ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Annual Report 2004

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Broadening Understanding
Caring for Society

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Vision

"The SET will be a highly liquid secondary market for securities to raise funds and win the confidence of all stakeholders."

ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Location

The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2000, 2654-5656
Facsimile: (66) 2654-5649
Website: www.set.or.th

Missions

- Expand the market's investor base, emphasize all investor types, and cultivate an investment culture;
- Provide a greater diversity of high quality securities to raise funds;
- Provide safe and reliable securities trading and support systems that meet international standards by using efficient technology;
- Offer timely, accurate and complete information disclosure and widespread investment-related education;
- Operate efficiently in terms of speed, quality, cost, and prudent risk management for the organization as a whole, its affiliates and related parties;
- Supervise activities fairly, in line with the spirit of the regulations governing them by adhering to the highest ethical principles.

Operations

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

Personnel

Staff of the SET and its subsidiaries totaled 741, as of December 31, 2004.

International Memberships

- East Asian and Oceanian Stock Exchanges Federation (EAOSEF): member
- International Organization of Securities Commissions (IOSCO): affiliate member
- World Federation of Exchanges (WFE): full member

Subsidiaries

Thailand Securities Depository Company Limited

4th, 7th, 10th Floors, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2800 Facsimile: (66) 2359-1259 Website: www.tsd.co.th

Thai Trust Fund Management Company Limited

4th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2898 Facsimile: (66) 2359-1258 Website: www.tsd.co.th/ttf/thaitrustfund.html

Thai NVDR Company Limited

4th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2898 Facsimile: (66) 2359-1258 Website: www.set.or.th/nvdr

SIAM DR Company Limited

4th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2898-9 Facsimile: (66) 2359-1258

Settrade.com Company Limited

5th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2084-88 Facsimile: (66) 2654-5583 Website: www.settrade.com

Family Know-How Company Limited

6th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2610-26 Facsimile: (66) 2654-5587 Website: www.familyknowhow.com

Thailand Futures Exchange Public Company Limited

5th Floor, The Stock Exchange of Thailand Building
62 Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2000 Facsimile: (66) 2654-5213 Website: www.tfex.co.th

Auditor:

Mrs. Unakorn Phruithada
Certified Public Accountant (Thailand) No. 3257
PricewaterhouseCoopers ABAS Limited

Message from the Chairman

In 2004, Thailand's economy was able to maintain a satisfying growth rate, due primarily to the government's investment policies, higher export values and low interest rates. In spite of numerous economic obstacles, particularly an increase in the world's oil prices, the positive economic factors allowed the Thai stock market to remain an attractive fundraising source. The average daily combined trading turnover value of The Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai) totaled THB 20.65 bln. (approx. USD 516.18 mln.), rising 8.50% over 2003. The net profits of listed companies climbed to THB 464.32 bln. (approx. USD 11.61 bln.), a very significant year-on-year increase of 37%.

The SET's operations have been supporting national economic growth. The SET has especially encouraged good corporate governance practices to improve the quality of listed companies and build the confidence of all investors and other relevant parties in the capital market. The SET has also continuously supported the dissemination of saving and investment education among the general public. In addition, the SET strengthens the structure of the Thai capital market by increasing the diversity of investment instruments for businesses' fundraising and providing investors with a wide range of investment alternatives including equities, bonds and futures.

The Bond Electronic Exchange (BEX) started its trading in November 2003 and has been consistently growing. There were 21 new issues listed on the BEX in 2004, bringing the total up to 39 as of December 2004. The total outstanding value of debentures trading was THB 194.85 bln. (approx. USD 4.87 bln.), a rise of 28% over 2003, with trading turnover of THB 642.82 mln. (approx. USD 16.07 mln.).

In addition, the SET established a new subsidiary, the Thailand Futures Exchange Pcl. (TFEX) on May 17, 2004 to support the trading and hedging of Thai derivative products and to introduce a new risk management tool for all parties in the Thai capital market. Aside from preparing an integrated trading and clearing platform, the TFEX has been promoting a better understanding of derivative products to clients and investors so they will be ready for futures trading in late 2005.

The SET's operations have also been in line with its own mission to be the long-term fundraising source for businesses. In 2004, a total of 50 companies were newly-listed on the SET and the mai, raising THB 39.48 bln. (approx. USD 987.00 mln.) in the primary market. Also, 137 existing listed firms raised THB 78.03 bln. (approx. USD 1.95 bln.) through capital increases. The combined market capitalization of all listed companies, as of December 2004, was THB 4.53 trillion (approx. USD 113.25 bln.), equal to 69% of Thailand's gross domestic product (GDP). In addition, the SET's continual support of investment education programs resulted in an expansion of the investor base. There were 1.34 mln. investors in 2004, rising from 1.15 mln. in 2003.

In accordance with the government's policies to develop the country's infrastructure worth over THB 2 trillion, the SET has played a significant role in fundraising, along with the money market. The SET's role in 2005 onward will be to continue operating under the Thai Capital Market Master Plan in developing the capital market, thereby strongly supporting Thailand's sustainable economic growth. Furthermore, the SET will collaborate with the other stock markets throughout the region to develop a regional network to attract foreign investors from both within and outside the area. This collaboration will draw considerable capital investment to Thailand, which will help bring the Thai capital market to international standards to an even greater extent than at present and to be increasingly accepted in the world capital market.

The SET Board of Governors, as well as the executives and employees of the SET and its subsidiaries, intend to do their utmost to achieve all of the SET's objectives to develop the Thai capital market into a stable and a driving force for our country's future sustainable economic growth and be prepared for the world economic competition.

Vijit Supinit

(Mr. Vijit Supinit)

Chairman

Throughout 2004, The Stock Exchange of Thailand (SET) was determined to operate under its vision to be **"A highly liquid secondary market for securities to raise funds and win the confidence of all stakeholders."** To achieve its vision, the SET has emphasized developing a better financial understanding in all its targeted groups—from youths and university students to faculty members, investors, and the general public. We plan, by educating these groups, that we will be better able to cultivate a saving and investment culture, which will, in turn, create a larger and more effective investor base. We have distributed textbooks on personal finance entitled **"Making Sense of Money"**, to schools nationwide and also provided training courses for teachers. The SET has also collaborated with numerous universities through its "University Networking" project to help provide financial and investment courses and established "SET Corners" in several university libraries to act as centers of financial and investment literacy and information dissemination. In addition, the SET completely renovated its own library, re-named the "Maruey Knowledge & Resource Center", which is open daily and is fully equipped with books, computers with Internet access and audio-visual facilities. In addition, the SET also further developed skills and ethical standards necessary for practitioners and personnel in the capital market.

To develop Thailand's quality investor base, the SET has joined hands with other organizations in the capital market to organize numerous activities for both Thai and foreign investors to promote investment and expand the market's investor base. Examples of these activities include "SET in the City," "Money Expo," the SET roadshows and "Thailand Focus 2004." All of these activities were highly successful in drawing the attention of numerous investors.

The expansion of Thailand's economy and the demands of businesses for raising more long-term funds have caused a huge rise in the number of companies listed on the Thai capital market. In 2004, there were 36 newly-listed companies on the SET and 14 new listings on the Market for Alternative Investment, or mai, for a total of 50 firms—almost a doubling of the 27 new listed companies in 2003. There were a total of 15 issuers, with 39 issues listed on the Bond Electronic Exchange (BEX). The SET also established the Thailand Futures Exchange Pcl. (TFEX) to be a center of futures trading, with the first product to start trading in late 2005. This reflects the diversity of the SET's fundraising and investment products. Meanwhile, the SET has successfully attracted investors to the capital market, as shown by the trading turnover of the combined bourses for the entire year, which reached THB 5.06 trillion (approx. USD 126.50 bln.), posting a 7.62% year-on-year increase.

Furthermore, the SET has continually encouraged good corporate governance, or CG, practices among its listed companies to help build investor confidence and create transparency in the Thai capital market. The SET has honored and granted privileges to the organizations with good CG practices to encourage all listed companies and organizations in the Thai capital market to apply CG principles and improve their CG practices up to international standards. According to a recent study, the Governance Standards of SET's listed firms, particularly concerning the roles and responsibilities of listed companies' non-executive directors, is comparable with internationally accepted standards.

In addition, the SET recognizes the importance of social responsibility and fully supports social development of surrounding communities and integration of society through supporting Thai youth in both academics and sports, aiding needy communities, and organizing beneficial activities for society. One of the most beneficial activities the SET and its alliance of capital market organizations undertook in recent months was the "From All Thai Hearts to the South" project. This program helped raise essential funds for the Tsunami victims in the South. The SET also recently established the "Capital Market for Students" program to extend assistance to deserving students. Moreover, the SET also utilizes its building and other facilities to develop better standards for education and sports of people in communities.

The SET's accomplishments in developing the capital market and the Thai society could not happen without the strong and continuous cooperation of five other organizations in the capital market. These organizations are under the umbrella of the **Federation of Thai Capital Market Organizations** (FeTCO), which is comprised of the Association of Securities Companies, the Association of Investment Management Companies, the Listed Companies Association, the Securities Analysts Association, the Thai Investors Association and the SET itself.

In 2005, the SET still aims to achieve the sustainable development of the Thai capital market through improving the understanding of investment among all relevant parties as well as enhancing the quality and diversity of investment products such as equities, bonds and futures. What is more, the SET aims to improve trading and back-office systems to enable them to cope with the dramatically increasing number of more sophisticated transactions that are likely in the future. The SET will also take steps to upgrade the Thai capital market to international standards in CG and accuracy of information disclosure. At the same time, the SET will consistently improve the effectiveness of its work operations and develop the organization's human resources to serve as a key driving force in Thai capital market development. More importantly, the SET is determined to continue creating benefits for Thai communities and society as a whole.

The SET and its subsidiaries fully intend to continue their collaboration with the FeTCO and other relevant parties to jointly strengthen the already strong fundamentals of the Thai capital market and to create benefits for the society as a whole. The SET, in 2005, will remain a vital driving force for the sustained development of Thailand's society and economy.

(Mr. Kittiratt Na-Ranong)
President

Developing understanding...broadening the quality investor base

The Stock Exchange of Thailand (SET) has traveled a long road from the first trade on April 30, 1975 to reach its 30th year of operations in 2005. Through the decades, the SET has faced both pains and gains amidst the ever-changing economic environment and has still managed to continually improve. Today, the SET can prove its success in achieving its mandated objectives: it has played an active and major role in achieving the sustainable development of the Thai capital market and the country's economy. More interestingly, it also has placed great emphasis on developing Thai society as a whole.

The SET's Mission is to Achieve Sustainable Development for the Thai Capital Market

The SET's key mission is to focus on achieving sustainable development for the Thai capital market. This mission will be carried out through the SET's strong support for local businesses' long-term fundraising and the country's economic growth. The SET's two major roles are described as follows:

1. Promote and aid Thai firms to raise long-term funds through the capital market

The SET continually encourages local companies to utilize the capital market as a key long-term fundraising source both for working capital and business expansion. With these firms' requirements in mind, the SET has continued to improve the effectiveness and efficiency of its operations to develop the best possible secondary market. In doing so, the SET has developed a reliable marketplace, securities trading systems and post-trading backup systems, at an optimum cost. The SET's development of itself and Thailand's capital market has created an investment environment that effectively promotes fairness, transparency, and liquidity in all securities trading and other related services.

In addition, the SET has also improved investors' confidence in securities trading by developing effective supervisory systems and proactive measures to protect investors from irregular securities trading practices. The SET rigorously enforces its rules and regulations to ensure fair and transparent trading. In addition, the SET has also continued to develop a better understanding of the capital market amongst investors and practitioners to equip them with the necessary expertise and skills to make wise investment decisions and work effectively in the securities industry.

2. Promote long-term financial planning and saving among the general public

As a key organization in the secondary market, the SET has been striving to achieve transparency and liquidity in the marketplace to attract savers to become investors in the capital market. The SET is accomplishing this by continually increasing the quantity and variety of financial instruments.

Furthermore, the SET has improved the operations of the primary market by developing the securities subscription process to ensure that it is conducted in a timely, fair, transparent, and reliable manner. To help develop the capital market as a whole, the SET has also been promoting improved information dissemination to investors and savers.

Key Factors Influencing the SET's Missions

• Ever-changing Economic Trends and Social Situations

Since commencing operations in 1975, the SET has had its ups and downs when coping with the numerous changes in the local economic environment and business situations. These changes, and the SET's response to them, have resulted in bull and bear markets at different periods of time. The SET has also passed through historic changes in the world's economy and significant social events. The globalization trend has brought a new chapter of history to the national economy and business world. In this era of globalization, everyone needs to pro-actively anticipate major changes, and be well-prepared to respond immediately and effectively to the multitude of changes that may occur at anytime. Information and communication technology have play vital roles in improving the effectiveness and efficiency of global communications, but they also need to be adopted as important tools in accessing information resources and disseminating information quickly and widely to the general public.

Globalization trends and information technology advancements are key drivers of social development leading to a knowledge-based society, where information technology plays a vital role in every step one takes. Knowledge and information, as well as information technology access, are crucial for people to make the necessary adjustments to the changes in the global economy and the Thai economic environment in the knowledge-based society.

• Corporate Social Responsibility

At the present time, business institutions place a strong emphasis on good corporate governance (CG), particularly in the area of corporate social responsibility (CSR), and corporate management transparency to win stakeholders' confidence. Companies seek to focus on providing quality products and service which cause minimal or no harm to the environment or society. Also, all stakeholders of a given business must be treated with fairness. In addition, firms are increasingly recognizing their responsibilities to become socially involved and aid in social development.

The SET has continued to promote good CG and CSR among the listed companies. In the meantime, the SET has also emphasized its own compliance with good CG principles and its own CSR. Determined to help achieve sustainable development for Thai society, the SET has continually provided both financial and non-financial support to numerous social and community development activities.

The SET has been utilizing its resources to fully support social development in a wide array of activities. Its personnel are encouraged to actively be involved in developing the level of knowledge and understanding about savings and investments among Thailand's youth, professionals in the securities industry, investors, and the general public. The SET also utilizes its building and other facilities to support activities which benefit the Thai society as a whole, and the SET continually uses its state-of-the-art information technology and facilities to regularly support charity activities in the Thai society.

The SET's Missions to Achieve the Development of the Thai Capital Market and the Thai Society

The SET's missions are aimed at achieving the ultimate goal, that is, the sustainable development of the Thai capital market and the Thai society. The SET's missions are categorized into the three strategic areas, as follows:

1) Promoting and supporting the private sector to raise long-term funds through the capital market

To achieve the sustainable development of the Thai capital market, the SET has focused on improving the capital market's infrastructure so it can effectively cope with the extensive fundraising activities of Thai businesses. The SET has also continued to improve relevant back-up systems, e.g., securities trading systems and clearing and settlement systems, so that they can cope with increasing numbers of transactions and be more in line with internationally-accepted systems in other leading stock exchanges. Furthermore, the SET has developed into a fully-integrated market which offers investors an ever-increasing diversity of investment products, ranging from equities to debenture instruments and derivatives. Also, the SET has been persuading potential businesses, including small- and medium-sized enterprises, to list on the Exchange. In addition, the SET has been developing the capital market's human resources as well as improving the quality of investors and other interested people by disseminating useful information on saving, investing and financial management.

2) Promoting financial planning and saving among the general public

Apart from being effective and efficient secondary market for securities trading, the SET also actively promotes long-term financial planning and saving among the general public. The SET has also worked to make the operation of the primary market "user-friendly" to make access to the market's systems easy and convenient for all investors, thus increasing their confidence in securities subscription and trading. In addition, the SET has improved the levels of understanding concerning investments and saving among existing and potential investors, and the general public.

3) Developing a strong social base to support the country's sustainable social development

To help develop better standards of living for Thai society, the SET has been determined to create an awareness of personal finance among the Thai people. In doing so, the SET has continued to implement strategic measures and systems to disseminate information about investment, finance, and the Thai economy among a wide array of target groups, including Thai youth, investors, potential investors, savers, and the general public. In addition, the SET actively participates in building a strong social base to support the country's sustainable social development through numerous social development activities, focusing on developing education, sports, public health, and the environment.

The SET's Roles in Developing the Thai Society

The SET and its subsidiaries are determined to continue creating benefits and strengthening the society as a whole through activities aimed at developing Thai society into "A Knowledge-Based Society."

• Supporting Youths, Students and General Public Education

Since education is an essential tool for long-term economic growth and a better society, the SET has supported the dissemination of saving and investment information to all targeted groups. The "Capital Market for Students" project is a collaboration between public and private organizations and colleges to develop a basic understanding by students of economics, business development, management, saving and investing. The project is working with children from the elementary through high-school level by utilizing the "Making Sense of Money" textbooks, jointly developed by the SET and the Ministry of Education.

Furthermore, the SET has also organized the "University Education" project, targeted at university students. The SET has created alliances with numerous universities under the "University Networking" project to develop courses and activities regarding financial and investment information, and has established "SET Corners" in universities nationwide to serve as centers for financial and investment information for students, faculty members, and the general public.

To promote financial understanding in the general public, the SET emphasized disseminating materials on personal finance to develop the important financial skills through numerous activities at events such as "Money Expo, SET in the City," or during the SET roadshows. In addition, the SET has encouraged "self-learning" by all personnel in business entities, the public

sector, and academic institutions via its "e-learning" system. The SET has also collaborated with other organizations to establish the Family Financial Management and Saving Centers. The SET intends to promote personal finance and saving within the Thai society, so that its continuing efforts to educate will lead to a stronger Thai society as a whole.

Creating Benefits for our Community and Society

The SET and its subsidiaries have continually supported activities benefiting our nearby community and Thailand's society. To celebrate the SET's 30th year of operations, the SET established "The SET 30th Anniversary Charity Fund" with THB 100 mln. in capital to promote and develop better standards for education, sports and the environment for our youth and protect them from drugs. Activities include:

- **Promoting education development** by providing funds and facilities to institutions and projects. Examples include:
  - Funds for books provided to Prem Tinasulanonda Library, Khon Kaen,
  - A donation of THB 30 mln. to establish the 72nd anniversary of Her Majesty the Queen project to publish the series of the books entitled "Ngern-Thong-Khong-Mee-Ka" in the amount of 300,000 books,
  - Support for the Money Management Awards,
  - Support for Bangkok Business Challenge 2003,
  - Support for the 40th anniversary of the Faculty of Economics, Chiang Mai University,
  - Support for the FRIT Prize Award of the Foundation for Research in Information Technology, and:
  - Support for the Leadership Forum 2004.

- **Supporting youth development** by promoting activities for students in the areas of music, sports and recreations. Examples include:
  - The Settrade Young Music Festival and:
  - The Capital Market for Students program, which gives the opportunities for students to train in capital organizations during their summer session,

  Other activities benefiting our youth's self-development included:
  - The Thai Chess Competition,
  - The International Chess Competition,

- The Reversi Camp,
- Sports Camp, and:
- Collaboration with charity organizations to develop the Klong Toey community, where the SET is located.

Furthermore, the SET has provided financial aid to numerous charitable foundations including:

- The Foundation for Children,
- The Duang Prateep Foundation,
- The World Vision Foundation of Thailand,
- The Foundation for the Better Life of Children,
- The SOSA Foundation under the Royal Patronage of Her Majesty the Queen,
- The Teacher Pus Foundation, The Kru Noi's Home for Children,
- The Raks Thai Foundation / CARE Thailand,
- The Foundation for Slum Childcare, and:
- The Rajvithi Home for Children

- **Creating a strong community** by providing educational and sport equipment to nearby communities and joining forces with other parties in organizing other activities. For example, the SET is collaborating with the Thep Prathan community, Klong Toey Wittaya School, and the Duang Prateep Foundation in hosting activities for children on Children's Day and Songkran Day. The SET also set up a safe playground at the Duang Prateep Kindergarten School, and a flagpole at the Soon Ruam Namjai School. The SET also built a library called "Plearn: Play & Learn" and a sports court in its compound to be used by children in the Klong Toey Community and surrounding areas.

- **Caring for the Thai society as a whole**, particularly on the area of public health, by supporting activities benefiting the society. The SET donation for constructing a building for the Siriraj Hospital and supported the "Kaew-Ta-Duang-Jai" project in celebration of Her Majesty the Queen's 72nd Anniversary to help patients with optic and heart diseases. The SET also supported sport activities. Its important activities included giving funds to support the national taekwondo athletes at the Olympics Games in 2004 and supporting the renovation of a sport stadium at Chulalongkorn University. Moreover, the SET also helped alleviate the suffering of people in need. The SET joined in the "From the Hearts of All Thais to the South" project to support Thailand's three southern provinces. Also, the SET gave both short-and long-term support to the tsunami victims in Thailand's six southern provinces.

The Maruey Knowledge & Resource Center ... Another of the SET's Helping Develop a Strong Information Base in Thai Society

The SET established the Maruey Knowledge & Resource Center, a modern and well-equipped library, to provide information technology in various areas, focusing on both education and entertainment, all in a relaxing atmosphere. The SET's library aims to serve as the ultimate information source for all participants in the capital market, investors, students, and the general public. The modern library is open daily, without holidays (from 8:30 - 23.00 hours), at the SET building.

