **Kraitas Sirikanchana**
Vice President, Market Surveillance Department

3. **Yothin Koo-Smith**
Vice President, Capital Market Specialist

4. **Ekachai Lokcharoenlarb**
Vice President, Risk Management Department

5. **Dr. Rinjai Chaiyasut**
Vice President, Derivatives Market Project

6. **Chanisa Tongsudjaitham**
Vice President, Back Office Service Bureau

7. **Dr. Naree Boontherawara**
Vice President, Research and Business Strategy Department

8. **Somsri Limswang**
Vice President, Listing and Disclosure Department

2 3 1 4 5
6 7 8

1. **Dhana Bubphavanich**
Vice President, Issuer Marketing Department

2. **Pongtip Thesaphu**
Vice President, Corporate Communications Department

3. **Kriengchai Boonpoapichart**
Vice President, Investor Relations and Marketing Department

4. **Naowarat Bumrungchit**
Vice President, Thailand Securities Institute

5. **Karuna Aksaravut**
Executive Director, SET - Junior Achievement Thailand

6. **Phanit Kirdchockchai**
Vice President, Member Services Department

1 2 3
4 5 6

Thailand Securities Depository Co., Ltd.

Business Objectives

The Thailand Securities Depository Company Limited (TSD) was set up to develop and provide after-trade services. TSD began its operations on January 1, 1995 as a share depository and the country's only clearing house. Besides, the TSD also functions as share registrar to issuing companies in various sectors.

Vision

The Thailand Securities Depository Company Limited is a post-trading center for securities, providing an accurate, timely and complete service by knowledgeable and highly skilled staff, as well as up-to-date technology and a business alliance network aimed to achieve the maximum satisfaction for our customers. Ethics and etiquette are, furthermore, an essential part of our business performance that helps to maintain their confidence.

Registered Capital

The Thailand Securities Depository Company Limited has registered capital of Baht 200 million, with the Stock Exchange of Thailand's holding for 99.99% of its registered capital.

Ms. Nongram Wongwanich

President

Board of Directors

Mr. Chavalit	Thanachanan	Chairman
Mr. Kittiratt	Na-Ranong	Vice Chairman
Dr. Surat	Palalikit	Member
Ms. Orajit	Singkalavanich	Member
Mr. Charamporn	Jotikasthira	Member
Mr. Somsakdi	Dhanasarsilp	Member
Mr. Suwit	Udomsab	Member
Mr. Techapit	Sangsingkeo	Member
Mr. Penwan	Thongdeetae	Member
Mr. Chokechai	Tanpoonsinthana	Member
Ms. Nongram	Wongwanich	President

Year 2001 Summary of Business Operations

TSD operations in 2001 are summarized in its major services as follows:

Depository Services

With a continuing attempt to stimulate the ratio of the shares held in the scripless system so that the full dematerialization of securities or a 100% scripless program is achieved, the TSD has studied, developed and prepared the readiness of all systems to support this project. The 100% scripless program aims to reduce operational cost and problems related to share certificates such as loss, forge, etc., as well as to help increase liquidity of overall securities trading. The TSD has promoted the 100% scripless program by inviting subscribers to new capital-increased shares or newly issued shares of listed companies, and subscribers to Initial Public Offerings (IPOs) of companies which will be listed in the Stock Exchange of Thailand, to join the program. The 100% scripless program will be implemented by early 2002.

Clearing and Settlement Services

After changing the method of securities clearing from checks to electronic fund transfer through settlement banks for general members (brokers and sub-brokers) and through the BAHTNET system of the Bank of Thailand for associate members (custodians) in 2000, the TSD has continuously developed and improved the clearing and settlement systems to have greater efficiency. Recently, the TSD decided to shorten the shut-down period of its depository and clearing systems from 1 hour 30 minutes (1.00-2.30 p.m.) to 45 minutes (1.30-2.15 p.m.) in order to reduce risks and enhance greater efficiency of the systems for the benefits of all members. This new clearing and settlement schedules are being introduced in January 2002.

Registrar Services

In order to enhance the effectiveness of share registration services, the TSD plans to provide the back-office service bureau for Retirement Mutual Fund (RMF). The concept of this project is that the TSD will be responsible for recording all investment data of RMF holders on behalf of asset management companies. With this project, RMF holders and related parties can enjoy utmost benefits from useful information kept in the system. At present, the TSD has already finished conducting feasibilities studies on this project and expects to introduce it by the year 2002.

Development of Settlement Cycle Shortening

Due to the global trend in shortening settlement cycle, the TSD is determined to develop and prepare all systems to be ready for such changes. The TSD realizes that to achieve the shortening of settlement cycle, it is necessary to develop and implement the Straight Through Processing (STP). Therefore, in 2001, the TSD has engaged the Capital Markets Company (CAPCO), a consultancy firm with high experiences on the STP studies for leading capital markets in many countries, in conducting a feasibility study on STP implementation in the Thai financial services market. The TSD has formed an Industry Working Committee (IWC) consisting of representatives from the Bank of Thailand (BOT), the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), asset management companies, securities companies and custodians. This study required cooperation from all concerned parties to be completed by early 2002.

Supporting Units

Throughout several years, the TSD has placed a lot of importance to internal process improvement. In the year 2001, the TSD improved two important work processes. The first one was Securities Deposits, Withdrawals and Transfers, and the second one was Incomes Collection. The objectives of work process improvement were to achieve greater efficiency and satisfy customers' needs with the best services. Meanwhile, the TSD conducted a survey on TSD performance and customer satisfaction with regard to TSD services. These survey results will be used to develop and improve TSD operational systems, so as to ensure better response to customers' needs. In addition, the TSD has increased a faster and more convenient way of communication with our customers by setting up the TSD Call Center in order to provide them with useful information. At the same time, the TSD has also improved its website, www.set.or.th/tsd/, to be more informative and to support increasing usage in order that our customers and other interested people can widely use it as a source of useful news and information.

Statistical Highlights

	2001	2000
1. Securities Depository		
Number of Participants in the Central Depository	80	79
• Brokers	28	28
• Sub-brokers	8	15
• Custodians	31	31
• Others	13	5
Number of Different Securities Deposited in the Central Depository (Shares)	634	637
• Common Shares	407	410
• Preferred Shares	13	14
• Debentures	135	142
• Convertible Debentures	11	11
• Unit Trusts	21	20
• Warrants	43	33
• Short-term Debentures	0	3
• Derivative Warrants	4	4
Value of Securities in the Central Depository (Million Baht)		
• The Stock Exchange of Thailand (At Market Price)	803,035	581,652
• Percentage of Deposit Compared to Total Market Capitalization (At Market Price)	50%	45%
• The Thai Bond Dealing Center (At Par Value)	10,032	19,467
• Percentage of Deposit Compared to Total Market Capitalization (At Par Value)	4%	9%
2. Clearing and Settlement		
Member of the clearing house (Members)		
• The Stock Exchange of Thailand	56	58
• Thai Bond Dealing Center	41	43
Values of Securities Clearing in the Stock Exchange of Thailand (Million Baht)	177,108	161,119
Number of Securities Clearing Transactions in the Stock Exchange of Thailand (Thousand Transactions)	1,131	1,002
3. Share Registrar		
Number of Companies in the Share Registrar (Companies)	433	430
Number of Securities in the Share Registrar (Securities)	525	511

Thai Trust Fund Management Co., Ltd.

The Thai Trust Fund Management Company Limited (TTF) was established by the Stock Exchange of Thailand with the objective of promoting investments by foreign investors in the Thai stock market. The TTF is considered as another means for foreigners to invest in Thai listed shares through the Mutual Fund, in addition to investing through the foreign board.

Nature of the Business

The Thai Trust Fund Management Company Limited was granted its license to operate by the Securities and Exchange Commission (SEC) on February 13, 1997 and it began operations on July 2, 1997. The nature of the business is to function as an Open-ended Fund, whereby each fund will be invested in the shares of individually listed securities. The Mutual Funds are Thai juristic persons although foreigners can hold investment units.

Registered Capital

The Thai Trust Fund Management Company Limited has registered capital of Baht 100 million, with the Stock Exchange of Thailand's holding for 99.99% of its registered capital.