Since the commencement of its operations in late-2004, the library effectively has promoted an information-based society in Thailand. Not only information about economics, finance, and stock investment are provided at the library, but also other academic textbooks, reference books, theses and dissertations, books written by His Majesty the King, newsletters, magazines, literature and bestsellers. Furthermore, a "Fun Zone, Learning Zone" is available at the library which provides children's literature and other information and services to help develop English language skills. The library also offers visitors with entertaining media, including games, movies, and documentaries. In addition, visitors are provided with web-based applications for searching the Internet, including online search engines and other data and information sources, e.g., SET SMART, Bisnews, or News Center.

The Maruey Knowledge & Resource Center thus shows the SET's vigorous attempt to achieve the sustainable development of the Thai capital market and the improvement of the education and learning systems of the Thai society to improve the Thai people's quality of life.

The SET Stands Tall and Grows along with the Thai Society

With its mission to develop the Thai capital market, the SET not only helps Thai businesses to raise long-term funds for their business expansion through the capital market, but also develops the capital market into a stable and vital driving force for the country's sustainable economic growth.

In regards to its equally-important mission to develop Thai society, the SET has been proud of its active role in developing a stronger and more pleasant society in Thailand. Firmly committed to shoulder its burden of social responsibility, the SET is determined to show its strong spirit of sharing by continuing to give full support to the needy to develop the Thai society and to continually grow along with it.

1973-2003
ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand
Promoting long-term fundraising...for sustainable business growth

The Stock Market in 2004

The Stock Exchange of Thailand (SET) Index closed at 668.10 points at end-2004, down 13.50% from the 772.15 points at end-2003. During the year, the SET Index peaked at 794.01 points (on January 12, 2004) and bottomed out at 581.61 points (on May 17, 2004). This decline was in line with the total market capitalization, which also shrank to THB 4,522 bln. (USD 112 bln.) in 2004, from THB 4,790 bln. (USD 115 bln.) in 2003, or a 5.60% decline.

However, the total turnover on the SET in 2004 was THB 5,024 bln. (USD 125 bln.) and the average daily turnover was THB 20,508 mln. (USD 509 mln.) per day, up from the THB 4,670 bln. (USD 112 bln.) of total turnover and the THB 18,908 mln. (USD 455 mln.) of average daily turnover in the previous year, or a 7.60% and an 8.50% increase respectively.

The Market for Alternative Investment (mai) Index closed at 188.07 points at end-2004, down 45% year-on-year. Furthermore, total market capitalization decreased from THB 13.70 bln. (USD 330 mln.) at the end of 2003 to THB 11.70 bln. (USD 291 mln.) at the end of 2004. However, the mai's total and average daily turnovers both rose, year-on-year: THB 34,221 mln. (USD 850 mln.) for total turnover and THB 140 mln. (USD 3.5 mln.) for average daily turnover in 2004, vs. THB 30,191 mln. (USD 727 mln.) and THB 122 mln. (USD 2.9 mln.), respectively, in 2003.

Foreign investors were one of the major drivers of the Thai stock market in 2004, as they were net buyers on the combined two markets (SET & mai), of THB 5,646 mln. (USD 140 mln.) in stocks. This is a complete reversal of 2003, when they were net sellers to the total of THB 24,538 mln. (USD 591 mln.). In 2004, local institutions purchased stocks worth THB 2,790 mln. (USD 69 mln.). This made local institutional investors net buyers of a total of THB 22,532 mln. (USD 560 mln.) worth of stocks over the past two years (2003-2004). On the other hand, local retail investors were net sellers of stocks worth a total THB 8,436 mln. (USD 209 mln.) in 2004.

In 2004, there were 50 new listed companies: 36 on the SET and 14 on the mai. As a result, the total number of listed firms on the SET increased to 439, while the total on the mai jumped to 24 companies by end-2004.

Stock Market Conditions in 2004

Remark *: % change from the end of previous year.*

Factors Affecting Investment

Several negative factors affected investment conditions in the stock market in 2004. Key factors follow:

- ***Oil price hikes in the world market:*** The dramatic increase in oil prices adversely affected the growth of both the global and Thai economies. Thailand was severely hit, as crude oil was equivalent in value to 11% of its total imports.
- ***Increasing interest rates in the world market:*** Rising interest rates had continuously dampened securities investments, especially during the first stage of the rate increase. In 2004, the U.S.'s Federal Reserve adjusted its Federal Fund rate from 1.00% to 2.25%. In response, the Bank of Thailand increased its 14-day repurchase rate from 1.25% to 2.00%. However, as the level of the interest rates was still relatively low, the effect on the stock market was not too severe.
- ***The spread of bird flu:*** This disease adversely affected Thailand's poultry exports as well as its tourism, thereby causing an economic deceleration. Consequently investment conditions in the stock market were also under pressure.

Transactions by Group of Investors

Trading Proportion in 2003

Trading Proportion in 2004

- ***Unrest in the three southern-most provinces:*** Here, insurgency was a major concern among investors all throughout 2004, as it threatened national security as well as dampened investors' confidence.

Although the Thai stock market was influenced by several negative factors, there were positive factors that in turn supported the market.

- ***Impressive financial performances by listed companies:*** In the first 9M/2004, listed companies on the SET and the mai registered a combined net profit of THB 311.62 bln. (USD 8 bln.), a heady 41% increase from THB 221.75 bln. (USD 5 bln.) during the same period a year ago. This clearly reflected the strength of the Thai listed companies, thereby improving investors' confidence.
- ***A continuation of economic expansion:*** Economic conditions in 2004 also showed encouraging signs, as the Thai GDP grew by 6.20% in 2004 (source: the National Economic and Social Development Board). This was a slight decrease from the rate of 6.90% in 2003, but still very significant. All the negative factors noted above resulted in only a 0.80% decrease in Thailand's economic growth, which had been projected at 7% at the beginning of 2004.

Market Highlights		2004	2003	2002
The SET				
Turnover				
• Volume	(mln. units)	550,423.60	548,581.67	263,969.99
• Value	(THB mln.)	5,024,399.25	4,670,281.49	2,047,442.23
• Daily Average	(THB mln.)	20,507.75	18,908.02	8,356.91
• No. of Transactions		31,703,029	31,689,520	17,594,265
• Turnover Ratio	(%)	132.52	152.44	98.48
Listed Companies				
• No. of Listed Companies		439	407	389
• No. of Listed Mutual Funds		9	9	11
• No. of Newly-Listed Companies		36	21	18
• No. of Newly-Listed Mutual Funds		1	2	5
• No. of Delisted Companies		7	5	11
• No. of Redeemed Mutual Funds		1	2	3
Listed Securities				
• Total Listed Securities		579	526	471
- Common Stocks [1/]		441	409	389
- Unit Trusts		9	9	11
- Warrants		79	75	59
- Debentures		39	22	-
- Others		11	11	12
Total Market Capitalization	(THB bln.)	4,521.89	4,789.86	1,981.37
Capital Mobilized by Listed Companies	(THB bln.)	77.58	170.18	71.72
SET Index				
Beginning of period		790.93	351.52	305.19
Ending of period		668.10	772.15	356.48
Highest (Date/Month)		794.01 (12/1)	772.15 (31/12)	426.45 (13/6)
Lowest (Date/Month)		581.61 (17/5)	350.98 (11/3)	305.19 (2/1)
Average Dividend Yield	(%)	2.75	1.81	2.72
Average Price/Earnings Ratio (P/E)		9.40	13.65	6.98

The mai				
Turnover				
• Volume	(mln. units)	4,875.10	6,478.54	5,335.64
• Value	(THB mln.)	34,220.73	30,191.46	14,199.89
• Daily Average	(THB mln.)	139.68	122.23	57.96
• No. of Transactions		599,377	509,748	296,485

Market Highlights		2004	2003	2002
Listed Companies				
• No. of Listed Companies		24 [2/]	13 [3/]	9
• No. of Newly-Listed Companies		14	6	6
Listed Securities				
Total Listed Securities		27	15	12
- Common Stocks		24	13	9
- Unit Trusts		3	2	3
Total Market Capitalization	(THB bln.)	11.70	13.69	3.80
mai Index				
Beginning of period		347.74	125.43	98.94
Ending of period		188.07	343.70	127.49
Highest (Date/Month)		371.45 (16/1)	410.49 (4/12)	146.30 (2/12)
Lowest (Date/Month)		178.08 (1/11)	122.22 (10/2)	94.15 (14/10)
The BEX [4/]				
Turnover				
• Volume	(mln. units)	635,000	88,800	-
• Outstanding Value	(THB mln.)	642.82	85.86	-
Outstanding Value	(THB mln.)	194,854.35	152,648.10	-

[1/] *Including property funds* [2/] *Three listed firms resumed trading on the SET on January 1, 2004.*

[3/] *Two listed firms resumed their trading on the SET on January 1, 2003.*

[4/] *The BEX started its trading on November 26, 2003.*

Financial Highlights				(THB mln.)
Consolidated Financial Statements		**2004**	2003	2002
Total Revenues		2,715	1,691	1,430
Income from investments		478	174	407
Surplus for the year		939	332	464
Capital Expenditure		332	175	114
Current Assets		7,742	7,720	7,451
Long-term Investments		5,844	5,164	4,361
Other Assets		1,164	953	874
Total Assets		14,750	13,837	12,686
Total Liabilities		444	370	303
Total Funds		14,306	13,467	12,383
Return on Total Assets	(%)	6.40	2.40	3.70
Current Ratio	(Times)	17.40	20.90	24.60
Debt to Funds Ratio	(%)	3.10	2.70	2.40

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1975-2005
ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand
Creating a society of quality...through learning everywhere

The Stock Exchange of Thailand (SET) has actively organized numerous activities to achieve its visions and missions throughout 2004. The SET's performance has been commendable in several strategic areas of concern, including the market's expansion of its quality investor base, improving the quality and expanding the diversity of investment products, increasing the level of understanding of saving and investment among the general public, improving the efficiency of the capital market's infrastructure, as well as supervising listed companies' operations and ensuring a fair and transparent trading environment. In addition, the SET has also contributed to numerous charitable projects, in recognition of its own social responsibilities.

The SET's major achievements in 2004 can be summarized as follows:

Promoting investment to support investor base expansion

The SET has continued to effectively promote investment among retail and institutional investors, both domestically and abroad, through many marketing activities.

- Activities for retail investors

The SET has been promoting a better understanding of investment through various channels, including mutual funds, brokerage firms and Internet trading. Furthermore, the SET has also created awareness of shareholders' roles among investors.

Throughout the year, the SET organized numerous activities nationwide, receiving considerable interest from over 900,000 participants. The activities included the Securities Analysts' Fairs, the financial fair entitled "Money Expo", the investment fair entitled "SET in the City", and numerous roadshows, seminars and training programs.

- Activities for foreign institutional investors

The SET organized roadshows both domestically and abroad to disseminate accurate information reflecting the growth potential of the Thai economy as well as information about listed companies' operations. Among the SET's notable activities targeted for foreign investors were:

- Two international roadshows, held in the UK, USA and Singapore, which were attended by 260 participants.
- The symposium entitled "Thailand Focus 2004" where global investors and securities analysts gathered in Bangkok to gain essential information about Thailand's economic fundamentals and the Thai government's strategic administrative policies. At the event, leading foreign institutional investors also gained first-hand corporate information from Thailand's leading business executives. The event, which was the first "reverse roadshow" organized by the SET and proved to be a great success, attracting 1,039 participants, and stock exchanges in other countries became keenly interested in organizing similar activities.

What is more, the SET has played an active role in supporting listed companies' information dissemination among investors and securities analysts. In 2004, 128 listed companies joined the "Opportunity Days", an activity held by the SET as a forum for listed firms' executives and management teams to present their corporate information to institutional investors and securities analysts. The SET also promoted Investor Relations (IR) activities to strengthen relationships among the SET, listed companies, and investors, as well as establish better information dissemination channels among the investment community's members. In 2004, 239 listed firms, 66 companies and one state enterprise registered as members of the Thai Investor Relations Club (IR Club).

In addition, the SET has teamed up with related parties to promote professional investment. For example, the SET collaborated with 16 asset management firms in organizing various activities to promote investment through mutual funds. Also, the SET cooperated with the Securities Analysts Association in regularly setting up activities to develop the quality of Thai securities analysts.

Improving the quality and expanding the diversity of investment products

The SET has continued to expand the diversity of quality investment products to offer investors a wider variety of investment alternatives. The SET has been promoting both equity and debt instruments. In addition, the SET is also preparing to introduce derivatives to the Thai capital market as a new investment tool.

- Providing a greater diversity of equity instruments

The SET has been persuading potential businesses to list on the SET and the Market for Alternative Investment (mai), as well as advising listed companies to more effectively utilize the variety of financial instruments already available in the capital market. In 2004, there was a total of 50 newly-listed companies, 36 of which listed on the SET while the remainder joined the mai. The total value of the newly-listed securities, at market prices, was approximately THB 271.85 bln. (approx. USD 6.80 bln.). Additionally, 137 existing listed firms also raised a total of THB 78.03 bln. (approx. USD 1.95 bln.) in funds through issuances of financial instruments.

- Providing a greater diversity of debt instruments

In 2004, the Bond Electronic Exchange (BEX) amended its regulations on debt instrument listing to promote a greater diversity of debt instruments. Consequently, the BEX has been listing bonds and debentures issued not only by SET-listed companies but also by the Thai government, state agencies, state enterprises, international organizations, foreign governments, and non-listed private companies. In 2004, 15 listed firms listed a total of 39 debentures, amounting to an outstanding value of THB 195 bln. (approx. USD 4.88 bln.).

- Developing the derivatives market

In 2004, the SET established the Thailand Futures Exchange Pcl. (TFEX) as its subsidiary, to be an exchange for the trading and hedging of financial derivatives products, which can be utilized as efficient risk

management tools. TFEX will commence operations in 2005. As derivatives are new to the Thai capital market, TFEX launched its "TFEX Academy" program to educate and provide essential information about the derivatives market to all market participants.

- Improving the listed companies' performances

The economic crisis in 1997 had affected the operations and financial performances of numerous listed companies. As a result, some firms were required to undertake rehabilitation (REHABCO group) or even be delisted from the market. The SET, therefore, established a working group to provide listed companies with advice on debt restructuring and to cooperate with other relevant parties. Consequently, seven companies successfully resumed trading in their normal sectors by the end of 2004. What's more, the SET has closely supervised listed firms' operations and financial performances, and developed an information system to alert listed companies that might be forced to delist. Also, the SET gave groundwork advice to the firms which might be moved to the REHABCO group. In addition, the SET adjusted its sector classifications to improve the efficiency of its cooperation with, and supervision of, listed firms on the Exchange.

- Promoting good corporate governance

The SET has long recognized the significance of good corporate governance (CG) and has continued to promote good CG among its listed companies utilizing several strategic measures. The SET has put a tremendous amount of effort into improving all concerned parties' levels of understanding of CG principles and best practices, and has regularly organized educational activities and seminars. In 2004, an advisory team from the SET's Corporate Governance Center provided guidance and recommendations on good CG practices to 65 organizations, including listed companies, firms that were in the listing process, and other interested organizations. According to a recent study, the Governance Standards of SET's listed firms, particularly concerning the roles and responsibilities of listed companies' non-executive directors, is comparable with internationally accepted standards.

As part of its intensive efforts to improve CG standards in Thailand, the SET has encouraged listed companies to obtain a Good Corporate Governance Rating (CG Rating) from the Thai Rating and Information Co. Ltd. (TRIS). The SET has extended the time period for granting fee reduction privileges to end-2005 instead of end-2004, offering a 50% discount on annual listing fees for two consecutive years to all companies earning a CG rating score of 7.0 points or higher (on a scale of ten) from TRIS. In 2004, 10 companies earned an overall rating of "good to very good". These companies were Siam City Bank Pcl., Bangkok Aviation Fuel Services Pcl., Siam Industrial Credit Pcl., Kasikornbank Pcl., Krung Thai Bank Pcl., Tipco Foods (Thailand) Pcl., Electricity Generating Pcl., Eastern Water Resources Development And Management Pcl., Ratchaburi Electricity Generating Holding Pcl., and PTT Exploration And Production Pcl.

Furthermore, the SET, in collaboration with the Securities and Exchange Commission (SEC), continued to improve listed firms' CG standards through the project entitled "CG Baselining Corporate Governance Practices of Thai Listed Companies". A total of 85 listed firms were ranked in the top quartile in 2004.

- Honoring companies for their exceptional operations and performances

The SET, in conjunction with *Money & Banking Magazine*, organized the "SET Awards 2004" to honor companies for their exceptional performances, management, and services as well as honor the best chief executive of the year. A total of 34 awards were given out in nine categories, comprised of five groupings for listed companies, two for securities firms, one for investment management companies, and an award for the "Best CEO of the Year".

Improving knowledge and understanding of saving and investment

The SET has focused on increasing the level of understanding of saving and investment among Thailand's youth, its professionals in the securities industry, investors, and the general public. Throughout 2004, the SET implemented several strategic programs to effectively reach each target group.

- Elementary to secondary level students The SET emphasized the building of a fundamental understanding in economics. The SET, in conjunction with the Ministry of Education, produced a series of four textbooks on personal finance entitled "Ngern-Thong-Khong-Mee-Ka" (or "Making Sense of Money"), to be utilized in teaching students in Thailand's elementary and secondary schools nationwide.
- Undergraduate students The SET cooperated with several leading educational institutions in conducting numerous activities to develop a better understanding about finance and investment among undergraduate students under the SET's University Networking Project. In 2004, the SET organized activities together with its six educational alliances: Chulalongkorn, Thammasat, Prince of Songkla, Khon Kaen, and Chiang Mai Universities; and Chulachomklao Royal Military Academy (CRMA).
- Professionals in the securities businesses The SET has frequently hosted educational activities, including seminars and training programs, for practitioners in the securities industry. In 2004, the SET received the Certified Investment and Securities Analyst (CISA) program from the Securities Analysts' Association to further develop the program for securities analysts and continue strengthening the Thai analysts' society. The SET's Thailand Securities Institute (TSI) took responsibility for the course's training programs and licenses examinations.
- Investors and general public The SET has disseminated information about personal finance and investment in various instruments, including equity and debt products, and investment through mutual funds. Also, the SET has provided fundamental information about derivatives and derivative

trading through seminars, training programs, and e-Learning systems. In the meantime, the SET also distributed information about economics, saving and investment, utilizing various media channels to more effectively reach a broader audience. The SET sponsored numerous television and radio programs to disseminate financial information amongst the general public. The programs included the "Kao Tan Talad Thun" (or "Keeping Abreast with the Thai Capital Market"), broadcast on ModerNine TV, and the "SET in the City", on UBC Channel 7, as well as several radio programs on F.M. 101 MHz. Also, the SET publicized information about investment in business newspapers. In addition, the SET signed a Memorandum of Understanding with the Royal Thai Army Radio and Television (TV5) to co-produce TV programs relating to finance and investment. These programs will be broadcast through TV5's satellite network, or the Thai TV Global Network (TGN), in 2005. Furthermore, Family Know-How Co. Ltd., a SET subsidiary, disseminated information about saving through the mass media using "edutainment" (education & entertainment) as its tool. The FKH hosted the "Money Management Awards 2004" to find investment ambassadors among undergraduate students to act as its representatives in distributing ideas about personal finance management and investment to the public at large.

Improving the efficiency of the capital market's infrastructure

The SET has continued to improve the efficiency of its securities trading systems and backup systems to effectively cope with the increasing securities trading volume, technological advancements and business expansion. The SET has also developed the structure of communication systems between the Exchange and its member companies, including providing members with the Recovery Message service in case of information loss. The SET has also developed the new ELCID (Electronic Listed Company Information Disclosure) system to enable listed companies to submit data and information to the SET quickly and accurately. In early-2004, the SET calculated the new Industry Group Index after the regrouping of its eight industry groups. The re-organizing more accurately reflected the overview of each industry group and sector than before, enabling investors to make decisions more effectively.

Improving investors' confidence in securities trading

- Establishment of the Securities Investor Protection Fund (SIPF)

The SET, in collaboration with its member companies, established the Securities Investor Protection Fund (SIPF) to help improve investors' confidence. Investors will be automatically protected by the SIPF when they open trading accounts with any SIPF member. No additional applications or fees will be required. The compensation paid to an individual investor will be up to the real cost of damages but no more than THB 1 mln. (approx. USD 25,000) per SIPF member. Currently, the SIPF has a total of 29 securities companies as members.

- Proactive supervision to achieve transparency and fairness

  - Supervision of securities trading

The SET has scrutinized trading and exercised its power in a quick and timely manner to restrain trading that might lead to illegal actions, to prevent any negative repercussions to the market. The SET examined several cases in 2004, summarized below:

- **Cases which violated the Securities and Exchange Act, B.E. 2535 (1992)**

  The SET investigated and discovered 11 cases of irregular securities trading practices, including news hoax disseminations, price manipulations, and confidential information exploitations which violated the Securities and Exchange Act, B.E. 2535 (1992). The SET subsequently submitted these cases to the Securities and Exchange Commission (SEC) for further consideration.

- **Cases of abnormality in securities trading**

  The SET prohibited member companies from allowing customers to trade on margin in two cases and on net settlement in one case. Also, the SET issued two notifications to member companies to reduce their customers' credit lines, to announce prohibitions on net settlements, and/or margin trading.

- **Cases which involved price manipulations and inappropriate securities trading orders**

  In 2004, the SET prosecuted 130 cases which involved price manipulations and inappropriate securities trading orders, and punished four securities companies and 91 licensed officers. Two securities firms were fined while the other two were put on one-year probations. Seven licensed officers were fined, while 83 were put on one-year probation. One officer was barred from all operations in the securities business for one month. In addition, 12 securities firms and 23 officers received written warnings.

◆ Amendment of the SET's rules and regulations

The SET amended its rules and regulations on securities listing and the silent period to improve the quality of listed companies, as well as to differentiate the Market for Alternative Investment (mai) from the SET. Furthermore, the SET revised its rules, conditions, and procedures for listed firms in the REHABCO group to resume trading in their normal business sectors to be more stringent and in line with the companies' operations. The SET also revised its rules, procedures, and disclosure of information concerned with listed companies' acquisition and disposition of assets to be more practical and flexible.

Furthermore, the SET issued a new regulation on securities trading requiring member companies to retain collateral from their customers of at least 10% of each given customer's credit line. However, the SET agreed to allow an investor with collateral of less than 10% of his/her total credit line to trade securities less than THB 1 mln. (approx. USD 25,000), so long as the volume traded did not exceed that person's credit limit. The rule was in effect for six months, from July 1 to December 31, 2004.

The SET also emphasized improvement in the overall quality of listed companies and member companies as well as encouraged their self-supervision. Consequently, the SET worked closely with these companies to ensure that the SET's rules were properly implemented and to prevent any conflicts or illegal actions from damaging the capital market.

Organizing numerous activities to create benefits for society and the Thai capital market

- Activities benefiting the Thai community and society

To celebrate its 30th year of operations, the SET approved THB 100 mln. (approx. USD 2.5 mln.) to establish the "SET's 30th Anniversary Charity Fund". The Fund is aimed at developing the quality of Thai youth by creating activities focusing on education, sports, environment, and combating drugs.

Also in 2004, the SET provided both financial and non-financial support to numerous activities. The SET donated THB 30 mln. (approx. USD 750,000) to publish the "Ngern-Thong-Khong-Mee-Ka" textbook series and distribute it to schools nationwide in celebration of Her Majesty the Queen's 72nd Anniversary. Another important activity was the SET's supporting of the "Kaew-Ta-Duang-Jai" project in celebration of H.M. the Queen's birthday. Other activities included the "Capital Markets for Students" project, and the establishment of the Securities Market Information Center at Khon Kaen University. Additionally, the SET contributed money from selling books at the Money Expo and the SET in the City fairs to the Duang Prateep Foundation (for slum children), the Foundation for Slum Child Care under the Patronage of Her Royal Highness Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra, the Teacher Plus Foundation, the Rajvithi Home for Girls and the Kru Noi Home for Children. The SET also established a library open exclusively for youngsters in the Klong Toey community.

- Cooperation among all market participants to achieve sustainable development for the Thai capital market and the Thai society

The Federation of Thai Capital Market Organizations (FeTCO) was established by the SET and five other leading organizations in the Thai capital market: the Association of Securities Companies, the Listed Companies Organization, the Association of Investment Management Companies, the Securities Analysts Association, and the Thai Investors' Association. The FeTCO was created to develop the Thai capital market to be more sustainable and efficient. Also, the FeTCO acts as the central body for all market participants to lend support to the Thai society. For example, the FeTCO supported three southern provinces through its participation in the "From the Hearts of All Thais to the South" project. Also, the FeTCO organized several campaigns to provide aid to the tsunami victims in six southern provinces.

- Renovation of the SET building

The SET renovated both the interior and exterior of its building to generate a more positive impression and attitude about saving and investment among visitors. A bookstore and a coffee shop, called "Settrade.com", provide visitors with securities trading information in a relaxing atmosphere. More interestingly, the Maruey Knowledge & Resource Center, the SET's modern and well-equipped library, offers an extensive amount of information on finance and investment through state-of-the-art technology. The library is equipped with 180 seats, 36 computers with Internet access, plus an online information retrieval service and a wireless LAN facility. It is open to the general public daily, without holidays (from 8:30-23:00 hours). The library was named in honor of Dr. Maruey Phadoongsidhi, the fifth SET President.

Policy on Good Corporate Governance (Principle 1)

The SET Board of Governors recognizes the significance of good corporate governance (CG) as a principal factor in making any organization's system more efficient, creditable and transparent. Good CG is a major part of a company's foundation necessary for maintaining stable growth, as its practices increase the confidence of investors and all other parties concerned.

As a core organization of the Thai capital market, the SET has established 15 principles of Good Corporate Governance for its listed and member companies to practice and then promotes their compliance with the said principles. The SET Board of Governors has initiated policies and practices that can be categorized into 5 principal areas:

1. the rights and equality of stakeholders
2. Board of Governors-structure, roles, duties, responsibilities and independence
3. information disclosure and transparency
4. control and risk management
5. business ethics.

Adherence to these policies and practices are the responsibility of the Compliance Department. This department is charged with the monitoring of all concerned parties to assure their compliance with the all CG principles and then report their level of compliance directly to the Audit Committee.

Rights of Shareholders and Various Groups of Stakeholders (Principles 2, 3, 4)

The SET, as the nation's securities trading center, recognizes the benefits provided both to and by its various groups of stakeholders. These stakeholders include the listed firms, member companies, non-member securities companies, investors, trading partners, employees of the SET and its subsidiaries, government agencies and the greater Thai society.

Hence, when initiating various rules, regulations, policies or measures, the SET always seeks to protect the rights of all its stakeholders and takes great care in developing practices that will assure equitable treatment for all concerned parties involved, including:

- Studying all advantages and disadvantages in any enactment or amendment of rules;
- Issuing rules that adhere to the Good Corporate Governance principles concerning the just treatment of, and responsibility to, its members;
- Issuing rules to protect the interests of investors and the establishment of the Securities Investor Protection Fund;
- Accepting opinions and recommendations from stakeholders;
- Disseminating information that is useful to investors through various media;

- Organizing activities to disseminate knowledge to investors in both Bangkok and the provinces;
- Treating strategic trading partners in a fair, uniform and transparent manner by stipulating the criteria and procedures on goods and services procurement by the SET as well as designating a working committee to consider any purchase of goods or hire of services;
- Giving remuneration to employees and management that is compatible to that of other leading organizations and defining the scope of work of each unit and the code of conduct in the performance of duties, as well as continuously improving its employees' skills;
- Organizing activities for charity and society, including: awarding of scholarships to students; supporting publishing the textbook "Ngern-Thong-Khong-Mee-Ka" and the operation of the "Kaew-Ta-Duang-Jai" project, both to cerebrate Her Majesty the Queen's 72 anniversary, as well as the Capital Markets for Students' Project; and establishing the SET's 30th Anniversary Fund to create programs which develop the character of Thai youths regarding education, sport, the environment and the combating of drugs.

The SET Board of Governors: Leadership and Vision (Principle 5) The Balancing of the Power of Governors (Principle 8) and the Aggregation or Segregation of Positions (Principle 9)

The SET Board of Governors is comprised of not more than 11 Governors as specified under the Securities and Exchange Act:

- 5 experts are appointed by the SEC. Each person has expert knowledge and extensive experience in one or more of the following areas: the stock exchange, the securities business and/or the finance business. There must also be at least 1 person who is a senior executive of a listed company on the SET. Each candidate must qualify in accordance with the criteria and guidelines established by the working group in charge of proposing the governor candidates' list to the SEC before being recommended for appointment as a governor of the SET. The consideration of a candidate's qualifications is emphasized in addition to various other criteria than that specified by the Securities and Exchange Act.
- 5 experts are elected from among senior officers of member companies at a special meeting in accordance with the SET's regulations on the appointment of SET Governors. Attendees of the Meeting of the Member Companies of the SET select candidates from a list divided into 2 groups, one consisting of 4 individuals nominated by the management of member companies and the other group composed of 1 individual nominated by groups that are not member companies.
- The SET President, who is an ex-officio Governor, is appointed by the 10 previously appointed Governors.

Moreover, the Securities and Exchange Act stipulates that the Chairman of the SET Board of Governors be one of the Governors elected by the Member Companies. Also, the Chairman must not be the SET President or a member of the SET's management team. This practice assures that the duties of policy making, supervision and management of routine work are segregated from each other.

The SET Board of Governors, in the performance of its duties, takes part in the development and approval of the SET's visions, missions, strategies, goals, policies and its business plan as well as the supervision of the SET's operations to ensure that its approved plan is being carried out and its budget is being strictly adhered to. The Board of Governors also evaluates and adjusts the SET's business plan to better reflect any changes in the market. The Board of Governors also performs a Self-Assessment in the following areas:

1. Its promotion of Good Corporate Governance Principles
2. A review of the performances, problems and obstacles experienced during the previous year
3. How it could improve the efficiency of the performance of the SET's management in its duties.

Meetings of the SET Board of Governors (Principle 11)

Meetings of the SET Board of Governors are scheduled monthly in advance for a full year so that the Governors and executives are aware of the schedule and will be able to reserve time for attending the meetings. Special meetings may be convened as deemed necessary. The Corporate Secretary Department performs the following duties:

- Prepares invitation letters, which must clearly specify the meeting agenda, and distribute meeting documentation 5 days before the date of each meeting so as to provide the Governors with adequate time to study details before attending the meeting. In the case of a special meeting convened due to some emergency, the meeting documentation may be distributed less than 5 days in advance of the date of the meeting or on the date of the meeting;
- Organizes the meeting to provide sufficient time for management to present issues and other matters and for the Board of Governors to exercise due discretion. The normal length of each meeting is half a day. Governors may table additional topics other than what is in that day's meeting agenda, and exhaustive and open discussions are welcomed;
- Prepares minutes of the meeting that include all essential information, and submits these minutes to the Board of Governors for approval in its next meeting. The minutes will then be kept in an organized file system that permits quick retrieval and:
- Provides recommendations, advice or information relating to any laws and regulations requested by the Board of Governors.

In 2004, the Board of Governors held 11 regular meetings and 3 special meetings. The attendance of these meetings by each of the Governors can be summarized as follows:

Name		Term Appointed to Office	Attendance (times) / Number of Meetings (times)		
			Ordinary Meetings	Extraordinary Meetings	Total
1. Mr. Vijit	Supinit	Aug. 1, 2003 - July 31, 2005	11/11	3/3	14/14
2. Mr. Suthep	Peetakanont*	May 28, 2003 - May 27, 2005	10/11	1/3	11/14
3. Mr. Songdej	Praditsmanont*	May 28, 2004 - May 27, 2006	11/11	3/3	14/14
4. Dr. Olarn	Chaipravat*	Aug. 11, 2004 - Aug. 10, 2006	9/11	3/3	12/14
5. Mr. Wiboon	Perm-Arayawong	May 28, 2003 - May 27, 2005	9/11	3/3	12/14
6. Mrs. Wiwan	Tharahirunchote*	Aug. 11, 2004 - Aug. 10, 2006	10/11	2/3	12/14
7. Assoc. Prof. Niputh	Jitprasonk	Dec. 9, 2003 - July 31, 2005	11/11	2/3	13/14
8. Mrs. Asvini	Tailanga	May 28, 2004 - May 27, 2006	6/6	2/2	8/8
9. Mr. Kampanart	Lohachareonvanichj	May 28, 2004 - May 27, 2006	6/6	2/2	8/8
10. Mr. Anant	Asavabhokhin	Aug. 11, 2004 - Aug. 10, 2006	3/4	0/1	3/5
11. Mr. Kittiratt	Na-Ranong	Sep. 10, 2001 - Sep. 9, 2005	11/11	3/3	14/14
12. Mr. Vikit	Kachonnarongvanich**	May 28, 2002 - May 27, 2004	5/5	1/1	6/6
13. Mr. Charamporn	Jotikasthira**	May 28, 2002 - May 27, 2004	3/5	1/1	4/6
14. Mr. Apirak	Kosayodhin***	Jun. 14, 2003 - July 11, 2004	0/2	0/0	0/2

Note * *Mr. Suthep Peetakanont, Mr. Songdej Praditsmanont, Dr. Olarn Chaipravat and Mrs. Wiwan Tharahirunchote were re-elected for a second term.*

** *Mr. Vikit Kachonnarongvanich and Mr. Charamporn Jotikasthira retired upon the expiration of their terms of office.*

*** *Mr. Apirak Kosayodhin resigned effective from March 1, 2004.*

Committees (Principle 12)

The SET Board of Governors has appointed various committees to assist it in carrying out its work and to scrutinize essential tasks or special tasks requiring expert assistance. Because the chairmen and the members of these committees are predominantly not Governors or executives of the SET, the committees are able to perform their assigned duties independently. In 2004, the compositions of a total of 13 committees, as well as the scope of their duties and responsibilities have been clearly defined on Page 38.

Remuneration of Governors and Top Executives (Principle 10)

Subject to guiding provisions in the Securities and Exchange Act, the Chairman, Vice Chairman and Governors of the Board of Governors shall receive remuneration as specified by a meeting of member companies so it can be assured that all remuneration payments made to Governors are carried out with complete transparency and without any participation by the Governors themselves. In 2004, the SET

Governors were remunerated monthly a total of Baht 6,650,000 (2003: Baht 5,675,000). Other remuneration, provided to the Chairman of the SET Board of Governors only, includes an official vehicle, driver and expenses relating to the official vehicle.

Governors delegated as committee members receive additional monetary remuneration. In 2004, the 3 members of the Executive Committee received remuneration which totaled Baht 5,200,000 (2003: Baht 4,170,000). The 3 members of the Audit Committee received remuneration totaling Baht 2,100,000 (2003: Baht 1,820,000).

The SET Board of Governors considered and approved the remuneration of top - level executives as recommended by the Compensation Committee after careful scrutiny, based upon their duties, and responsibilities, and each executive's performance. In 2004, the SET's 7 most senior executives-the President and 6 Executive Vice Presidents-were remunerated a total of Baht 54,787,000 for their services (2003: 6 most senior executives-the President and 5 Executive Vice Presidents, Baht 44,949,918). Other remunerations given to each of these persons included an official vehicle, a driver, expenses relating to the official vehicle, medical expenses, as well as life and accident insurance premiums.

Conflict of Interests and Business Ethics (Principle 6 and 7)

To efficiently eliminate any conflicts of interest, the SET has established the SET's Audit Committee Charter. One of the major duties of the SET Audit Committee, as stipulated by its charter, is to assure that the SET's business practices are in line with the laws, regulations and code of ethics of the SET and that appropriate control systems are available to prevent any conflicts of interest and/or dishonest acts by SET employees.

The SET has established the SET Code of Ethics. The SET's Governors, committees, advisors and employees have signed this code to acknowledge and agree to adopt its principles as their own principles in the performance of their duties for the SET. These principles will be adhered to with regards to themselves, investors, service users, other concerned parties and the public. This Code of Ethics imbues the SET's personnel with an outlook that helps maintain the public's confidence in the performance of their duties as members of Thailand's securities trading center. For cases where there is the likelihood of using insider information and conflicts of interest exist, the SET has developed a Code of Ethics which makes strict adherence to its principles mandatory by its Governors, committee members, advisors and employees. This Code prohibits any person connected to the SET from using any SET information obtained through the performance of their duties for seeking benefits for themselves or other persons, and from taking part in or concealing any act that may cause a conflict of interest with their duties at the SET or any illegitimate act, or prevent the performance of their duties to be performed in an equitable manner.

To ensure that insider information acquired by employees in the performance of their SET duties is only used for legitimate purposes, the SET has notified SET Governors and SET employees of the securities

trading practices that they are required to follow. These practices stipulate that the trading of securities must be done by way of honest investment without exploitation of confidential information or misuse of their authority and duties at the SET. Also, employees may sell securities only after they have been held for 30 or more days. SET personnel and Governors must report on their securities holdings (if any) of their own account or for any accounts held by their spouse or minor child, using the required form within 7 days from the date of employment by employees and within 30 days from the date of appointment by Governors. Any changes on existing securities holdings shall be reported weekly by the last business day of the next week in the case of employees, and reported monthly by the last business day of the next month in the case of Governors.

The SET requires its Governors, committee members and advisors of both the SET and its subsidiaries to execute a "Letter of Independence" to warrant their impartiality in the performance of their duties each time they are appointed to a new committee or special task and at the end of every calendar year. Furthermore, in any case where they have any direct or indirect interest in the consideration of any matter, they are required to notify the parties concerned in advance of each conflict of interest and not take part in the identified matter. The SET will compile the results of such declarations and report them to the SET Audit Committee.

Control System and Internal Audit (Principle 13)

Since the SET Board of Governors emphasizes the importance of an efficient internal control system at both the management and operations level, it has clearly defined the duties, management powers, operations, finance and supervision of the performance of duties for each level of the organization to ensure an appropriate balance. The Internal Audit and Risk Management Department is in charge of auditing the internal control system to ensure its efficiency. It is ensured that the Internal Audit and Risk Management Department is kept independent and can fully and freely perform its auditing functions. The SET Board of Governors requires the department to report the results of each audit to the SET Audit Committee directly.

Some of the significant elements of an internal audit are risk assessment and the assurance of management of major risks to the Exchange. Hence, the SET Board of Governors has appointed a Risk Management Committee to be in charge of scrutinizing, analyzing and defining the scope and guidelines of risk management for the Exchange, reviewing problems arising out of excessive risk levels, and making decisions and issuing orders to eliminate or control damage that may be caused by these risks. The Internal Audit and Risk Management Department is responsible for the planning for, forecasting of, highlighting, controlling and monitoring of any risks arising from the operations of the Exchange. The department also evaluates and reports any risk's status to the Exchange through the Risk Management Committee. In addition, the department is developing an efficient risk management system, and provides information and prompting to employees to help them recognize the significance of risk management.

Reporting by the Board of Governors (Principle 14)

The SET Board of Governors realizes its responsibility for providing accurate and precise financial statements in accordance with generally accepted standards and covering all the main issues as set out in the SET's guidelines for company directors. Prior to the Board's approval, the Audit Committee is assigned to review all financial statements. Details can be found on page 62.

Relationship with Investors and Groups of Stakeholders (Principle 15)

The SET realizes the significance of transparent and comprehensive information disclosure, both of the SET's performance and securitiestransactions including any price-sensitive information of listed companies. Such information is adequately, accurately and timely released to all stakeholders, particularly investors, listed companies, member companies, non-member securities companies, eligible students and other entitled persons. The SET is also charged with promoting a better understanding of the Thai capital market and supporting relevant parties whose opinions on establishing a business network can affect the Thai capital market's condition. The SET accomplishes these tasks by utilizing the following:

- It provides SET websites: [www.set.or.th / www.setsmart.set and www.tsi-thailand.org] and its subsidiaries websites
  1. Thailand Securities Depository Co., Ltd. [www.tsd.co.th]
  2. Settrade.com Co., Ltd. [www.settrade.com]
  3. Family Know-How Co., Ltd. [www.familyknowhow.com]
  4. Thailand Futures Exchange Plc. [www.tfex.co.th]

- It operates the Maruey Knowledge & Resource Center at The Stock Exchange of Thailand Building daily, from 8.30 to 23.00 hrs., which provides capital market information and information resources on both academic matters and forms of recreation as well as search services, from: SETSMART / OPAC / BISNEWS / NEWSCENTER / INTERNET TRADING and audio-visual services such as DVD / VCD and CD-ROM. The Center also includes a modern coffee shop and book shop suitable for the new generation's lifestyle.

- It established the Securities Market Information Center in the Northeastern Region at the Faculty of Administrative Science, Khon Kaen University for providing financial and investment information which is online from SETSMART System of the SET as well as other electronic media.
- It established SET Corners in 16 libraries of educational Institutions: the Chulalongkorn University [3 libraries], Thammasat University [2 libraries], Chiang Mai University [2 libraries], Khon Kaen University, Prince of Songkla University, Ubon Ratchathani Rajabhat University, Chulachomklao Royal Military Academy [2 libraries], and Chitralada School [4 libraries].
- It developed and distributed academic textbooks, information books on savings, investments and management administration, monthly and annual journals, including stats and data on

securities trading via publications and electronic media through which people andinterested investors can conveniently access all such information.

- It established the S-E-T Call Center Unit to provide services to investors and groups of interested parties with any inquiry concerning the SET's activities, the SET index, investor rights and sign posting via its 24 hour automatic telephone system and e-mail. Additional responsibilities include responding to any inquiries concerning general investment information, stock prices, results of stock bookings, and also receiving any notifications concerning working system problems via SET officers during the business day from 08:00 hrs. to 18:00 hrs. Investors and groups of interested parties can contact the S-E-T Call Center Unit via its telephone: 66-2229-2222 or its e-mail address: SETCallCenter@set.or.th or by fax: 66-2654-5426-7.
- It created specific units to promote accurate information and understanding on how one can better utilize the Exchange for improving their savings and investments. These special units also provide fundamental information to investors and groups of interested parties as necessary to assist them in analyzing specific industries and securities that are most suitable to their own specific set of circumstances. Some of these specialized units include: **Family Know-How Co. Ltd.**, for giving information to investors and the general public, the **Thailand Securities Institute (TSI)**, for improving the understanding and skills of employees in the securities business and assisting them in complying with ethical codes and practices. TSI also cooperates with educational institutions for educating students and training youths in the fundamentals of economics, business, finance, and investment.
- It founded the "Federation of Capital Market Association" comprised of the Association of Securities Companies, the Listed Companies Association, the Investment Management Companies, the Thai Investors' Association, the Securities Analysts Association, and the SET for carrying on activities which promote both domestic and foreign investments, including providing recommendations and guidance on operations to relevant associations for improving their own businesses.
- It holds conferences and meetings amongst the management of listed companies for exchanging any insights from experts of various key organizations in economics and business administration, including the offering of opinions. These meetings create opportunities for managers to establish high-quality business networks to aid them in improving their own businesses.
- It holds an annual meeting of members as well as holding any special meetings requested by the members for delivering opinions or considering any important issues or matters permitted by the approved criteria.