Board of Directors

Mr. Kittiratt	Na-Ranong	Chairman
Mr. Yuth	Vorachattarn	Member
Mr. Suthichai	Chitvanich	Member
Ms. Kongkeaw	Piamduaytham	Managing Director

Business Operations

As of December 2001, there are 13 listed companies participating in the Thai Trust Fund project as follows:

Company	First Trading Unit Trust Date	Percentage of Holding by TTF allowed by the Listed Company	No. of Shares Held by Thai Trust Fund
1. Alucon Public Company Limited	22/07/1997	15	1,267,100
2. Tongkah Harbour Public Company Limited	22/07/1997	20	0
3. Precious Shipping Public Company Limited	22/07/1997	5	0
4. Hana Microelectronics Public Company Limited	22/12/1997	24	0
5. Berli Jucker Public Company Limited	17/07/1998	24	1,828,200
6. Thoresen Thai Agencies Public Company Limited	5/02/1999	35	0
7. Advanced Info Service Public Company Limited	18/02/2000	2.50	64,039,000
8. TelecomAsia Corporation Public Company Limited	29/03/2000	12.24	358,020,000
9. Thai Reinsurance Public Company Limited	10/08/2000	24	5,478,770
10. Laguna Resorts & Hotels Public Company Limited	17/08/2000	20	11,151,866
11. Royal Garden Resort Public Company Limited	22/08/2000	10	3,808,190
12. Golden Land Property Development Public Company Limited	25/08/2000	20	0
13. KGI Securities (Thailand) Public Company Limited	11/04/2001	25	0

Thai NVDR Co., Ltd.

The Thai NVDR Co., Ltd. was established by the Stock Exchange of Thailand, with the aim of attracting foreign investors to invest in the Thai capital market.

Business Operation

The Thai NVDR Co., Ltd. is responsible for purchasing or selling back listed company shares when investors wish to purchase or sell back Non-Voting Depository Receipts (NVDRs). Such action will not result in any difficulties in terms of the number of securities held or the nationality of the holder. NVDR holders will receive all financial benefits just the same as if they had invested in listed company shares: dividends, rights or transferable subscription rights, warrants. However, there is no voting-right for NVDR holders.

NVDR Trading Procedure and Price Quotation

The trading procedure for NVDRs is similar to the procedure for other listed securities. Investors can send trading orders via their brokers by specifying such trading to be the NVDR type. The price quotation of NVDR is the same as those of the underlying stocks.

Registered Capital

The Thai NVDR Co., Ltd. has registered capital of Baht 10 million, with the Stock Exchange of Thailand's holding for 99.99% of its registered capital.

Board of Directors

Mr. Kittiratt	Na-Ranong	Chairman
Mr. Yuth	Vorachattarn	Member
Mr. Suthichai	Chitvanich	Member
Ms. Kongkeaw	Piamduaytham	Member

2001 Operational Review and Statistical Highlights

Non-Voting Depository Receipt (NVDR) began trading on June 11, 2001. The NVDRs have received great interest from foreign investors, with trading spread over many industry sectors. As of December 31, 2001, investors held NVDRs with underlying shares in 357 companies out of the total 382 listed companies. This is equivalent to 93.45% of all the listed companies on the SET.

SETTRADE.COM Co., Ltd.

SETTRADE.COM was established by the Stock Exchange of Thailand (SET) with the aim of creating a central platform for an efficient information technology and communication network system linked with the securities trading industry that would dramatically increase trading volume and improve security systems. This will provide securities companies and investors with Internet securities trading services to enhance trading efficiency and reduce securities companies' overall operational costs.

Business Type

The company provides services in the development of computer systems, information technology and communication network systems related to or linked with securities trading to securities companies, and other concerned parties, including continuous technology services to promote and support securities Internet trading or e-trading.

Mr. Somkid Jiranuntarat

Chief Executive Officer

SETTRADE.COM Mission

To provide reliable integrated financial utility services with a competitive price scheme by deploying advanced technology with a world-class I/T Infrastructure.

Company Highlights

- **Efficiency**: order transmitting system directly linked with the SET order receiving system
- **Stability**: structured to International Standards, with a back-up site
- **Security**: secure and modern Encryption and Virtual Private Network services for investors
- **Expansion Support Capability**: system architecture and information technology chosen enables computer system to send and receive trading orders that will support unlimited future growth.
- **Business Opportunities**: investor group expansion supported by various business alliances, e.g., Internet web portal provider companies, Internet service provider companies, and information service provider companies.