SET Committee Panels Established by the SET Board of Governors

The SET Board of Governors, which is responsible for determining the SET's policies, plans and business strategies as well as supervising its operations, established 13 committee panels in 2004. The panels were to respond to any requests and policies made by the SET Board of Governors, and were as follows:

1. Executive Committee

Unit responsible : Corporate Secretary Department

Structure:	Three members including the SET Chairman, the SET Vice Chairman, and the SET President.
Term:	Dependent upon governor's term of office.

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Suthep	Peetakanont	Member
Mr. Kittiratt	Na-Ranong	Member
Mrs. Patareeya	Benjapolchai	Secretary

Responsibilities of the Executive Committee are as follows:

1. Supervise securities trading.
2. Investigate member companies.
3. Manage securities listing and information disclosure.
4. Manage human resources, procurement and outsourcing.
5. Revise and determine Exchange fees.

2. Audit Committee

Unit responsible: Internal Audit & Risk Management Department

Structure:	Three SET Governors who are not on the Executive Committee. The committee is composed of at least one appointed governor and one elected governor, with one of the members being an executive of a member company and at least one member being knowledgeable in accounting and finance.
Term:	Dependent upon the governor's term of office. (Audit Committee members hold two-year terms and may be re-appointed but not for more than two consecutive terms.)

Name		Position
Mr. Songdej	Praditsmanont	Chairman
Mrs. Wiwan	Tharahirunchote	Member
Mr. Kampanart	Lohacharoenvanich	Member
Ms. Patchara	Wongnimitkul	Secretary

Responsibilities of the Audit Committee are stipulated in the Audit Committee Charter, which states that the committee's responsibilities to the SET Board of Governors are to:

1. Review the SET's financial reports before forwarding them to the Board of Governors.
2. Advise management on the appointment of the SET's auditor and determining of the auditor's remuneration. Coordinate with the auditor regarding auditing objectives, coverage, guidelines, planning, problems found during the audit, and any issues the auditors deem significant.
3. Coordinate with the SET's Internal Audit Department on audit objectives, planning, reports, evaluations of the efficiency of the SET's internal control system, and adequacy of resources being used for internal control, including any problems found during an audit.
4. Consult and review audit results and recommendations by the auditors and the Internal Audit Department, including following up on any management operations taken in response to those recommendations.
5. Monitor to ensure that the laws, rules and regulations instituted by the SET's regulators are obeyed.
6. Monitor to ensure the management of the SET's principal risks.
7. Be responsible for any duties related to the Audit Committee as assigned by the Board of Governors.
8. Report all operations of the Audit Committee to the Board of Governors at least 4 times a year.

3. Remuneration Committee

Unit responsible: Human Resources Department

Structure:	Three members, including the SET Chairman, the SET Vice Chairman, and the Chairman of the SET's Audit Committee, with the Vice President of the Human Resources Department as the Secretary.
Term:	Dependent upon the governor's term of office.

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Suthep	Peetakanont	Member
Mr. Songdej	Praditsmanont	Member
Mrs. Patchara	Thanattrai	Secretary

Responsibilities of the Remuneration Committee are to examine, analyze and propose to the SET Board of Governors the following:

1. Policies and rules concerning remuneration for the SET Board of Governors, President, Advisors, Committees appointed by the Board of Governors and executives from Senior Vice President level upwards.
2. Annual remunerations, annual salary adjustments, salary adjustments and every other remuneration for the President and individual executives.
3. Budgets for annual remuneration adjustments and annual rewards for the executives from Senior Vice President level upwards.

4. Nomination Committee

The committee will be appointed when the nomination for the SET President is conducted.

5. Risk Management Committee

Unit responsible: Internal Audit & Risk Management Department

Structure:	Nine members including five executives and experts from the fields of accounting, finance and risk management, including one selected from the SET Board of Governors, with the Vice President of the Risk Management Department as Member and Secretary.
Term:	From January 1, 2004 to December 31, 2004

Name		Position
Mr. Songdej	Praditsmanont	Chairman
Mrs. Oranuch	Apisaksirikul	Member
Professor Anya	Khanthavit, Ph.D.	Member
Mr. Machima	Kunjara Na Ayudhya	Member
Asst. Professor Dr. Niwes	Hemvachiravarakorn	Member
Mrs. Patareeya	Benjapolchai	Member
Mr. Chaiyoot	Chamnanlertkit	Member
Mrs. Nongram	Wongwanich	Member
Mr. Ekachai	Lokcharoenlarb	Member and Secretary

Responsibilities of the Risk Management Committee are as follows:

1. Determine SET risk management policies and propose these to the SET Board of Governors for approval. Categories of risks contended with include: marketing essential risks, credit risks, liquidity risks, operations risks, strategic risks, and any other risks that could potentially affect the SET's image and reputation.
2. Determine the SET's risk management framework.
3. Identify the amount of risk that each business unit is carrying, or the acceptable level of risk for each transaction following risk management policies that have been approved by the Board of Governors.
4. Supervise operations utilizing risk management procedures.
5. Follow-up on any operations in accordance with each department's strategy.
6. Advise the SET Board of Governors on risk management.
7. Examine any proposals or reports from the Risk Management Department in order to:
   (a) Recognize the amount of risk in each business unit and the SET overall.
   (b) Recognize risk management consequences or progress for each department.
8. Examine any problems identified in each business unit to determine if unit is carrying risk above its pre-determined safe level and decided how to decrease or control the risk. Assist the SET President in taking the appropriate actions before forwarding them to the Board of Governors.
9. Appraise the appropriate risk measurement methodologies, including the efficiency of the risk management infrastructure.

6. Legal Committee

Unit responsible: Enforcement Department

Structure:	Four members; all four should be legal experts, plus the committee will have the Senior Vice President of the Legal Department as the Secretary and the Vice President of the Legal Department as the Secretary's assistant.
Term:	From January 1, 2004 to December 31, 2004

Name		Position
Mr. Direk	Sunthongate	Chairman
Asst. Professor Tithiphan	Chuerboonchai	Member
Mr. Kasem	Sorasakkasem	Member
Mr. Suthichai	Chitvanich	Member
Mr. Sakkarin	Ruamrangsri	Secretary
Vice President of the Legal Department		Secretary's assistant

Responsibilities of the Legal Committee are to provide the SET Board of Governors with advice, opinions and recommendations regarding relevant laws pertaining to, and including, the SET's rules and regulations.

7. Disciplinary Committee

Unit responsible: Enforcement Department

Structure:	At least one governor from the Board's elected governors who is also an executive of a member company; one knowledgeable in each of these three areas - the stock exchange, the brokerage business, and the financial business; one legal expert, and the SET President or an executive at the Senior Vice President level upwards as assigned.
Term:	From January 1, 2003 to December 31, 2004

Name		Position
Mr. Suthep	Peetakanont	Chairman
Mr. Machima	Kunjara Na Ayudhya	Member
Mr. Sutthi	Sookying	Member
Ms. Yaowalak	Aramthaveethong	Member
Mr. Kittiratt	Na-Ranong	Member
Mrs. Sumalee	Lertthanaporn	Secretary

Responsibilities of the Disciplinary Committee are as follows:

1. Examine any wrongdoings and penalize individual(s) violating (or associating with others to violate) the SET's rules and regulations, and then report to the SET Board of Governors-except in the following cases, when the Disciplinary Committee has to examine the related facts and evidence, report its findings and give its recommendations to the SET Board of Governors, which will then take the appropriate actions:
   (a) Securities delisting;
   (b) Temporary trading suspension of a member company;
   (c) Membership revocation;
   (d) Prohibition of specific individuals from becoming listed company executives;
   (e) Other cases as deemed appropriate by the SET Board of Governors.
2. Examine and give explicit instructions, including taking necessary action(s) in any case as deemed appropriate, so that a violator complies with the Disciplinary Guilt and Penalty Determination.

8. Appeals Committee

Unit responsible: Enforcement Department

Structure:	Three to five members appointed by the SET governors with approval by the SEC. Each member must be an expert in one of the following fields: law, finance and accounting, or the brokerage business.	
Term:	From January 1, 2003 to December 31, 2004	
Name		**Position**
Professor Hiran	Radeesri	Chairman
Mr. Chaikasem	Nitisiri	Member
Mr. Seri	Chintanaseri	Member
Ms. Nawaporn	Ruangskul	Member
Mr. Sukri	Kaocharern	Member
Mr. Sakkarin	Ruamrangsri	Secretary

Responsibilities of the Appeals Committee are as follows:

1. Review any appeal made against any punishment orders laid down by the SET's Board of Governors, any Sub-committee, the Disciplinary Committee or the President. This review is to determine whether the appellant, in reality, is innocent of violating the SET's rules and regulations for which he is being punished, as stated in the appeal.
2. Review any requests for suspension of execution of punishment orders (if any), in which any conditions or collateral are stipulated or required, as deemed necessary.
3. Convey their opinions to the SET's Board of Governors which will assist the Board in making decisions and advise them as to whether to compose a punishment order, call for a reduction of punishment, lay down a non-punishment order, clarify a punishment order being appealed or any other actions as requested in appeals.
4. Order the termination and/or dispose of any appeal in which the appellant has already withdrawn the appeal or any appeal currently being tried by the Appeal Committee.

9. Offences and Punishments for Brokerage or Agent's Fee Charge Violations Committee

Unit responsible: Member Services Department (and Special Audit Project)

Structure:	At least one member from the Association of Securities Companies, one legal expert and the SET President or an executive at the Senior Vice President level upwards as assigned.	
Term:	From January 30, 2002 to January 29, 2005	
Name		**Position**
Mr. Yothin	Ari	Chairman
Pol.Maj.Gen. Chaiya	Siriamphunkul	Member
Mr. Suthep	Peetakanont	Member
Mr. Prateep	Wongniran	Member
Mr. Kittiratt	Na-Ranong	Member
Mr. Supakit	Jirapraditkul	Secretary

Responsibilities of the Offences and Punishments for Brokerage or Agent's Fee Charge Violations Committee are to examine offences committed by and punish any member, non-member securities company, executive or employee involved in a company's violation of the Rules and Procedures for the Charging of Brokerage and Agent's Fees for the Buying and Selling of Listed Securities, and the Member's Good Corporate Governance B.E. 2545, dated January 11, 2002.

10. Technology Development Committee

Unit responsible: Information Technology Management Department

Structure:	At least two member-elected governors, including at least one executive of a member company.
Term:	From January 1, 2003 to December 31, 2004

Name		Position
Mr. Kampanart	Lohacharoenvanich	Chairman
Mrs. Asvini	Tailanga	Member
Mr. Wiboon	Perm-Arayawong	Member
Dr. Patchra	Surajaras	Member
Dr. Vites	Techangam	Member
Dr. Pipatpong	Posayanon	Member
Mrs. Nongram	Wongwanich	Member
Mrs. Patareeya	Benjapolchai	Member
Mr. Chaiyoot	Chamnanlertkit	Member and Secretary

Responsibilities of the Technology Development Committee are to:

1. Propose policy directions and guidelines concerning the development of information and communication technology to integrate technology into any and all business transactions.
2. Consider the IT business' planning; follow-up, revise and resolve any problems relevant to the plan.

11. Capital Market Education Committee

Unit responsible: Thailand Securities Institute

Structure:	Representatives and experts from several organizations.
Term:	From January 1, 2004 to December 31, 2004

Name		Position
Dr. Olarn	Chaipravat	Chairman
Professor Dr. Chai-Anan	Samudavanija	Member
Professor Dr. Somsakdi	Xuto	Member
Professor Dr. Thienchay	Kiranandana	Member

Name	Position
Khunying Kasama Varavarn Na Ayudhya	Member
Professor Dr. Anya Khanthavit	Member
Dr. Prapatpong Senarit	Member
Deputy Governor of the Bank of Thailand or representative	Member
Secretary-General of the Securities and Exchange Commission, Thailand or representative	Member
Chairman of the Association of Investment Management Companies or representative	Member
Chairman of the Association of Securities Companies or representative	Member
The SET President or an executive at the Senior Vice President level upwards as assigned	Member
Executive Vice President of Education Cluster	Member and Secretary

Responsibilities of the Capital Market Education Committee are to determine the directions that policies and guidelines will take for conducting business in the capital market, as well as seeing that students and other citizens receive a good education to strengthen the Thai capital market.

12. Bond Electronic Exchange Committee

Unit responsible: Bond Market Project

Structure:	Representatives and experts from several organizations.
Term:	From May 26, 2004 to December 31, 2005

Name	Position
Ms. Sopawadee Lertmanaschai	Chairman
Mr. Pracha Brahmavira	Member
Mr. Rachan Chawla	Member
Mrs. Niratchara Siriamphunkul	Member
M.L. Kornkasiwat Kasemsri	Member
Mr. Kengkla Ruckphaopunt	Member
Mr. Chokechai Tanpoonsinthana	Member
Mrs. Nongram Wongwanich	Member
Asst. Professor Dr. Santi Kiranand	Member and Secretary

Responsibilities of the Bond Electronic Exchange Committee are to develop efficient systems and procedures for the bond market, including the development of the trading system to assure that it is appropriate and the best means for conducting bond market transactions and enabling the proper dissemination of information both within the firm and to investors. Also, the Committee will develop a clearing and settlement system for the bond market which will create liquidity and promotes trading of all types of bonds listed, including those which are cross-listed on the Thai Bond Exchange and other bond exchanges.

13. Securities Investor Protection Fund Committee

Unit responsible: Legal Department

Structure:	Six members, including one appointed governor, one elected governor, one elected member of SIPF, the TSFC President, the SET President or an executive at the Senior Vice President level upwards as assigned, the TSD President, with Executive Vice President of the Member Service as the Secretary.
Term:	From October 1, 2004 to December 31, 2005

Name		Position
Assoc. Professor Niputh	Jitprasonk	Chairman
Mrs. Asvini	Tailanga	Member
Mr. Suraphol	Kulsiri	Member
Mr. Akarat	Na-Ranong	Member
Mr. Kittiratt	Na-Ranong	Member
Mrs. Nongram	Wongwanich	Member
Mr. Suthichai	Chitvanich	Secretary

Responsibilities of the Investment Protection Funds Committee are as follows:

1. Determine investment procedures for mutual funds, including securities, assets or any other issues the committee deems as appropriate.
2. Examine the related facts and evidence and report to the SET Board of Governors for the protection of investors.
3. Other operations as deemed appropriate by the SET Board of Governors.

SET Organization Structure

As of March 1, 2005

- Risk Management Committee
- Audit Committee
  - Compliance
  - Internal Audit & Risk Management
- Capital Market Education
  - Derivatives Market Project
  - Thailand Securities Institute
    - Youth Education
    - University Education
    - Professional Education
    - Investor Education
    - Publications & Media
    - Training and Examination Administration
    - Library
- Research & Information
  - Industry Specialist
  - Research
  - International Affairs
  - Corporate Communications
  - Public Information Center
- Information Technology
  - Security Office
  - Software Quality Assurance
  - Pre-Trade Systems
  - Trade Systems
  - Post-Trade Systems
  - Enterprise Service Systems
  - Information Technology Management
  - Data Center Services
  - Back Office Member Services Systems

SET Board of Governors

Mr. Vijit Supinit

Chairman

Mr. Suthep Peetakanont

Vice Chairman

Mrs. Wiwan Tharahirunchote

Governor

Assoc. Prof. Niputh Jitprasonk

Governor

Mrs. Asvini Tailanga

Governor

Mr. Songdej Praditsmanont

Governor

Dr. Olarn Chaipravat

Governor

Mr. Wiboon Perm-Arayawong

Governor

Mr. Kampanart Lohacharoenvanich

Governor

Mr. Anant Asavabhokhin

Governor

Mr. Kittiratt Na-Ranong

President

Mr. Vijit Supinit

Education

- National Defence College (Class 31)
- M.A., Yale University, U.S.A.
- B.A. (Economics) Honors, Manchester University, England
- Southend College of Technology, England
- Chulalongkorn University, Faculty of Engineering, Thailand

Other Current Positions

- Chairman, Asset Management Corporation, Ministry of Finance
- Working Group, Office of the Chief Policy Advisor to the Prime Minister
- Director, Small and Medium Size Enterprises Promotion Board
- Director, Public Enterprises Supervisory Board
- Consultant and Lecturer, MBA Graduate School, Siam University, Thailand

Past Positions

- Governor and Chairman of the Court of Directors, Bank of Thailand
- Chairman, The Export and Import Bank of Thailand
- Commission Member, Securities and Exchange Commission
- Senator, Parliament of Thailand (Secretary; Finance, Banking and Financial Institutions Committee)
- Alternate Executive Director, International Monetary Fund, Washington D.C.

Mr. Suthep Peetakanont

Education

- M.B.A., University of Missouri-Kansas City, U.S.A.
- B.A., Chulalongkorn University, Thailand

Other Current Positions

- Chairman, The Executive Board, Capital Nomura Securities Public Company Limited
- Chairman, Association of Securities Companies
- Chairman, The Disciplinary Committee, The Stock Exchange of Thailand
- Member, Offences and Punishments for Brokerage or Agent's Fees Charge Committee
- Chairman, Federation of Thai Capital Market Organizations

Past Positions

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

Mr. Songdej Praditsmanont

Education

- B.Sc. (Economics) Honors, London University, London, England
- Fellowship of the Institute of Chartered Accountants in England and Wales (F.C.A.)
- C.P.A. Thailand (Ministry of Commerce)

Other Current Positions

- Executive Chairman, Ernst & Young Group in Thailand
- Chairman, The Audit Committee of The Stock Exchange of Thailand
- Chairman, The Risk Management Committee of The Stock Exchange of Thailand
- Council Member of Accounting Oversight Board, Ministry of Commerce
- Advisor on Risk Management to the Sub-Committee of the Government Pension Fund
- Advisor to the Faculty of Commerce and Accountancy of Chulalongkorn University
- Advisor to the Faculty of Commerce and Accountancy (Master Degree Course in Accountancy), Thammasat University

Past Positions

- Bangkok Bank, London, England
- Mercantile Bank, London, England
- Ernst & Young, London, England

Dr. Olarn Chaipravat

Education

- B.S. (Economics) Magna Cum Laude, Wharton School, University of Pennsylvania, U.S.A.
- Ph.D. (Economics), Massachusetts Institute of Technology (M.I.T.), U.S.A.

Other Current Positions

- Council Chairman, Shinawatra University
- Advisor to the Finance Minister (Dr. Somkid Jatusripitak)
- Honorable Advisor, Fiscal Policy Research Institute
- Chairman, Thai Asset Management Corporation
- Director, The Thai Airways International Public Company Limited
- Director, PTT Public Company Limited
- Director, Settrade.com Company Limited
- Chairman, Audit Committee of Shin Corporation Public Company Limited
- Chairman, Capital Market Education Committee, The Stock Exchange of Thailand

Past Positions

- Advisor to the Management Board, Siam Commercial Bank Public Company Limited
- Director, Financial Institution Supervision & Examination Department, Bank of Thailand

Mr. Wiboon Perm-Arayawong

Education

- M.B.A., The University of Chicago GSB, U.S.A.
- M.B.A., Thammasat University, Thailand
- B.Eng. (Civil Engineering), Chulalongkorn University, Thailand
- Certificate, Executive Development Program, Wharton, University of Pennsylvania, U.S.A.

Other Current Positions

- President & CEO, Asia Credit Securities Company Limited
- Director, Thailand Securities Depository Company Limited
- Director, Thailand Futures Exchange Public Company Limited
- Director & Chairman, Information Technology Club, Association of Securities Company
- Director & Chairman of Public Relation Committee, Thai Institute of Directors Association
- Lay Judge, Central Intellectual Property and International Trade Court

Past Positions

- President & CEO, Ayudhya Securities Company Limited
- Director & Member of Investment Committee, Ayudhya Allianze CP Life Assurance Public Company Limited
- Vice Chairman, Securities Analyst Association
- Director & Executive Vice President, Securities One Public Company Limited
- Hon. Treasurer & Director, Lay Judge, The Central Intellectual Property and International Trade Court's Club

Mrs. Wiwan Tharahirunchote

Education

- M.B.A. (Finance & Marketing), Kellogg School of Management, Northwestern University, Evanston, Illinois, U.S.A.
- B.A. (English) Honors, Chulalongkorn University, Thailand

Other Current Positions

- President, One Asset Management Limited
- Member, Thailand Securities Depository Company Limited
- Member, The Audit Committee of The Stock Exchange of Thailand
- Advisor, mai Advisory Committee
- Country Representative, Kellogg Alumni Club

Past Positions

- Director & Senior Executive Vice President, One Asset Management Limited
- Executive Vice President, One Asset Management Limited
- Assistant Vice President, Business Development Department, The Thai Farmers Bank Public Company Limited

Associate Professor Niputh Jitprasonk

Education

- M.B.A. (International Trade & Finance), Gothenburg School of Economics and Business Administration, Sweden
- B.A. First Honors, Faculty of Commerce and Accountancy, Thammasat University, Thailand
- Certificate In Real Estate Management, University of Hawaii, U.S.A.
- Certificate In Property Management, University of Cincinnati, U.S.A.
- Certificate In International Business, University of Hawaii, U.S.A.

Other Current Positions

- Chairman to The Audit Committee, Bangkok Commercial Asset Management Company Limited (BAM)
- Board Committee, National Housing Authority
- Committee, The Valuers Association of Thailand
- Chairman, The Academic Committee of Real Estate Business School
- Committee, The Asian Valuers Association
- Director, Real Estate Business Program, Faculty of Commerce and Accountancy, Thammasat University
- Chairman, Investor Protection Fund Committee, The Stock Exchange of Thailand

Past Positions

- Dean, The Faculty of Commerce and Accountancy, Thammasat University
- Director, The Executive Master Business Administration Program, Thammasat University
- Committee, The University Council, Thammasat University

Mrs. Asvini Tailanga

Education

- B.A., Faculty of Commerce & Accountancy, Chulalongkorn University, Thailand

Other Current Positions

- Managing Director, National Securities Public Company Limited
- Director, The Thai Bond Dealing Centre
- Member, The Technology Development Committee, The Stock Exchange of Thailand
- Member, Investor Protection Fund Committee, The Stock Exchange of Thailand
- Executive Board, Association of Securities Companies

Past Positions

- Managing Director, Tisco Securities Company Limited

Mr. Kampanart Lohacharoenvanich

Education

- Pittsburg State University Kansas, U.S.A.
- B.A. (Economics), Thammasat University, Thailand

Other Current Positions

- President, Trinity Securities Company Limited
- Director, Trinity Wattana Public Company Limited
- Member, The Audit Committee of The Stock Exchange of Thailand
- Chairman, The Technology Development Committee of The Stock Exchange of Thailand
- Chairman of Audit Committee, Inoue Rubber (Thailand) Public Company Limited

Past Positions

- Managing Director, KGI Securities Public Company Limited
- Deputy Managing Director, Thai Financial Trust Company Limited
- President, Association of Members of The Stock Exchange and the Association of Finance Companies
- President, Association of Finance and Securities
- Vice President, Operation Department, The Stock Exchange of Thailand
- Division Chief, Computer Center, Krung Thai Bank Public Company Limited
- Economist, Office of Agricultural Economics, Ministry of Agriculture and Co-Operatives

Mr. Anant Asavabhokhin

Education

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

Other Current Positions

- Managing Director and President / CEO, Land & House Public Company Limited
- Director, Home Product Center Public Company Limited
- Director, Quality Houses Public Company Limited
- Director, Quality Construction Products Public Company Limited
- Director, Bangkok Chain Hospital Public Company Limited

Past Positions

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

Mr. Kittiratt Na-Ranong

Education

- M.B.A. (Finance and International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand, and exchange student at the Kellogg Graduate School of Management, U.S.A.
- B.S. (Economics), Chulalongkorn University, Thailand

Other Current Positions

- Director, State Enterprises Capital Policy Committee
- Director and Board Secretary, Federation of Thai Capital Market Organizations
- Member of the Executive Board, Sports Authority of Thailand

Past Positions

- 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 Representatives

Corporate Supervision Working Group

"To advise, supervise and examine the operations of The Stock Exchange of Thailand and its subsidiaries to ensure that their activities comply with all applicable laws, regulations, and SET Board of Governors' Resolutions, as well as to achieve an efficient internal control system and prudent risk management by submitting its supervisory reports to the Audit and the Risk Management Committees."

Mr. Kittiratt Na-Ranong
President

Ms. Patchara Wongnimitkul
Vice President
Compliance Department

Mr. Ekachai Lokcharoenlarb
Vice President
Internal Audit &
Risk Management Department

Corporate Operations Division

"Our responsibilities and missions are to devise strategic plans and allocate the SET's corporate budget in line with the policies and directions as stipulated by the SET Board of Governors. We function as the secretariat for all activities performed by the Boards of Governors of the SET and its subsidiaries. We also manage the SET's human resources, finances, and assets in order to optimize the operations of the SET and its subsidiaries."

Mrs. Patareeya Benjapolchai
Executive Vice President
Corporate Operations Division

Dr. Naree Boontherawara
Vice President
Planning and Budgeting
Department

Ms. Salinee Nana
Vice President
Investment Management
Department

Research & Information Division

"Our mission is to provide fact-based analytical material to support decision-making by capital market stakeholders, including the SET group, industry participants, and the investing public. It is also part of our mission to provide high-quality information on a timely and appropriate basis to stakeholders through the right channels. We also seek to improve the SET's international standing through strategic relationship building, selective engagement in regional and international forums, and proactive information dissemination and monitoring with our international counterparts. We will raise awareness of the SET group's activities by managing public and media relations. Furthermore, we will seek to promote corporate social responsibility within the SET group as well as among other capital market stakeholders."

Dr. Sethaput Suthiwart-Narueput
Senior Vice President
Public Information Center,
Research and
International Affairs Department

Mrs. Ladawan Kantawong
Vice President
Corporate Communications
Department

Mr. Yothin Koo-Smith
Vice President
Industry Specialist

Ms. Sudarat Tangsoontornkij
Vice President
Accounting & Finance Department

Mrs. Patchara Thanattrai
Vice President
Human Resources Department

Mr. Paisan Puratjaroenchai
Vice President
Building Management Department

Mr. Kraitas Sirikanchana
Vice President
Procurement Department

Capital Market Opportunity Center

"The CMOC's mission is to increase the number of newly-listed companies (supply) in the market by implementing proactive marketing strategies to reach those potential firms in targeted industries. It is also within our realm of responsibility to help support and nurture these companies before entering the market. The CMOC also utilizes its marketing tools to help increase the number of new investors (demand) in the market, thus expanding the investor base.

In addition, the center's major challenges include systematically developing the debt instrument market to improve fund-raising by listed companies. The center also advises listed firms on using financial instruments currently available in the market to strengthen their financial standings. Lastly, the center promotes good corporate governance practices amongst our listed firms to help bring them in line with international standards."

Ms. Sopawadee Lertmanaschai
Executive Vice President
Capital Market Opportunity Center
Chaiman of the mai
Advisory Committee

Dr. Santi Kiranand
Chief Executive Officer
Bond Electronic
Exchange

Ms. Wipha Leethakulnumchai
Vice President
Issuers Marketing
Department

Mrs. Pannavadee Ladawan
Vice President
Investors Marketing
Department

Market Regulation Division

"Our responsibilities and missions are to conduct market surveillance and supervise the practices of listed and member companies to ensure that they are in accordance with the spirit as well as the letter of all applicable laws and regulations as well as efficient, timely, and transparent. We are also responsible for determining and enforcing all punishments on parties whose practices violate SET regulations, and facilitating the petition process. All of the above are to protect the general investors' benefits."

Mr. Suthichai Chitvanich
Executive Vice President
Market Regulation Division

Mr. Supakit Jirapraditkul
Senior Vice President
Market Surveillance,
Member Services and
SET Call Center Department

Mr. Sakkarin Ruamrangsri
Senior Vice President
Listing and Disclosure,
Enforcement and
Legal Department

Mr. Sarayuth Booncharoen
Senior Vice President
Advisory Services

Market for Alternative Investment (mai)

"Our mission is to increase the number of listed companies on the mai by creating new fund-raising opportunities for small and medium-sized enterprises (SMEs) which exhibit exceptional growth potential, as well as to provide a greater range of investment alternatives for investors. The mai also facilitates debt restructuring through debt-equity conversion between financial institutions or other market participants and debtors. It also offers the public an opportunity to participate as shareholders of companies with the potential to be key contributors to Thailand's future economic development."

Mr. Vichate Tantiwanich

President
Market for Alternative Investment

Mrs. Somsri Nittayasakd

Vice President
Market Surveillance Department

Mr. Suchat Sitawarin

Vice President
Member Services Department

Mrs. Nantaporn Damrongpong

Vice President
SET Call Center Department

Ms. Paveena Sriphothong

Vice President
Listing and Disclosure Department

Mrs. Sumalee Lertthanaporn

Vice President
Enforcement Department

Capital Market Education Division

"Our missions and responsibilities are to create content and organize activities to promote a greater understanding of finance and investment among Thailand's youth and the general public. This expanded understanding will enable them to better manage their personal finances, and ultimately lead to Thailand's sustainable economic prosperity. We also endeavor to develop the knowledge and expertise required by professionals in the securities business, so that they can better serve the needs of investors by maintaining the highest possible ethical and professional standards."

Mr. Punsak Vejanurug
Executive Vice President
Capital Market Education Division

Mrs. Jiraporn Koosuwan
Senior Vice President
Head of Thailand
Securities Institute

Ms. Phanit Kirdchockchai
Vice President
Publications and
Media Department

Mr. Chaiyoot Chamnanlertkit
Executive Vice President
Information Technology Division

Mr. Sornkawee Puranachoti
Senior Vice President
Information Technology
Division

Mr. Suraphol Eittimeteevut
Vice President
Trade Systems Department

Mr. Surapong Vongsopanagul
Vice President
Post Trade Systems Department

Mrs. Suwannee Tantirojanawong
Vice President
Back Office Member
Services Systems Department

Dr. Rinjai Chaiyasut
Vice President
Derivatives Market Project

Mrs. Karuna Aksaravut
Vice President
Youth Education Project

Mr. Sarana Chaiprasert
Vice President
University Education Project

Dr. Krisada Sektrakul
Vice President
Professional Education Project

Mrs. Nuchanard Santivarakum
Vice President
Investor Education Project

Information Technology Division

"Our responsibilities and missions include supporting one-stop service transactions within the SET as well as developing and implementing trade and post-trade systems to encourage increased effectiveness, accuracy, and reliability. Moreover, in supporting the performance of the SET and its member companies, our division provides and develops the SET's information services and assists in developing the listed companies' information technology systems to better enable them to provide investors with essential information. We also implement new high-technology systems to promote development of the Thai capital market."

Ms. Nichapatra Akkaravatewatana
Vice President
Information Technology Management Department

Mr. Kowin Kulruchakorn
Vice President
Pre-Trade Systems Department

Ms. Varaporn Nana
Vice President
Enterprise Service Systems Department

Mr. Kosol Songsermmongkol
Vice President
Data Center Services Department

The Board of Governors of The Stock Exchange of Thailand (SET) established the Audit Committee on October 1, 1997. The Committee is comprised of three non-executive Governors of the SET, who are independent of the SET's operations. The Committee has been empowered by the Board of Governors to carry out their duties as stated on page 39.

In performing its duties and responsibilities, the Committee has encouraged the SET to continue to be ethical and transparent, to maintain its good image and continue its system of checks and balances.

The Committee has concluded that the SET has in place an adequate and appropriate internal control system. The management and internal control systems have been evaluated in accordance with the five standard components advocated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO): Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

During 2004, the Committee held twelve meetings (in which the SET Compliance Vice President acted as the Committee's Secretary) and reported its findings to the Board of Governors on a quarterly basis (apart from exceptional cases, which were reported monthly). These reports kept the Board informed, and the Board took appropriate action whenever necessary. Management was invited to participate in the meetings to provide additional information when deemed appropriate. Matters affecting management considered during 2004 were as follows:

Reviews Carried Out

- Quarterly and annual financial statements were reviewed and concurred with prior to submission for the Board of Governors' consideration.
- The Internal Auditor's conclusions were reviewed and recommendations were made on the internal control systems and submissions for actions to be taken by the SET management, as well as following-up on these actions.
- The SET's activities in complying with the criteria required by the World Federation of Exchanges (WFE) were reviewed.
- Year 2005 plans of the SET's Audit Committee, the Internal Audit Unit and the Compliance Department were reviewed.
- The Audit Committee's Charter was reviewed to ensure that it complied with good corporate governance practices.
- The Internal Audit Activities Charter was reviewed to ensure that it followed the "Standards for the Professional Practice of Internal Auditing".
- The SET's evaluations of its management and internal control systems were reviewed according to the COSO-based approach.
- The SET's risk management systems were reviewed.
- The SET and its subsidiary companies' compliance with good corporate governance were reviewed.

Recommendations Made

- Suggestions were given on the management of the SET's investment fund.
- It was recommended that the scope of services of the SET's subsidiaries be increased.
- It was recommended that the SET should follow-up on:
  (a) The information that listed companies disclosed to the media, and:
  (b) Its existing enforcement actions against listed companies.
- It was recommended that the SET should review the criteria concerning securities transactions made by management and staff, whether of the SET or its subsidiaries, concerning information that may affect securities prices.
- It was recommended that the SET should register its logo and the name "SET in the City".
- It was recommended that if there were any new software or software changes, all parties involved should participate together in their testing before they are launched.
- Audit plans and the External Auditors' findings were acknowledged and recommendations were provided.

Other Activities

- Meetings between the Committee and the management and also between the Committee and External Auditors were held.
- A self-assessment was conducted to ensure that the performance of the Audit Committee was efficient and accomplished the purposes required by the Audit Committee's Charter.

The Audit Committee also recommended to the Board of Governors that Mrs. Unakorn Phruithithada or Mr. Boonmee Ngotngamwong or Mr. Soodwin Panyawongkanti of PricewaterhouseCoopers ABAS Ltd. be appointed as the SET's auditor for the financial year ending on December 31, 2005. Suggested remuneration for this role was set at THB 770,000. Furthermore, the Audit Committee also reviewed its remuneration of THB 830,000 for the audit of the SET's eight subsidiary companies and the Clearing Fund for the financial year ending December 31, 2005.

(Songdej Praditsamanont)
Chairman, Audit Committee
February 16, 2005

The Stock Market in 2004

The Stock Exchange of Thailand's (SET) Index closed at 668.10 points at the end of 2004, down 13.50% from 772.15 points at the end of 2003. The total turnover on the SET in 2004 was THB 5,024 bln., an average daily turnover of THB 20,508 mln. per day, up 8.50% year-on-year, compared to the total turnover of THB 4,670 bln. and the average daily turnover of THB 18,908 mln. in 2003.

The Market for Alternative Investment's (mai) Index closed at 188.07 points at the end of 2004, down 45% from 343.70 points at the end of 2003. Total turnover and average daily turnover in 2004 stood at THB 34,221 mln. and THB 140 mln. respectively, compared to the previous years' total turnover of THB 30,191 mln. and average daily turnover of THB 122 mln.

In 2004, 50 new companies listed: 36 firms on the SET and 14 on the mai. Consequently, the total number of listed companies increased to 439 on the SET, while the total on the mai jumped to 24 by the end of 2004.

1. Operational Results

1.1 Analysis of Income

In 2004, the SET and its subsidiaries realized THB 2,715 mln. in total revenues, up by THB 1,024 mln., or 61%, from 2003. The major reasons for the increase are listed below:

(1) Broker seat admission fees in 2004 amounted to THB 544 mln.

(2) Investment income increased by THB 305 mln. mainly because:

- Dividend income from matching funds and mutual funds rose by THB 216 mln.
- Gains from trading securities in matching and mutual funds increased by THB 122 mln.
- Interest income declined by THB 39 mln. as average interest rates fell by 1% from the previous year.

The reported investment income has not yet been included in the unrealized gains from the matching funds, with the commitment not to be sold-back to the funds within three years; these are carried at cost. The unrealized gains from investments in the matching funds decreased by THB 705 mln. in 2004, as opposed to its increase by THB 2,541 mln. in 2003.

(3) Listing and registrar fees increased by THB 99 mln. due to more new listed securities and higher service volume and postage rates.

(4) Trading volume increases brought a THB 46 mln. increase in trading fees. The average trading volume in 2004 stood at THB 20,508 mln. per day, a rise of THB 1,600 mln. or 8.50%, from THB 18,908 mln. per day in 2003.

1.2 Analysis of Expenses

In 2004, the SET and its subsidiaries recorded THB 1,777 mln. in consolidated expenses, up by THB 419 mln., or 31%, from 2003. The major reasons were:

(1) Staff costs increased by THB 165 mln. This was due to the hiring of 98 new staff (2004 : 741 staff, 2003 : 643 staff), whose salaries and other benefits amounted to THB 150 mln., plus a rise in personnel development expenses of THB 15 mln. from training in derivatives.

(2) Contributions to the Securities and Exchange Commission (SEC) increased by THB 60 mln.

(3) Charity and corporate social responsibility (CSR) expenses increased by THB 57 mln. The major charity and CSR projects in 2004 were:

- The "Ngern-Thong-Khong-Mee-Ka" (or "Making Sense of Money") project, to commemorate the 72nd anniversary of Her Majesty the Queen, cost THB 30 mln. This project, conducted in conjunction with the Ministry of Education, resulted in the publishing of an instructor's handbook for teaching personal finance.
- Donations to help tsunami victims amounted to THB 20 mln.
- Contributions to the "Capital Market for Students" program cost THB 6 mln. This program recruited students for training at various agencies involved in the capital markets.
- Donations amounting to THB 5 mln. to the "Kaew-Ta-Duang-Jai" ("Crystal Eyes and Celestial Hearts") project to celebrate the 72nd birthday of Her Majesty the Queen. This project helped low-income patients needing cataract-removal operations.

(4) Marketing expenses increased by THB 44 mln. The major reasons were:

- Expenses related to marketing activities and events, such as Thailand Focus 2004, SET in the City, and the Analysts Fair 2005, amounted to THB 19 mln.
- Publication and training expenses for primary school students in the Youth Education Project reached THB 8 mln.

(5) Other expenses increased by THB 63 mln. This was due to a rise in delivery costs and printing of service forms for securities registrar services, amounting to THB 58 mln. Also, consulting fees for establishing a futures market came to THB 11 mln.

2. Financial Position

The financial status of the SET and its subsidiaries in 2004 changed from the previous year because of the following transactions:

2.1 Analysis of Assets

As of December 31, 2004 the SET and its subsidiaries reported total assets of THB 14,750 mln. The majority (90%) were cash and investments totaling THB 13,328 mln., as summarized as below:

- Investment managed by the SET: THB 4,026 mln.
- Investment in private funds: THB 2,890 mln.
- Investment in matching funds: THB 2,500 mln.
- Investment in mutual funds: THB 2,621 mln.
- Cash and other investments: THB 1,291 mln.

Total assets increased by THB 913 mln., or 7%, in comparison to the total assets of THB 13,837 mln. at the end of 2003. The main reason was the added investments in 29 mutual funds (2004: 45 funds; 2003: 16 funds).

2.2 Analysis of Liabilities

On December 31, 2004 the SET and its subsidiaries had THB 444 mln. in total liabilities, which were THB 74 mln., or 20%, higher than 2003. The major liabilities are outlined below:

- Fees received in advance amounted to THB 120 mln.
- Accounts payable and accrued expenses amounted to THB 230 mln., mainly comprised of:
  - Dividends payable and withholding tax payable on NVDRs (THB 32 mln.)
  - Accrued construction and building improvement expenses (THB 27 mln.)
  - Expenses for equipment, computer software, repair and maintenance (THB 17 mln.)
- Other current liabilities came to THB 93 mln., which mainly were withholding taxes payable (THB 49 mln.) and for the "Ngern-Thong-Khong-Mee-Ka" project (THB 25 mln.)

2.3 Analysis of Funds

On December 31, 2004 the SET's total funds reached THB 14,306 mln., an increase of THB 839 mln. (or 6%). The major reasons for the changes from the previous year are provided below:

(1) The General Fund, valued at THB 11,015 mln., went up by THB 187 mln., due to THB 937 mln. in operational gains in 2004. Furthermore, transfers from the General Fund to other funds totaled THB 750 mln.

(2) Lower unrealized gains from investment in mutual funds, which totaled THB 100 mln., due to a 128% decrease in average return of mutual funds. This corresponds to the drop the SET Index experienced in 2004.

3. Cash Flows

The cash and cash equivalents ending on December 31, 2004 were THB 358 mln., an increase of THB 168 mln. from 2003, mainly due to changes in cash flow operations, investing and financing activities as summarized below:

(1) Net cash from operating activities amounted to THB 783 mln., up by THB 654 mln., mainly due to 2004's year-on-year rise in excess of revenues over expenses of THB 607 mln.

(2) Net cash flow used for investing activities was THB 615 mln., an increase of THB 28 mln. This mainly came from additional investments in 22 mutual funds which focus on equity securities, and investments in seven mutual funds that emphasize short-term debt securities.

Financial Risk Management Policy

The Stock Exchange of Thailand (SET) and its subsidiaries have two material financial risks: investment risks and counterparty credit risks. The policies to manage these risks are outlined below:

Investment Risks

The SET's investment portfolio, which is closely managed by the Investment Working Committee, operates under an investment policy which is in accordance with the SET's regulations and is reviewed by the SET Board of Governors annually or whenever the investments may be affected by significant changes. The SET's investment policy is concerned with both risk and return. The policy has established a practice of risk diversification, which apportions the SET's investments into several instruments, and several financial institutions or issuers, to avoid any significant concentration of investments. This policy, and its practices, is aimed at the prevention of loss for the investment as a whole.

Apart from the above policy, the SET closely monitors the status of investment risks to ensure that they remain within acceptable levels.

While the SET's investments are partially managed in-house, the balance of its investments is in private and mutual funds.