➡ Registered Capital and Shareholders

SETTRADE.COM Co., Ltd. is a joint venture between the Stock Exchange of Thailand and the Netlife Group, a German Information Technology Specialist. It has Baht 80 million registered capital and the shareholders are as follows:

The Stock Exchange of Thailand	560,000 shares	(70%)
Netlife	120,000 shares	(15%)
MyEtrade	120,000 shares	(15%)

➡ Board of Directors

Dr. Surat	Palalikit	Chairman
Mr. Boonklee	Plangsiri	Director
Dr. Piyapan	Tayanithi	Director
Mr. Trin	Tantsetthi	Director
Mr. Lee Eng	Wah	Director
Mr. Somkid	Jiranuntarat	Director and CEO

➡ Business Operations

SETTRADE.COM developed a website, WWW.SETTRADE.COM that commenced services on November 3, 2000. SETTRADE.COM is also aimed at greater investor convenience by providing them with a more rapid, secure and low-cost service for sending their trading orders. These new services are designed to promote securities trading via the Internet and to help reduce overall costs for the Thai securities trading businesses.

At present, seven member companies are using the service namely: KGI Securities (Thailand) Co., Ltd., Capital Nomura Securities Public Co., Ltd., SG Asia Credit Securities Co., Ltd., National Securities Co., Ltd., Kiatnakin Securities Co., Ltd., United Securities Public Co., Ltd., and BNP Paribas Peregrine Securities (Thailand) Co., Ltd. In addition, seven securities companies have shown an initial interest in using the service: TISCO Securities Co., Ltd., DBS Vickers Securities (Thailand) Co., Ltd., SICCO Securities Public Co., Ltd., BFIT Securities Co., Ltd., Ayudhya Securities Co., Ltd., Intel Vision Securities Co., Ltd., and KIM ENG Securities (Thailand) Co., Ltd.

Apart from Internet trading solution, SETTRADE.COM has joined with many business alliances in developing and offering several additional services to investors throughout last year, such as E-Payment, Mobile Stock Alert, Trading Simulation, and online IPO subscription via SETTRADE*IPO*.

➡ Future Projects

The company is presently undergoing appropriate innovation, studying technology from expert companies and expanding its scope of services, all of which will lead to a one-stop service offering ultimate convenience for investors, including mobile securities trading and e-settlement.

List of Member Companies

Broker No.	Name & Address	Symbol	Telephone	Fax
2	**TISCO Securities Company Limited** 48/2 TISCO Tower, North Sathon Road, Bangrak, Bangkok 10500 http://www.tiscosec.com	TSC	66-2633-6999	66-2633-6150
3	**Adkinson Securities Public Company Limited** 132 Sindhorn Building, 2/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 http://www.asl.co.th	ASL	66-2263-3733	66-2254-4032 66-2254-2171
4	**DBS Vickers Securities (Thailand) Company Limited** 989 Siam Tower Building, 14th - 15th Floor, Rama I Road, Pathumwan, Bangkok 10330 http://www.th-dbsvickers.com	DBSV	66-2658-1222	66-2658-1441
5	**SICCO Securities Public Company Limited** 130-132 Sindhorn Tower 2, 1-2/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 http://www.brokernumberfive.com	SICSEC	66-2627-3100	66-2263-3866
6	**Merrill Lynch Phatra Securities Company Limited** 252/6 Muangthai-Phatra Office Tower 1, 6-11/F, Rachadapisek Road, Huaykwang, Bangkok 10320 http://www.ml.com	MLP	66-2305-9000	66-2275-3040
7	**BT Securities Company Limited** 44 Bankthai Building, G Floor, 24-26 Soi Lang Suan, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 http://www.BTsecurities.co.th	BTSEC	66-2657-9000	66-2255-4359
8	**ABN Amro Asia Securities Public Company Limited** 175 Sathorn City Tower, 3/F, South Sathon Road, Tungmahamek, Sathon, Bangkok 10120 http://www.ast.co.th	AST	66-2285-1666 66-2285-1777 66-2679-6888	66-2285-1900
10	**Indosuez W.I.Carr Securities (Thailand) Limited** 6/F, Indosuez House, 152 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	IWICS	66-2256-7888 66-2256-7999	66-2256-7893-4
12	**Yuanta Securities (Thailand) Company Limited** 540 Mercury Tower (One Place Building), 8-10/F, Ploenchit Road, Pathumwan, Bangkok 10330 http://www.yuanta.co.th	YUANTA	66-2658-6300	66-2658-6383