Counterparty Credit Risks

The SET and its subsidiaries are also exposed to counterparty credit risks, especially our clearing and settlement system. The clearing house and the settlement guarantor, the Thailand Securities Depository Co. Ltd. (TSD) is forced to undertake counterparty credit risks. Therefore, the SET and its subsidiaries have the risk of losses from unsettled obligations among various trading partners. To deal with counterparty credit risks, the TSD has implemented several risk management measurements since 1997 in accordance with internationally-accepted standards. These are stated below:

1. Each member is required to maintain its qualifications and its member status as stipulated by the clearing house.
2. Each member's settlement value is limited to adequately reflect its financial capabilities, which is its amount of net capital. In any case, where the settlement value of any member exceeds its limit, the member is required to provide adequate collateral as stipulated by the clearing house.
3. Risks created by member trading behavior are measured using loss probabilities and are all monitored using an early warning system. If a member has a loss probability exceeding the acceptable level, that member is required to provide adequate collateral as stipulated by the clearing house.
4. The liquidity and financial status of members are monitored to prevent and/or manage any risks to the clearing and settlement system.

In addition, to strengthen investors' confidence in the securities clearing and settlement system and to come more in line with international standards, the TSD has continuously developed its methods for assessing the adequacy of resources to handle any potential losses in its securities clearing and settlement system. To accomplish this, the TSD covers the greater value resulting from two methods of calculation:

1) Either the sum of the net long or net short positions of each member, whichever the greater, taking the possibility of each individual firm's defaulting into account, or:

2) The liability of the single member with the largest default exposure, assuming that the given firm's default is a certainty.

Additionally, the SET and the TSD have introduced a risk management scheme to address liquidity risk resulting from a member's default in its securities clearing and settlement. The amount of THB 2 bln. from TSD's overdraft and THB 2 bln. from the SET's Clearing Reserve Fund have been reserved to shore up financial liquidity and reduce losses before resorting to any other risk management schemes.

Moreover, the TSD is in the process of shortening the settlement cycle from T+3 to T+2, which will help to reduce risks stemming from any volatility in collateral value.

The Board of Governors is responsible for The Stock Exchange of Thailand (SET) and its subsidiaries' financial statements and the 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 policies consistently employed by the SET, as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to the financial statements.

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 to prevent fraud or materially irregular operations.

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 stated in the Audit Committee Report section of this annual report.

The Board of Governors is of the opinion that the SET's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to the SET and its subsidiaries' financial statements for the year ending December 31, 2004.

Vijit Supinit

(Mr. Vijit Supinit)
Chairman

Kittiratt Na-Ranong

(Mr. Kittiratt Na-Ranong)
President

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated balance sheet and balance sheet as of 31 December 2004, 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 of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand, respectively, for the year 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 audit. The consolidated financial statements and the financial statements of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand, respectively, for the year ended 31 December 2003, presented herewith for comparative purpose, were audited by another auditor of the same firm as myself whose report dated 18 February 2004 expressed an unqualified opinion on those statements.

I conducted my audit 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 audit provides a reasonable basis for my opinion.

In my opinion, the consolidated financial statements and the financial statements referred to above present fairly, in all material respects, the consolidated financial position and financial position as of 31 December 2004, and the consolidated results of their operations and their cash flows and its results of operations and its cash flows for the year then ended of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand, respectively, in accordance with generally accepted accounting principles.

Unakorn Phruithithada
Certified Public Accountant
(Thailand) No. 3257
PricewaterhouseCoopers ABAS Limited

Bangkok
16 February 2005

Balance Sheets

As at 31 December 2004 and 2003

(Unit : Thousand Baht)

		Consolidated		SET	
	Notes	**2004**	2003	**2004**	2003
ASSETS					
Current Assets					
Cash and cash equivalents		**358,288**	190,189	**198,855**	48,517
Short-term investments	3	**7,125,449**	7,144,144	**6,630,488**	6,761,295
Accounts receivable and accrued income-net	4	**110,224**	197,877	**103,872**	171,192
Admission fee receivables		**37,380**	97,313	**37,380**	97,313
Accrued interest receivables		**49,893**	47,357	**47,837**	46,342
Other current assets		**60,690**	43,024	**45,620**	37,604
Total Current Assets		**7,741,924**	7,719,904	**7,064,052**	7,162,263
Non-Current Assets					
Investments in subsidiaries and associate	5	**144,866**	142,659	**796,123**	655,993
Long-term investments	6	**5,843,775**	5,164,387	**5,840,775**	5,161,387
Loans to subsidiary	16	**-**	-	**10,000**	15,000
Property and equipment, net	7	**901,506**	722,673	**851,626**	679,226
Intangible assets, net	8	**111,318**	83,151	**100,578**	63,848
Other assets		**6,197**	4,305	**4,359**	4,187
Total Non-Current Assets		**7,007,662**	6,117,175	**7,603,461**	6,579,641
Total Assets		**14,749,586**	13,837,079	**14,667,513**	13,741,904

Please see the notes to the consolidated and the Stock Exchange of Thailand"s financial statements on pages 76 to 106 which form an integral part of these financial statements, especially the Note No.6 on page 88 fifth paragraph regarding the values of investment in matching funds.

(Unit : Thousand Baht)

	Notes	Consolidated 2004	Consolidated 2003	SET 2004	SET 2003
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable and accrued expenses		**229,651**	198,786	**163,359**	144,525
Fees received in advance		**119,890**	115,536	**115,306**	109,226
Accrued income tax		**886**	1,392	**-**	-
Other current liabilities		**93,488**	54,512	**83,059**	21,320
Total Liabilities		**443,915**	370,226	**361,724**	275,071
Fund Balances					
Funds	9				
Securities Clearing Reserve Fund	9.1	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Futures Clearing Reserve Fund	9.2	**300,000**	-	**300,000**	-
Indemnity Fund	9.3	**100,000**	100,000	**100,000**	100,000
SET Building Fund	9.4	**246,328**	246,328	**246,328**	246,328
Staff Welfare Fund	9.5	**85,349**	34,667	**85,349**	34,667
Securities Investor Protection Fund	9.6	**301,365**	-	**301,365**	-
The SET's 30th Anniversary Charity Fund	9.7	**100,000**	-	**100,000**	-
General Fund		**11,014,671**	10,827,719	**11,014,671**	10,827,719
Unrealized gain on available-for-sale securities		**157,956**	258,138	**158,076**	258,119
Minority interest		**2**	1	**-**	-
Total Fund Balances		**14,305,671**	13,466,853	**14,305,789**	13,466,833
Total Liabilities and Fund Balances		**14,749,586**	13,837,079	**14,667,513**	13,741,904

Please see the notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 76 to 106 which form an integral part of these financial statements, especially the Note No.6 on page 88 fifth paragraph regarding the values of investment in matching funds.

Statements of Revenues and Expenses

For the years ended 31 December 2004 and 2003

(Unit : Thousand Baht)

		Consolidated		SET	
	Notes	**2004**	2003	**2004**	2003
REVENUES					
Broker seat admission fees	9.6	**543,765**	-	**543,765**	-
Trading fees		**557,370**	510,973	**529,032**	490,525
Listing fees		**231,734**	209,375	**231,734**	209,375
Registrar fees		**530,646**	453,866	-	-
Service fees from subsidiaries	16	-	-	**315,689**	318,346
Investment income		**478,439**	173,883	**468,745**	164,658
Share of profit of investments in subsidiaries and associate	5	**2,207**	2,208	**83,130**	72,362
Other revenues	11	**370,802**	340,691	**157,444**	140,646
Total Revenues		**2,714,963**	1,690,996	**2,329,539**	1,395,912
EXPENSES					
Staff costs		**779,156**	613,931	**566,978**	447,281
Marketing expenses		**148,341**	104,632	**190,635**	131,253
Contributions to the Office of the SEC	12	**150,000**	90,000	**150,000**	90,000
Contributions to subsidiary	16	-	-	**24,999**	31,000
Depreciation and amortization		**114,580**	92,873	**92,258**	73,928
Other expenses	13	**477,208**	414,026	**286,081**	270,609
Total Expenses		**1,669,285**	1,315,462	**1,310,951**	1,044,071
Excess of revenues over expenses from **operation**		**1,045,678**	375,534	**1,018,588**	351,841
NON-OPERATING ITEMS					
Net income from Securities Investor Protection Fund	10	**1,365**	-	**1,365**	-
Donation and social contribution		**81,327**	24,536	**80,954**	19,533
Excess of revenues over expenses before income tax		**965,716**	350,998	**938,999**	332,308
Income tax		**26,717**	18,690	-	-
Excess of revenues over expenses before minorities		**938,999**	332,308	**938,999**	332,308
Profit attributable to minorities, net		-	-	-	-
Excess of revenues over expenses		**938,999**	332,308	**938,999**	332,308

Please see the notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 76 to 106 which form an integral part of these financial statements, especially the Note No.6 on page 88 fifth paragraph regarding the values of investment in matching funds.

Statements of Cash Flows

For the years ended 31 December 2004 and 2003

(Unit : Thousand Baht)

		Consolidated		SET	
	Notes	**2004**	2003	**2004**	2003
Cash Flows from Operating Activities					
Excess of revenues over expenses		**938,999**	332,308	**938,999**	332,308
Adjustments for :					
Doubtful debts		**(9,333)**	(12,352)	**(1,361)**	(1,078)
Depreciation and amortization		**114,580**	92,873	**92,258**	73,928
(Gain) loss on sale of fixed assets and intangible assets		**(381)**	(62)	**23**	(69)
Write-off work in process to expense		**10,449**	103	**10,449**	102
Investment income		**(479,822)**	(184,163)	**(470,128)**	(174,938)
Share of profit of investments in subsidiaries and associate	5	**(2,207)**	(2,208)	**(83,130)**	(72,362)
Excess of revenues over expenses before changes in operating assets and liabilities		**572,285**	226,499	**487,110**	157,891
(Increase) Decrease in Operating Assets					
Accounts receivable and accrued income		**96,986**	(151,886)	**68,681**	(142,146)
Admission fee receivables		**59,933**	-	**59,933**	-
Other current assets		**(17,666)**	(13,043)	**(8,016)**	(19,184)
Other assets		**(1,892)**	460	**(172)**	58
Increase (Decrease) in Operating Liabilities					
Accounts payable and accrued expenses		**30,865**	10,712	**18,834**	12,122
Fees received in advance		**4,354**	11,719	**6,080**	6,857
Accrued income tax		**(506)**	203	**-**	-
Other current liabilities		**38,976**	44,493	**61,740**	14,114
Net Cash from Operating Activities		**783,335**	129,157	**694,190**	29,712

Please see the notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 76 to 106 which form an integral part of these financial statements, especially the Note No.6 on page 88 fifth paragraph regarding the values of investment in matching funds.

(Unit : Thousand Baht)

	Notes	Consolidated 2004	Consolidated 2003	SET 2004	SET 2003
Net Cash from Operating Activities		**783,335**	129,157	**694,190**	29,712
Cash Flows from Investing Activities					
Cash at banks by M.O.U.		**(12,265)**	(31,984)	**(12,265)**	(31,984)
Cash received from short-term investments		**5,644,918**	4,867,215	**5,550,581**	4,420,015
Investment income		**447,657**	295,226	**438,533**	281,658
Purchases of short-term investments		**(4,328,839)**	(4,127,182)	**(4,121,782)**	(3,633,486)
Purchases of long-term promissory notes-financial institutions		**(150,000)**	(629,530)	**(150,000)**	(629,530)
Purchases of bonds		**(40,000)**	-	**(40,000)**	-
Purchases of debentures		**(50,000)**	-	**(50,000)**	-
Purchases of investment units in mutual funds		**(1,795,041)**	(800,698)	**(1,795,041)**	(800,698)
Cash received (paid) from loans to subsidiary	16	**-**	-	**5,000**	(11,294)
Purchases of fixed assets	7	**(269,290)**	(148,376)	**(249,407)**	(120,701)
Purchases of intangible assets	8	**(62,901)**	(26,715)	**(62,502)**	(24,565)
Proceeds from sales of fixed assets		**543**	4,241	**49**	4,233
Proceeds from sales of intangible assets		**-**	-	**-**	152
Investments in subsidiaries		**-**	-	**(100,000)**	(40,000)
Investments in other companies		**(1,238)**	-	**(1,238)**	-
Dividends received from subsidiaries		**-**	-	**43,000**	38,000
Dividends received from other companies		**-**	10,280	**-**	10,280
Benefits from Staff Welfare Fund		**799**	503	**799**	503
Benefits from Securities Investor Protection Fund		**421**	-	**421**	-
Net Cash used in Investing Activities		**(615,236)**	(587,020)	**(543,852)**	(537,417)
Cash Flows from Financing Activities					
Admission fee received from members	9.6	**-**	398,053	**-**	398,053
Net Cash from Financing Activities		**-**	398,053	**-**	398,053
Net Increase (Decrease) in Cash and Cash Equivalents		**168,099**	(59,810)	**150,338**	(109,652)
Cash and Cash Equivalents at Beginning of the Year		**190,189**	249,999	**48,517**	158,169
Cash and Cash Equivalents at End of the Year		**358,288**	190,189	**198,855**	48,517
Supplementary Information for Cash Flows:					
Cash paid during the year					
Income tax paid		**27,224**	21,825	**-**	-

Please see the notes to the consolidated and the Stock Exchange of Thailand's financial statements on pages 76 to 106 which form an integral part of these financial statements, especially the Note No.6 on page 88 fifth paragraph regarding the values of investment in matching funds.

1. General information

The Stock Exchange of Thailand (the SET) is a juristic entity incorporated under the Securities Exchange of Thailand Act, B.E. 2517 (1974). The principal objective is to be the market or the center for purchases and sales of securities and to provide related services, which have no objective on profit distribution to members. The SET commenced trading securities on 30 April 1975. At the present, the SET operates under the Securities and 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. Provide and disseminate data and knowledge to investors;
4. Supervise and monitor securities trading activities, listed companies and member companies;
5. Provide back-office services for securities and futures, including being a clearing house, providing services of clearing and settlement, shares depository and back office service bureau;
6. Provide registrar services including shares registrar and fund registrar;
7. Manage and advise on the Exchange of futures and other financial securities. Provide other services related to futures trading transactions;
8. Provide services related to computer systems, information technology and other communication network systems for trading of securities, payment and delivery of securities;
9. Provide production and advisory services on media and advertisement production through medias in order to disseminate finance and investment knowledge to public;
10. Manage open-ended mutual funds to promote foreign investment in The Stock Exchange of Thailand;
11. Engage in the business of investment management by issuing the Non - Voting Depository Receipt (NVDR) and the Depository Receipt (DR) to investors as prescribed by the Office of the Securities and Exchange Commission (SEC) and invest the proceeds from the issuance of such instruments in shares of listed companies or public companies which are approved by the SEC to offer to the public, or other securities as prescribed by the SEC.

As at 31 December 2004 The Stock Exchange of Thailand and its subsidiaries employed 741 employees (2003 : 643 employees).

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated and the SET's financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of The Office of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The consolidated and the SET's financial statements have been prepared under the historical cost convention, except for certain items, investments in available-for-sale and trading securities which are presented at fair value.

2.2 Use of estimates

The preparation of consolidated and the SET's financial statements in conformity with generally accepted accounting principles requires management, in some circumstances, to make estimates and assumptions to reflect the appropriated contingencies of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated and the SET's financial statements and the amounts of revenues and expenses in the reported periods. Actual results afterwards may differ from those estimates.

2.3 Financial statements consolidation

Subsidiaries, which are those entities in which the SET has power to govern the financial and operating policies, are 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 related party transactions, balances and unrealized gain and loss 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 list of the SET's principal subsidiaries and the financial effect from share of net profit is shown in Note 5.

2.4 Investments in subsidiaries and associate

Investments in subsidiaries are accounted for in the SET's financial statements by the equity method of accounting. These are undertakings over which the SET exercises control. Allowance, if any, is recorded for impairment in investment value.

Investment in associate is accounted for by the equity method of accounting. This is undertaking over which the SET exercises significant influence, but which it does not control. Allowance, if any, is recorded for impairment in investment value.

Equity accounting involves recognizing the SET's share of the subsidiaries and associate's profit or loss for the year in the statement of revenues and expenses. 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.

2.5 Foreign currency translation

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

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, cash at banks and promissory notes at financial institutions held for working capital and short-term commitment payment purposes.

2.7 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at anticipated realizable value. An estimate of allowance for doubtful accounts is made 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.

2.8 Investments

Debt securities and marketable equity securities classified as available-for-sale securities are carried at fair value. 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 in the balance sheets.

Debt securities and marketable equity securities classified as trading securities are carried at fair value. 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 trading securities in the statement of revenues and expenses.

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

Investments in matching funds established under specific purposes which have policy to invest in marketable equity securities and other equity instruments, are classified as general investments and are carried at cost in the balance sheets.

Investments in non-marketable equity securities classified as general investments are carried at cost in the balance sheets.

A test for impairment is carried out by the SET 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 to the statement of revenues and expenses.

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

2.9 Property and equipment

Land is stated at cost. All other property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings	30	years
Building improvements	10	years
Furniture and fixtures	5	years
Office equipment	5	years
Motor vehicles	5	years
Computers	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 amount of the anticipated discounted cash flows from the continuing use of the asset or 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 included 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 in which they are incurred.

2.10 Intangible assets

2.10.1 Computer software

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 or its subsidiaries and will probably generate future economic benefit beyond one year, are recognized as intangible assets. Direct cost includes purchase price and costs of obtaining the assets for its intended use.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognized as intangible assets. Computer software development costs recognized as assets are amortized using the straight line method over their useful life, generally over 5 years.

2.10.2 Patent

Expenditure on acquired patent for media publications (including related identifiable trademarks) which are controlled by the SET or its subsidiaries and are expected to generate economic benefits more than one year, is recognized as intangible assets. The patent is amortized over its expected useful life, generally over 10 years using the straight line method.

Patent is reviewed for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of the assets exceeds its recoverable amount.

2.11 Accounting for leases - where the entity 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.

2.12 Employee benefits

The SET operates a provident fund that is a defined contribution plan. The assets of 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.

2.13 Revenue recognition

Service revenues are recognized upon performance of services, net of discounts. For consolidated financial statements, related party service charges between the SET and its subsidiaries are eliminated.

Where there are long outstanding receivables from listing fees collection more than 3 months, the SET considers the collectibility of the receivables as doubtful and ceases revenue recognition from related listed companies immediately.

Broker seat admission fee is recognized as revenue commencing from 2004 only after the completion of fund allocation to the Securities Investor Protection Fund (SIPF) of Baht 300 million as per the Board of Governors' resolution.

Investment income and other revenues are recognized on the following basis:

i) Interest income - on accrual basis unless collectibility is in doubt.

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

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

3. Short-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Investments managed by the SET				
General investments				
Fixed deposits	**1,693,244**	1,145,762	**1,478,656**	1,048,032
Savings accounts	**424,389**	-	**395,337**	-
Promissory notes	**1,595,330**	1,572,890	**1,471,375**	1,421,719
	3,712,963	2,718,652	**3,345,368**	2,469,751
Investments in money market funds	**456,515**	-	**456,515**	-
Available-for-sale securities	**26,004**	34,846	**-**	-
Debt securities due within one year	**40,000**	145,429	**40,000**	145,429
	4,235,482	2,898,927	**3,841,883**	2,615,180
Investments managed by private funds				
General investments				
Fixed deposits	**60,000**	190,000	**60,000**	190,000
Savings accounts	**58,899**	152,773	**58,823**	151,756
Other debt instruments	**1,422,231**	1,275,941	**1,375,731**	1,222,613
	1,541,130	1,618,714	**1,494,554**	1,564,369
Trading securities	**1,348,837**	2,626,503	**1,294,051**	2,581,746
	2,889,967	4,245,217	**2,788,605**	4,146,115
	7,125,449	7,144,144	**6,630,488**	6,761,295

Investments managed by the SET

Savings accounts bear interest rate of 1.00% per annum which is equivalent to interest rate of fixed deposits.

Fixed deposits represent fixed deposits at banks which have maturity between 3 and 12 months and interest rates of 0.38% - 4.00% per annum (2003 : 0.25% - 3.00% per annum).

Promissory notes represent the promissory notes at financial institutions which have maturity between 3 and 12 months and interest rates of 1.00% - 3.25% per annum (2003 : 0.50% - 3.00% per annum).

Investments in money market funds represent investments in seven open-ended funds. The investment policy of the funds emphasizes the investments in short-term debt securities.

Available-for-sale securities represent treasury bills, government and state enterprise bonds due within 2005 which have yields of 1.30% - 1.40% per annum (2003: 1.12% - 1.13% per annum). The securities can be sold at discount in secondary market.

Debt securities due within one year represent treasury bills due within one year (2003 : government and state enterprise bonds and debentures due within one year) which have yield of 1.75% per annum (2003 : 4.77% - 6.56% per annum). The aggregated market value as at 31 December 2004 was Baht 39.80 million (2003 : 148.00 million).

Investments managed by private funds

Investments in private funds are managed by four asset management companies. The investment policy of private funds is subject to the SET's regulations: deposits at financial institutions, and investments policy as described in Note 18 - Financial instruments. The investments in private funds are presented under short - term investments.

Other debt instruments represent promissory notes, certificates of deposits and bills of exchanges of financial institutions which have interest rates of 0.50% - 4.50% per annum (2003 : 0.62% - 4.79% per annum).

Trading securities consist of government bonds, treasury bills, debt instruments guaranteed by the Ministry of Finance and debentures which have interest rates of 1.85% - 9.50% per annum (2003 : 2.16% - 8.91% per annum) and yields of 1.65% - 6.65% per annum (2003 : 1.12% - 6.65% per annum).

4. Accounts receivable and accrued income, net

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Accounts receivable	**53,183**	113,665	**59,137**	55,152
Less Allowances for doubtful accounts	**(22,043)**	(31,972)	**(10,413)**	(11,719)
	31,140	81,693	**48,724**	43,433
Add Accrued income	**79,084**	116,184	**55,148**	127,759
	110,224	197,877	**103,872**	171,192

Outstanding accounts receivable can be analyzed as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Less than 3 months	**29,597**	78,761	**47,996**	41,918
3 - 6 months	**267**	2,409	**267**	2,405
6 - 12 months	**-**	1,031	**-**	-
Over 12 months	**23,319**	31,464	**10,874**	10,829
	53,183	113,665	**59,137**	55,152
Less Allowance for doubtful accounts	**(22,043)**	(31,972)	**(10,413)**	(11,719)
	31,140	81,693	**48,724**	43,433

As at 31 December 2004, the SET had 5 listed companies which have overdue accrued listing fees of 3 - 6 months and over 12 months of Baht 1.24 million and Baht 3.09 million, respectively. Thailand Securities Depository Co., Ltd., a subsidiary, had 5 accounts receivable which have overdue accrued stock registrar fees of 6 - 12 months and over 12 months of Baht 3.07 million and Baht 5.05 million, respectively. Both the SET and Thailand Securities Depository Co., Ltd. have ceased recognition of revenues from these receivables. These receivables have been transferred to unrecognized accounts receivable and have been written off from the accounts receivable in these financial statements.

The SET has no significant concentrations of credit risks other than receivables from Thailand Securities Depository Co., Ltd., which represents 70.51% of total accounts receivable in SET's financial statements. The SET's management believe that the amount of allowance for doubtful accounts provided for is sufficient to deal with existing credit risks.

5. Investments in subsidiaries and associate

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Opening net book amount	**142,659**	140,451	**655,993**	581,631
Add Share of net profit	**2,207**	2,208	**83,130**	72,362
Investment in Thailand Futures Exchange Public Co., Ltd.	-	-	**100,000**	-
Investment in Family Know-How Co., Ltd.	-	-	-	30,000
Investment in Siam DR Co., Ltd.	-	-	-	10,000
Less Share of dividends	-	-	**(43,000)**	(38,000)
Closing net book amount	**144,866**	142,659	**796,123**	655,993

The principal subsidiaries and associate are:

i) **Subsidiaries directly held by the SET**

		Country of incorporation	% Ownership interest	
	Business		**2004**	2003
Thailand Securities Depository Co., Ltd.	Post-trading clearing and settlement services	Thailand	**99.99**	99.99
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	**99.99**	99.99

	Business	Country of incorporation	% Ownership interest 2004	2003
Family know-How Co.,Ltd.	Production and advisory services and edutainment through medias on finance and investment knowledge	Thailand	**99.99**	-
Thailand Futures Exchange Public Co., Ltd.	Future exchange center	Thailand	**99.99**	-
Thai Trust Fund Management Co., Ltd.	Mutual fund management	Thailand	**99.99**	99.99
Thai NVDR Co., Ltd.	Investment in Non-Voting Depository Receipt (NVDR) management	Thailand	**99.99**	99.99
Siam DR Co., Ltd.	Investment in Depository Receipt (DR) management	Thailand	**99.99**	99.99

ii) Indirect subsidiary (investments held by Thailand Securities Depository Co., Ltd.)

	Business	Country of incorporation	% Ownership interest 2004	2003
Thailand Clearing House Co., Ltd.	Clearing house and related services for futures	Thailand	99.99	-

iii) Associate

	Business	Country of incorporation	% Ownership interest 2004	2003
Clearing Fund	Fund	Thailand	33.77	39.31

The SET has no control over Clearing Fund. Clearing Fund has been operated under the Regulations of the Clearing Fund (No. 1) B.E. 2541 (1998) which require a lum sum payment of Baht 100 million as an initial contribution from the SET. The percentage of ownership interest varies according to further contributions from other members of Clearing Fund. Therefore, the investment in Clearing Fund is classified as investment in associate.

Details of investments are as follows:

(Unit : Thousand Baht)

	Consolidated				
	2004				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Clearing Fund	422,458	33.77	100,000	144,867	-

(Unit : Thousand Baht)

	Consolidated				
	2003				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Clearing Fund	357,234	39.31	100,000	142,659	-

(Unit : Thousand Baht)

	SET				
	2004				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Thailand Securities Depository Co., Ltd.	200,000	99.99	200,000	285,937	40,000
SETTRADE.COM Co., Ltd.	80,000	99.99	80,000	86,692	-
Family Know-How Co., Ltd.	50,000	99.99	50,000	51,185	-
Thailand Futures Exchange Public Co., Ltd.	100,000	99.99	100,000	99,797	-
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	106,288	3,000
Thai NVDR Co., Ltd.	10,000	99.99	10,000	11,186	-
Siam DR Co., Ltd.	10,000	99.99	10,000	10,171	-
Clearing Fund	422,458	33.77	100,000	144,867	-
			650,000	796,123	43,000

(Unit : Thousand Baht)

	SET				
	2003				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Thailand Securities Depository Co., Ltd.	200,000	99.99	200,000	262,880	38,000
SETTRADE.COM Co., Ltd	80,000	99.99	80,000	72,102	-
Family Know-How Co., Ltd.	50,000	99.99	50,000	50,124	-
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	107,838	-
Thai NVDR Co., Ltd.	10,000	99.99	10,000	10,484	-
Siam DR Co., Ltd.	10,000	99.99	10,000	9,906	-
Clearing Fund	357,234	39.31	100,000	142,659	-
			550,000	655,993	38,000

6. Long-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
General investments				
Fixed deposits	**50,000**	176,284	**50,000**	176,284
Cash at banks under commitments	**3,000**	3,000	-	-
Cash at banks by M.O.U	**172,454**	160,189	**172,454**	160,189
Promissory notes	-	380,000	-	380,000
Investments in matching funds	**2,500,000**	2,500,000	**2,500,000**	2,500,000
Equity securities	**62,336**	61,098	**62,336**	61,098
	2,787,790	3,280,571	**2,784,790**	3,277,571
Investments in mutual funds	**2,164,833**	1,049,687	**2,164,833**	1,049,687
Debt securities held to maturity	**891,152**	834,129	**891,152**	834,129
	5,843,775	5,164,387	**5,840,775**	5,161,387

Fixed deposits represent fixed deposits at banks which have maturity over than 1 year and interest rates of 0.50% - 4.25% per annum (2003 : 2.75% - 4.25% per annum).

Cash at banks under commitments is used as security for credit facilities granted from banks. Cash at banks by M.O.U is also used as security for housing loans to employees of the SET and its subsidiaries by a bank under a Memorandum Of Understanding.

Promissory notes represent promissory notes of financial institutions, which have maturity over than 1 year and interest rates of 1.75% - 3.25% per annum.

Investments in matching funds represent investments in two mutual funds. The mutual funds have a policy to emphasize investments in the capital markets where there are a good return at appropriate risk. Both mutual funds have certain redemption restrictions in which the redemption of investment units is not allowed during the first 3 years (2002-2004) unless there is an unanimous resolution reached from all unit holders.

These investments in matching funds are carried at cost under Thai generally accepted accounting principles due to the redemption restriction over the first 3 years. If the investments were calculated at fair value using the Stock Exchange quoted prices at 31 December 2004, the investment value would be Baht 4,379 million (2003 : Baht 5,084 million). Unrealized gain from investments would be decreased by Baht 705 million as at 31 December 2004 (2003 : increased by Baht 2,541 million). The general fund would be decreased or increased at the same amounts accordingly.

The fair value and unrealized gain from investments in matching funds are as follows:

(Unit : Thousand Baht)

	Consolidated and SET		
	2004		
	Fair value	Cost	Unrealized gain
Investment units in matching funds	4,379,192	2,500,000	1,879,192

(Unit : Thousand Baht)

	Consolidated and SET		
	2003		
	Fair value	Cost	Unrealized gain
Investment units in matching funds	5,084,434	2,500,000	2,584,434

Equity securities comprise:

(Unit : Thousand Baht)

		% Ownership interest		Consolidated and SET	
	Paid-up Capital	**2004**	2003	**2004**	2003
Equity securities (other companies)					
Thai Rating & Information Service Ltd.	100,000	**13.34**	12.52	**12,336**	11,098
TSFC Securities Limited	1,000,000	**5.00**	5.00	**50,000**	50,000
				62,336	61,098

Investments in mutual funds represent investments in 38 open-ended equity funds (2003 : 16 funds) which have the policy to emphasize the investments in equity securities of listed companies.

Debt securities represent government and state enterprise bonds and debentures which have maturity within 2 - 8 years, coupon rates of 4.20% - 8.00% per annum (2003: 4.20% - 8.00% per annum) and yields of 3.58% - 6.10% per annum (2003: 3.76% - 6.10% per annum). The aggregated market value at 31 December 2004 was Baht 907 million (2003: Baht 842 million).

(Unit : Thousand Baht)

	Consolidated and SET	
	2004	2003
Debt securities (Bonds)		
Government bonds	**803,652**	902,058
State enterprise bonds	-	15,000
Debt securities (Debentures)	**87,500**	62,500
Less Current portion	-	(145,429)
	891,152	834,129

The fair value and unrealized gain from investments in debt securities are as follows:

(Unit : Thousand Baht)

	Consolidated and SET		
	2004		
	Fair value	Amortized cost - net	Unrealized gain
Government bonds	818,969	803,652	15,317
Debentures	88,398	87,500	898
	907,367	891,152	16,215

(Unit : Thousand Baht)

	Consolidated and SET		
	2003		
	Fair value	Amortized cost - net	Unrealized gain
Bonds			
Government bonds	909,586	902,058	7,528
State enterprise bonds	15,620	15,000	620
Debentures	64,595	62,500	2,095
Less Current portion	(147,924)	(145,429)	(2,495)
	841,877	834,129	7,748

7. Property and equipment, net

(Unit : Thousand Baht)

	Consolidated					
	Land	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2003						
Cost	99,053	-	569,746	1,022,305	6,488	1,697,592
Less Accumulated depreciation	-	-	(113,904)	(852,572)	(3,502)	(969,978)
Allowance for impairment	(4,941)	-	-	-	-	(4,941)
Net book amount	94,112	-	455,842	169,733	2,986	722,673

(Unit : Thousand Baht)

	Consolidated					
	Land	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
Year ended 31 December 2004						
Opening net book amount	94,112	-	455,842	169,733	2,986	722,673
Additions	-	172,640	16,735	76,751	3,164	269,290
Adjustments	-	-	(1,729)	-	-	(1,729)
Disposals	-	-	-	(162)	-	(162)
Depreciation charge	-	-	(36,931)	(50,299)	(1,336)	(88,566)
Closing net book amount	94,112	172,640	433,917	196,023	4,814	901,506
As at 31 December 2004						
Cost	99,053	172,640	584,751	1,093,979	8,741	1,959,164
Less Accumulated depreciation	-	-	(150,834)	(897,956)	(3,927)	(1,052,717)
Allowance for impairment	(4,941)	-	-	-	-	(4,941)
Net book amount	94,112	172,640	433,917	196,023	4,814	901,506

(Unit : Thousand Baht)

	SET					
	Land	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2003						
Cost	99,053	-	567,293	898,850	5,577	1,570,773
Less Accumulated depreciation	-	-	(113,729)	(770,286)	(2,591)	(886,606)
Allowance for impairment	(4,941)	-	-	-	-	(4,941)
Net book amount	94,112	-	453,564	128,564	2,986	679,226
Year ended 31 December 2004						
Opening net book amount	94,112	-	453,564	128,564	2,986	679,226
Additions	-	171,020	15,973	59,250	3,164	249,407
Adjustments	-	-	(1,729)	-	-	(1,729)
Disposals	-	-	-	(72)	-	(72)
Depreciation charge	-	-	(36,631)	(37,239)	(1,336)	(75,206)
Closing net book amount	94,112	171,020	431,177	150,503	4,814	851,626

(Unit : Thousand Baht)

	SET					
	Land	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2004						
Cost	99,053	171,020	581,536	954,679	8,741	1,815,029
Less Accumulated depreciation	-	-	(150,359)	(804,176)	(3,927)	(958,462)
Allowance for impairment	(4,941)	-	-	-	-	(4,941)
Net book amount	94,112	171,020	431,177	150,503	4,814	851,626

According to certain conditions under the land lease agreement, the legal ownership of buildings and building improvements have been transferred to the landlord at the completion of buildings since 1998. However, the SET has the right to use the buildings over a period of 30 years as described in Note 17 : Long-term land lease contingency.

8. Intangible assets, net

(Unit : Thousand Baht)

	Consolidated			
	Work in process	Software	Patent	Total
As at 31 December 2003				
Cost	-	235,634	-	235,634
Less Accumulated amortization	-	(152,483)	-	(152,483)
Net book amount	-	83,151	-	83,151
Year ended 31 December 2004				
Opening net book amount	-	83,151	-	83,151
Additions	41,806	19,095	2,000	62,901
Adjustments	-	(8,720)	-	(8,720)
Amortization charge	-	(26,014)	-	(26,014)
Closing net book amount	41,806	67,512	2,000	111,318
As at 31 December 2004				
Cost	41,806	246,008	2,000	289,814
Less Accumulated amortization	-	(178,496)	-	(178,496)
Net book amount	41,806	67,512	2,000	111,318

(Unit : Thousand Baht)

	SET		
	Work in process	Software	Total
As at 31 December 2003			
Cost	-	175,556	175,556
Less Accumulated amortization	-	(111,708)	(111,708)
Net book amount	-	63,848	63,848
Year ended 31 December 2004			
Opening net book amount	-	63,848	63,848
Additions	41,393	21,109	62,502
Adjustments	-	(8,720)	(8,720)
Amortization charge	-	(17,052)	(17,052)
Closing net book amount	41,393	59,185	100,578
As at 31 December 2004			
Cost	41,393	187,945	229,338
Less Accumulated amortization	-	(128,760)	(128,760)
Net book amount	41,393	59,185	100,578

Work in process principally comprise expenditure that is directly related to ongoing trading system development projects.

9. Fund balances

(Unit : Thousand Baht)

	Consolidated and SET								
	Securities Clearing Reserve Fund	Futures Clearing Reserve Fund	Indemnity Fund	SET Building Fund	Staff Welfare Fund	Securities Investor Protection Fund	The SET's 30th Anniversary Charity Fund	General Fund	Total
	9.1	9.2	9.3	9.4	9.5	9.6	9.7		
Beginning balance									
1 January 2004	2,000,000	-	100,000	246,328	34,667	-	-	10,827,719	13,208,714
Add Excess of revenues over expenses (Note 10)	-	-	-	-	682	1,365	-	936,952	938,999
Transferred from General fund	-	300,000	-	-	50,000	300,000	100,000	-	750,000
Less Transferred to other funds	-	-	-	-	-	-	-	(750,000)	(750,000)
Ending balance									
31 December 2004	2,000,000	300,000	100,000	246,328	85,349	301,365	100,000	11,014,671	14,147,713
Beginning balance									
1 January 2003	2,000,000	-	100,000	246,328	34,219	-	-	10,000,045	12,380,592
Add Excess of revenues over expenses (Note 10)	-	-	-	-	-	-	-	332,308	332,308
Admission fees received from members	-	-	-	-	-	-	-	495,366	495,366
Interest from investments and loans	-	-	-	-	448	-	-	-	448
Ending balance									
31 December 2003	2,000,000	-	100,000	246,328	34,667	-	-	10,827,719	13,208,714

Fund balances comprise :

9.1 Securities Clearing Reserve Fund

In 1997, the Board of Governors approved an appropriation of general fund of Baht 2 billion as the Securities Clearing Reserve Fund in order to resolve the liquidity issue in the event of default on clearing and settlement from securities trading and other matters by the members at Thailand Securities Depository Company Limited, a subsidiary of the SET.

9.2 Futures Clearing Reserve Fund

In 2004, the Board of Governors approved an appropriation of general fund of Baht 300 million as the Futures Clearing Reserve Fund, in order to assure the clearing and settlement system of futures contracts at Thailand Clearing House Company Limited, a subsidiary of Thailand Securities Depository Company Limited.

9.3 Indemnity Fund

In 1993 and 2002, the Board of Governors approved an appropriation of general fund of Baht 100 million as the Indemnity Fund in order to assure the Board of Governors and those appointed assignees on matters requiring considerations and decisions which may affect or cause damages to other parties.

9.4 SET Building Fund

In 1992, the fund was initially established from an appropriation of general fund of Baht 580 million in accordance with the approval by the Board of Governors for the construction of the SET buildings. The office buildings were completely constructed in 1998. The remaining fund of Baht 246.3 million is reserved for further construction of parking building but after receiving permission from the landlord who has been negotiating with the original lessee.

9.5 Staff Welfare Fund

In 1997, the Board of Governors approved an appropriation of general fund of Baht 25 million as the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

In 2004, the Board of Governors approved an additional allocated fund from general fund of Baht 50 million to Staff Welfare Fund in response to the increase of the SET's staff.

9.6 Securities Investor Protection Fund

In 2002, the SET accepted 9 new brokers. The Board of Governors approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of an Investor Protection Fund. The broker seat admission fees in 2003 and 2002 of Baht 495.37 million and Baht 150.88 million respectively were recorded as part of general fund.

In 2004, the Board of Governors approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF). When the allocated broker seat admission fees reach Baht 300 million limit, the excess broker seat admission fees collected have been recorded and included in the statement of revenues and expenses from 2004 onwards.

The SIPF was formally established under SIPF regulations on 1 October 2004. The objective of the fund is to protect and build confidence to the investors trading listed securities at the SET through the members of SIPF. As at 31 December 2004, the number of SIPF members was 29.

The assets of SIPF comprises :

1. the initial fund from the SET of Baht 300 million which is appropriated from broker seat admission fees;
2. the future membership entry fees and monthly fees collected from the members (commencing from 1 January 2005) which will be cumulated up to Baht 200 million;
3. the future benefits generated from investments in SIPF.

The fund will protect the investors' assets being in the custody of the member of SIPF. In the event that the members of SIPF fail to return the assets to investors, each investor shall be compensated by SIPF for his/her damage at the actual cost but not more than Baht 1 million per each SIPF member for the following cases:

1. In case SIPF member is in receivership under the Bankruptcy Acts or
2. In case there are disputes concerning the purchase or sale of listed securities in the SET between investors and SIPF member, and the arbitrators' award is SIPF member shall return the assets to investors, but such SIPF member violates such award.

The protection will not include any losses from securities trading no matter who makes investment decision.

SIPF's financial statements included as part of the consolidated and the SET'S financial statements are as follows:

SIPF balance sheet as at 31 December 2004:

(Unit : Thousand Baht)

	SET's Contribution
Assets	
Current Assets	
Cash and cash equivalents	622
Short-term investments	299,781
Accrued interest receivables	962
Total Assets	301,365
Liabilities and Fund Balances	
Initial fund	300,000
Retained Fund Balances (Excess of revenues over expenses)	1,365
Total Liabilities and Fund Balances	301,365

SIPF statements of revenues and expenses for the period from 1 October 2004 (Date of fund establishment) to 31 December 2004 is presented in Note 10 : Results of funds operation.

9.7 The SET's 30th Anniversary Charity Fund

In 2004, the Board of Governors approved an appropriation of Baht 100 million from broker seat admission fees to establish a charity fund on the occasion of the SET's 30th year anniversary. The purpose of the fund is mainly to contribute to SET's neighboring communities and universities under SET university networking on youth development, sports and education projects. Donations from other parties are also welcome to support these activities.