Broker No.	Name & Address	Symbol	Telephone	Fax
13	**KGI Securities (Thailand) Public Company Limited** 323 United Center Building, 23/F, Silom Road, Bangrak, Bangkok 10500 http://www.kgieworld.com	KGI	66-2231-1111	66-2267-8260
14	**Capital Nomura Securities Public Company Limited** 21/3 Thai Wah Tower, Ground Floor, South Sathon Road, Sathon, Bangkok 10120 http://www.cns.co.th	CNS	66-2285-0060 66-2677-3333	66-2285-0620
15	**SG Asia Credit Securities Company Limited** 622 The Emporium Tower, 11/F, Sukhumwit 24 Road, Klongton, Klongtoey, Bangkok 10110	SGACS	66-2658-9000	66-2658-9003
16	**National Securities Company Limited** 444 MBK Tower, 14/F, Phayathai Road, Wang Mai, Pathumwan, Bangkok 10330 http://www.natsec.co.th	NATSEC	66-2217-9595 66-2217-9622 66-2217-8888	66-2217-9642
19	**Kiatnakin Securities Company Limited** 500 Amarin Tower, 7/F, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 http://www.kks.co.th	KKS	66-2256-9898-9	66-2256-9783 66-2256-9756
22	**Trinity Securities Company Limited** 179/109-110 Bangkok City Tower Building, 25/F, South Sathon Road, Tungmahamek, Sathon, Bangkok 10120 http://www.trinitythai.com	TRINITY	66-2286-3999	66-2286-6333 66-2286-6777
23	**SCB Securities Company Limited** 130 Sindhorn Building, Tower 3, 26/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 http://www.scbsec.com	SCBS	66-2263-3500	66-2263-3801-2
26	**UOB Kay Hian Securities (Thailand) Company Limited** 130-132 Sindhorn Tower, Wireless Road, Lumpini, Pathumwan, Bangkok 10330	UOBKHST	66-2659-8000	66-2263-2306
27	**BFIT Securities Company Limited** 25 Bangkok Insurance Building, 22/F, South Sathon Road, Sathon, Bangkok 10120 http://www.bfit.co.th	BFITSEC	66-2677-4330	66-2677-4328
28	**ING Securities (Thailand) Limited** 130-132 Sindhorn Tower 1, 8/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 http://www.ing.com	INGT	66-2263-2888-9	66-2263-2898

Broker No.	Name & Address	Symbol	Telephone	Fax
29	**Ayudhya Securities Company Limited** 898 Ploenchit Tower, 4/F, Ploenchit Road, Pathumwan, Bangkok 10330 http://www.ays.co.th	AYS	66-2658-6767	66-2263-0408
30	**Intel Vision Securities Company Limited** Mercury Tower, 17th Floor, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	IVS	66-2658-5800	66-2658-5799
34	**Phillip Securities (Thailand) Public Company Limited** 849 Vorawat Building, 15/F, Silom Road, Bangrak, Bangkok 10500 http://www.phillip.co.th	PHILIP	66-2268-0999 66-2635-1700	66-2635-1621
38	**United Securities Public Company Limited** 1550 Grand Amarin Tower, 4-5/F, New Petchburi Road, Rachtavee, Bangkok 10310 http://www.unitedsec.com	US	66-2207-0038	66-2207-0404
41	**J.P. Morgan Securities (Thailand) Limited** 20 Bubphajit Building, 2-3 Floor, North Sathon Road, Silom, Bangrak, Bangkok 10500	JPM	66-2684-2600	66-2684-2610
42	**KIM ENG Securities (Thailand) Company Limited** 540 Mercury Tower, 8-10/F, Ploenchit Road, Pathumwan, Bangkok 10330 http://www.kimeng.co.th	KIMENG	66-2658-6300	66-2658-6301
43	**BNP Paribas Peregrine Securities (Thailand) Company Limited** 444 MBK Tower, 19/F, Phayathai Road, Pathumwan, Bangkok 10330 http://www.peregrineonline.co.th	BNPPP	66-2217-9711	66-2216-3542
47	**Seamico Securities Public Company Limited** 287 Liberty Square, 16/F, Silom Road, Bangrak, Bangkok 10500 http://www.seamico.com	ZMICO	66-2695-5000	66-2631-1709
49	**UBS Warburg Securities Company Limited** 93/1 Diethelm Tower A, 13/F, Wireless Road, Pathumwan, Bangkok 10330 http://www.ubswarburg.com	UBSW	66-2252-3867 66-2651-5700	66-2252-3965