10. Results of funds operation

Details of results of funds operation which are included as part of the consolidated and the SET's statements of revenues and expenses are as follows:

(Unit : Thousand Baht)

	Consolidated			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
Year ended 31 December 2004				
REVENUES				
Fees and service revenues	-	-	1,863,515	1,863,515
Investment income	682	1,383	477,757	479,822
Other revenues	-	-	373,009	373,009
Total Revenues	682	1,383	2,714,281	2,716,346
EXPENSES				
Operating expenses	-	18	1,669,285	1,669,303
Donation and social contribution	-	-	81,327	81,327
Income tax	-	-	26,717	26,717
Total Expenses	-	18	1,777,329	1,777,347
Excess of revenues over expenses	682	1,365	936,952	938,999
Year ended 31 December 2003				
REVENUES				
Fees and service revenues	-	-	1,174,214	1,174,214
Investment income	-	-	173,883	173,883
Other revenues	-	-	342,899	342,899
Total Revenues	-	-	1,690,996	1,690,996
EXPENSES				
Operating expenses	-	-	1,315,462	1,315,462
Donation and social contribution	-	-	24,536	24,536
Income tax	-	-	18,690	18,690
Total Expenses	-	-	1,358,688	1,358,688
Excess of revenues over expenses	-	-	332,308	332,308

(Unit : Thousand Baht)

	SET			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
Year ended 31 December 2004				
REVENUES				
Fees and service revenues	-	-	1,620,220	1,620,220
Income from investments	682	1,383	468,063	470,128
Other revenues	-	-	240,574	240,574
Total Revenues	682	1,383	2,328,857	2,330,922
EXPENSES				
Operating expenses	-	18	1,310,951	1,310,969
Donation and social contribution	-	-	80,954	80,954
Total Expenses	-	18	1,391,905	1,391,923
Excess of revenues over expenses	682	1,365	936,952	938,999
Year ended 31 December 2003				
REVENUES				
Fees and service revenues	-	-	1,018,246	1,018,246
Income from investments	-	-	164,658	164,658
Other revenues	-	-	213,008	213,008
Total Revenues	-	-	1,395,912	1,395,912
EXPENSES				
Operating expenses	-	-	1,044,071	1,044,071
Donation and social contribution	-	-	19,533	19,533
Total Expenses	-	-	1,063,604	1,063,604
Excess of revenues over expenses	-	-	332,308	332,308

11. Other revenues

Other revenues comprise:

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Share clearing, transfer and deposit fees and others	**97,192**	68,968	-	-
Information service revenues	**66,691**	51,046	**57,773**	47,541
Service and advertising revenues	**50,645**	82,050	-	-
Revenues from Thailand Securities Institute	**25,951**	30,973	**25,951**	30,973
Member fines	**24,700**	17,064	**24,700**	17,064
Securities Biz Service Bureau revenues	**24,289**	22,378	-	9,336
Publication & Media revenues	**16,271**	7,623	**16,271**	7,623
Clearing and settlement default fines	**15,921**	19,375	-	-
Other revenues	**49,142**	41,214	**32,749**	28,109
	370,802	340,691	**157,444**	140,646

12. Contributions to the Office of the Securities and Exchange Commission (SEC)

The Securities and Exchange Act B.E. 2535 (1992) requires the SET to contribute a fund to the SEC at the rate as determined by the Board of the SEC.

From 2003 onwards, the Board of the SEC has required the SET to contribute to the SEC at the rate of 0.002% of trading volume of prior year, but the amount is subject to the minimum requirement of Baht 90 million and the maximum requirement of Baht 150 million. The contribution criteria is required to review at every three years except there is a significant event which may require the review before the said period, where appropriate.

13. Other expenses

Other expenses comprise:

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Communication expenses	**119,507**	64,248	**17,602**	15,319
Service and advertising production cost	**76,306**	95,563	**-**	-
Fees to external parties	**68,615**	42,537	**98,626**	70,341
Office building expenses	**53,048**	44,947	**52,280**	42,877
Repair and maintenance expenses	**29,364**	25,592	**26,940**	22,379
Directors' fees	**23,490**	22,590	**18,531**	18,135
Contribution to institutions	**22,828**	53,844	**28,318**	58,958
Stationery and envelope expenses	**18,380**	14,062	**5,426**	4,947
Other expenses	**65,670**	50,643	**38,358**	37,653
	477,208	414,026	**286,081**	270,609

14. Contingent liabilities

As at 31 December 2004, the SET had letters of guarantee issued by banks of Baht 2.09 million (2003: Baht 2.09 million) in respect of electricity usage in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The SET has issued the letter of comfort to a bank in respect of an overdraft credit line granted to Thailand Securities Depository Co., Ltd. (TSD), a subsidiary, of Baht 1,000 million (2003: Baht 1,000 million). Under the terms of the letter of comfort, the SET is required to maintain 99.99% of share capital in TSD throughout the end of credit period. In addition, the SET is required to support TSD's operation in ensuring its ability to repay debts to the bank. As at 31 December 2004, the overdraft credit line had not yet been drawn down.

15. Commitments

The future minimum lease payment commitment under operating leases, which can not be ceased, are as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2004	2003	**2004**	2003
Up to 1 year	**10,793**	9,244	**8,374**	5,265
1 - 3 years	**13,450**	16,295	**10,026**	9,079
3 - 5 years	**1,041**	958	**900**	231
	25,284	26,497	**19,300**	14,575

The above operating leases mainly relate to motor vehicle leases. In addition, the SET has the approximate commitments of Baht 308 million in respect of consultant, design and construction of the new SET buildings and information center at North Park on Viphavadi Rangsit road, Bangkok, from which they are anticipated to complete in 2005 (2003 : None).

16. Related party transactions

The following significant transactions were carried out with related parties:

i) Services revenues

(Unit : Thousand Baht)

	SET	
	2004	2003
Subsidiaries		
Thailand Securities Depository Co., Ltd.	**297,236**	306,211
Family Know-How Co., Ltd.	**9,319**	2,507
Thai Trust Fund Management Co., Ltd.	**4,800**	4,800
SETTRADE.COM Co., Ltd.	**4,334**	4,228
Thai NVDR Co., Ltd.	**-**	600
	315,689	318,346

Pricing policy

The SET charges services rendered to subsidiaries at its estimated cost of services.

ii) Purchases of services

(Unit : Thousand Baht)

	SET	
	2004	2003
Subsidiaries		
Family Know-How Co., Ltd.	59,321	32,521
SETTRADE.COM Co., Ltd.	41,576	37,643
Thai NVDR Co., Ltd.	1,500	1,500
Thailand Securities Depository Co., Ltd.	13	-
	102,410	71,664

Pricing Policy

The SET pays for services rendered from subsidiaries at their estimated cost of services.

iii) Outstanding balances arising from purchases/sales of services

(Unit : Thousand Baht)

	SET	
	2004	2003
Receivables, accrued income and other assets from:		
Subsidiaries:		
Thailand Securities Depository Co., Ltd.	59,294	74,749
Family Know-How Co., Ltd.	5,358	9,659
SETTRADE.COM Co., Ltd.	405	1,391
Thai NVDR Co., Ltd.	-	642
Siam DR Co., Ltd.	-	59
	65,057	86,500
Payables, accrued expenses and other liabilities to:		
Subsidiaries:		
Family Know-How Co., Ltd.	15,739	5,982
SETTRADE.COM Co., Ltd.	4,566	6,439
Thailand Securities Depository Co., Ltd.	3,587	3,586
Thai NVDR Co., Ltd.	479	-
	24,371	16,007

iv) Loans to subsidiary

In 2002, the SET granted an interest-free credit line of Baht 15.00 million to Family Know-How Co., Ltd. (the Company) for the acquisition of studio's production equipment and office equipment. The SET has a right to call for loan repayment in full or in partial after 31 December 2004 but the SET is required to submit a notification demanding for repayment to the Company at least 3 months in advance.

As at 31 December 2004, the outstanding balance of loans to subsidiary was Baht 10.00 million. (2003: Baht 15.00 million).

v) Contributions

In 2004, the SET contributed Baht 25.00 million to Family Know-How Co., Ltd. to support its business operation (2003: Baht 31.00 million).

vi) Directors' remuneration

In 2004, total remuneration of management of the SET and its subsidiaries, which consisted of director fees and other fees of the Board of Governors and the Board of Directors of subsidiaries, the fees received as members of sub-committees, and salary and other benefits of the President of the SET and Managing Director of subsidiaries, approximated Baht 57.10 million (2003: Baht 58.25 million).

17. Long-term land lease contingency

In 1998, the SET entered into a 30-year land lease agreement with a lessor (who is the landlord) for the construction of the SET buildings. The land lease agreement expires at the end of July 2028. Under the terms of lease, a company who previously had a lease right on the land agrees to be responsible for all lease payments on behalf of the SET to the lessor. In the event of default on lease payment, the lessor is required to proceed for collection directly with such company until the final judgement from the Supreme court has been obtained before the lessor can claim for lease payments from the SET.

Such company has been under financial difficulty and unable to pay the lease charge since 1994 amounting to approximately Baht 222.69 million. The lessor is in the process of enforcement through litigation against such company under the Civil court. In 2004, the Civil court ordered the Company to pay the outstanding lease charge from 1994 to 2001 amounting to Baht 132.84 million and the interest of 7.50% per annum to the lessor.

The SET has assessed the present status of litigation and the status and intention of the group of such company. The case is still pending and is likely to take considerable time further until the final judgement. Therefore, the final outcome of the litigation is still remote and is unable to reliably estimated at the present and no provision is recognized at the date of these financial statements.

18. Financial instruments

i) Key objectives and conditions

The SET maintains high liquidity and therefore no policy to seek outside funding in the near future. The SET has a policy to invest its funds at low-risk financial institutions which have a good return.

ii) Credit risk from investments and deposits

The SET has no significant concentration of investments or deposits at financial institutions. The SET, however, is exposed to market risks as the issuer and/or investor of financial instruments. The SET, however, has a policy to diversify its investments and deposits to high credit financial institutions according to the SET's regulations.

In 2004, the Board of Governors of the SET approved an investment policy to invest in debt securities and/or other securities at a proportion which suit to circumstance at each point of time. The investment policy framework on types and proportion of investments is as follows:

1. Investments in debt securities

Type of investments	Proportion to total investments in debt securities
• Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws that guaranteed by Ministry of Finance	Unlimited amount
• Time deposits at commercial banks and promissory notes at entities incorporated by specific laws	Not more than 15% per institution
• Debentures or warrants of debentures and bills of exchange	Not more than 5% per issuer
• Investment units or warrants of investment units in mutual funds which emphasize debt securities	Not more than 10% per mutual fund

2. Investments in equity securities

Type of investments	Proportion to total investments in equity securities
• Investment units or warrants of investment units in mutual funds which emphasize equity securities	Not more than 10% per mutual fund

The investments in any asset management companies should not more than 40% of total investments.

In 2003, the investment policies are as follows:

Type of investments	Proportion to total investments
• Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws	Not less than 10%
• Fixed deposits at government banks	Not more than 50%
• Fixed deposits at commercial banks	Not more than 50%
• Promissory notes at financial institutions	Not more than 50%
• Corporate debentures	Not more than 20%

iii) Fair value

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

19. Approval of financial statements

These financial statements have been approved by the Board of Governors of the SET already.

The Maruey Knowledge & Resource Center...
enjoy thinking, discovering and learning life's skills

Thailand Securities Depository Co. Ltd.

Mrs. Nongram Wongwanich
President

Mrs. Kongkeaw Piamduaytham
Senior Vice President
Depository & Clearing Division

Mrs. Pannaporn Sapsomboon
Senior Vice President
Business Support Division,
Registration & Services Division

Mrs. Udomwara Dechsongjarus
Vice President
Clearing House Department

Mrs. Busaba Viruchagool
Vice Presiden
Fund-Operation Services
Department

Thailand Securities Depository Company Limited

The Thailand Securities Depository Co. Ltd. (TSD) is a subsidiary of The Stock Exchange of Thailand (SET). It was established on November 16, 1994 and began operations on January 1, 1995, to develop and promote efficient and internationally recognized post-trading services in Thailand.

Vision

To offer a complete range of post-security-trading services for the Thai capital market, applying both international best practices and cutting-edge technology

Operations

The TSD is a center for securities post-trading services, and has five types of services:

Ms. Nantirat Chavalitlekha
Vice President
Clearing House Department

Ms. Yupawan Sirichainarumitr
Vice President
Business Solutions Department

Mr. Somchai Oksue
Vice President
Registration Services Department

Ms. Pataravasee Suvarnsorn
Vice President
Broker-Operation Services Department

- *Securities Depository:* acts as a central securities depository, using an efficient scripless system.
- *Securities Clearing and Settlement:* acts as the sole clearing house for securities trading in Thailand, utilizing an internationally-accepted multilateral netting mode of settlement.
- *Securities Registration:* acts as a securities registrar for all listed companies and other issuing companies.
- *Fund Registration:* acts as a registrar of retirement mutual funds (RMFs), mutual funds, long-term equity funds (LTFs) and provident funds for asset management companies.
- *Back Office Service Bureau:* provides securities post-trading operations and acts as the center for operation system development.

Registered Capital

The TSD has THB 200 mln. in registered capital.

Shareholding and Organization Structure

- The SET holds 99.99% of the registered capital.
- The TSD organization comprises three business lines: Clearing and Depository, Registration and Services, and Business Support.

Board of Directors

Director's Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kittiratt	Na-Ranong	Vice Chairman
Mrs. Wiwan	Tharahirunchote	Director
Mr. Wiboon	Perm-Arayawong	Director
Miss Orajit	Singkalavanich	Director
Mr. Suwit	Udomsab	Director
Mr. Jaroong	Nookhwun	Director
Mr. Pradit	Sawattananond	Director
Mr. Bandid	Nijathaworn	Director
Mrs. Patareeya	Benjapolchai	Director
Mrs. Nongram	Wongwanich	President

Year 2004 Business Operational Review

Significant business operations for 2004 are summarized below:

- The TSD has developed a registration system to support the Vayupak Fund which has been listed and traded since February 27, 2004. As of December 31, 2004, there were over 30,000 unit holders.
- The TSD, in coordination with its members and the Bank of Thailand, developed a system and guidelines for the linking of systems to support the Real Time Gross Settlement (RTGS) process, which is expected to be operational by Q2/2005.
- The TSD has been working to find solutions and shorten the settlement cycle from T+3 to T+2, which is expected to be in place in Q3/2005.

- The TSD is developing its securities post-trading systems utilizing cutting-edge technology to improve its efficiency in communicating and sending/receiving information. The project is expected to be completed in Q4/2005 and will help the entire system become more efficient.
- The TSD conducted a study on securities borrowing and lending (SBL) to establish a set of guidelines for developing the SBL market within the Thai capital market. Foreign organizations, such as the Korea Securities Depository (KSD), have been very cooperative.
- The TSD hired a consultant to develop a standard agreement for SBL transactions. This will standardize the Thai capital market's procedures and ensure that they are in accordance with the Global Master Securities Lending Agreement.
- The TSD has established the Thailand Clearing House Co. Ltd. (TCH), and holds 99.99% of its registered capital. The TCH has a stringent and efficient risk-management system and is currently ready to offer services for the derivative market, which will open in 2005.
- The TSD has gathered and systemized a comprehensive collection of information directly relevant to its working systems in a database. A knowledge forum and information-sharing day are held quarterly for employees to exchange ideas and experience as well as to help improve relationships among employees.
- As a member of the Asia-Pacific Central Securities Depository Group (ACG), the TSD was a convener of the Settlement Risk Management Task Force. This group helped gather and analyze information assembled by ACG members concerned with risk management for the securities clearing and settlement systems of all ACG members.

Plans

To strengthen the standardization of its services and manage the challenges of today's capital markets, the TSD has set out the following strategic plans for 2005:

- To shorten the settlement cycle to T+2, to minimize risks in the clearing and settlement system. The project will be completed in Q3/2005.

- To develop a clearing and settlement system to support Gross Settlement, which will be another clearing and settlement option for TSD members. The project will be operational in June 2005.
- To be the center for the depositing and the clearing and settlement of debt instruments in Thailand, thus facilitating the process for parties utilizing debt instruments. The project will become operational in 2005.
- To further develop procedures and working systems for securities post- trading by using cutting-edge technology to make the systems more efficient and in line with international standards. The development process will be completed in Q4/2005.
- To expand TSD's services to cover SBL as well as the repo market. This is to manage settlement risks and help minimize the industry's overall costs of using its SBL services. The TSD will offer these services in 2005.

1. Securities Depository

Number of Depository Participants (Participants)

Number of Securities Deposited in the Securities Depository System (Securities)

Value of Securities Deposited in the Securities Depository System (THB mln.)

The Stock Exchange of Thailand (SET) (At Market Price) (THB mln.)

The Bond Electronic Exchange (BEX) (At Market Price) (THB mln.) 2/

The Market for Alternative Investment (mai) (At Market Price) (THB mln.)

1/ Including property fund

2/ The BEX started trading on November 26, 2003.

Number of Transactions in the Securities Depository System (Transactions)

Number of Accounts in the Securities Depository System (Accounts)

2. Securities Clearing and Settlement [3/]

3. Securities Registration

4. Fund Registration

5. Back Office Services Bureau - BSB [5/]

3/ The figures shows the clearing and settlement of securities traded on The Stock Exchange of Thailand only.
4/ Fund registration for Long-Term Equity Fund started in October 2004.
5/ Back Office Service Bureau (BSB), formerly rendered by The Stock Exchange of Thailand, has run by the TSD since July 2004.
6/ In 2004, 7 out of 14 brokers use back office service only for corporate debentures trading on The Stock Exchange of Thailand.

Mrs. Kongkeaw Piamduaytham

Managing Director

Thai Trust Fund Management Company Limited

The Thai Trust Fund Management Co. Ltd. (TTF) was established by The Stock Exchange of Thailand (SET) to promote foreign investment in the Thai stock market by providing foreigners with another channel for investing in Thai listed shares through mutual funds.

Business Operations

TTF was licensed by the Securities and Exchange Commission (SEC) and is managed by the SET and the Thailand Securities Depository Co. Ltd. (TSD). The TTF is a passive management arrangement. When an investor places a bid through a broker, the TTF will place a corresponding order to buy the underlying shares and will issue units to the investor. The TTF will not exercise its voting rights except on motions to delist the underlying shares from the SET. The main function of the TTF is to look after the financial benefits of unit holders such as dividends and right issues. TTF's functions as an open-ended fund, and invests in shares of individually-listed securities. The mutual funds are considered to be Thai juristic entities even though foreigners own all of the fund's units.

Registered Capital

The TTF is a wholly-owned subsidiary of the SET. The TTF has THB 100 mln. of registered capital, with the SET holding 99.99% of the total.

Supervisor of the Mutual Fund

Thai Military Bank Pcl.

Board of Directors

Director's Name		Position
Mr. Kittiratt	Na-Ranong	Chairman
Mr. Suthichai	Chitvanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Mrs. Patareeya	Benjapolchai	Director
Mrs. Kongkeaw	Piamduaytham	Managing Director

2004 Operational Review and Statistical Highlights

At the end of 2004, 14 listed companies were participating in the TTF, as follows:

Company	Percentage of Holding by TTF allowed by the Listed Company	No. of Shares Held by the Thai Trust Fund
1. Alucon Pcl.	**15.00**	2,571,800
2. Tongkah Harbour Pcl.	**20.00**	0
3. Precious Shipping Pcl.	**5.00**	10,000
4. Hana Microelectronics Pcl.	**24.00**	0
5. Berli Jucker Pcl.	**24.00**	1,828,200
6. Thoresen Thai Agencies Pcl.	**35.00**	0
7. Advanced Info Service Pcl.	**2.50**	64,039,000
8. True Corporation Pcl.	**9.69**	357,999,515
9. Thai Reinsurance Pcl.	**24.00**	68,728,100
10. Laguna Resorts & Hotels Pcl.	**20.00**	4,987,866
11. Royal Garden Resort Pcl.	**10.00**	57,122,850
12. Golden Land Property Development Pcl.	**20.00**	0
13. KGI Securities (Thailand) Pcl.	**25.00**	0
14. Singer Thailand Pcl.	**10.00**	13,473,000

บริษัท ไทยเอ็นวีดีอาร์ จำกัด
THAI NVDR CO., LTD.

The THAI NVDR CO. LTD. was established on October 4, 2000 by The Stock Exchange of Thailand (SET) to attract foreign investors to the Thai capital markets.

Business Operations

The THAI NVDR CO. LTD. is responsible for executing the purchases or sales of listed company shares when investors wish to trade through Non-Voting Depository Receipts (NVDRs). Such actions will not affect the number of securities held or the nationality of holders. NVDR holders will receive the full financial benefits as if they had invested directly in the listed companies' shares themselves (e.g., dividends, rights, or warrants). However, there are no voting rights for NVDR holders except in motions involving delisting.

Registered Capital

The THAI NVDR CO. LTD. has a registered capital of THB 10 mln., with the SET holding 99.99% of the registered capital.

Board of Directors

Director's Name		Position
Mr. Kittiratt	Na-Ranong	Chairman
Mr. Suthichai	Chitvanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Mrs. Patareeya	Benjapolchai	Director
Mrs. Kongkeaw	Piamduaytham	Managing Director

2004 Operational Review and Statistical Highlights

As of December 31, 2004, investors held NVDRs based on the underlying shares of 448 companies out of the total 465 listed companies. This is equivalent to 96.76% of all the listed companies on the SET. Furthermore, the volume of NVDRs to foreign investors' turnover was 25.55%.

บริษัท สยามดีอาร์ จำกัด
SIAM DR CO.,LTD.

The SIAM DR CO. LTD. was established on October 6, 2003 by The Stock Exchange of Thailand (SET) to issue and sell depository receipts (DRs) to investors.

Business Operations

The SIAM DR CO. LTD. is responsible for issuing and selling DRs to investors under Securities and Exchange Commission (SEC) regulations as well as the buying of the underlying securities of listed companies or any other securities that are approved by the SEC. DR holders will receive the same benefits as received by the holders of underlying securities, including full financial and/or voting rights. However, only Thai DR holders have the right to instruct the Siam DR Co. Ltd. on how to vote in the shareholders' meetings of listed companies.

Registered Capital

The SIAM DR CO. LTD. has a registered capital of THB 10 mln., with the SET holding 99.99% of all registered capital.

Board of Directors

Director's Name		Position
Mr. Kittiratt	Na-Ranong	Chairman
Mr. Suthichai	Chitvanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Mrs. Patareeya	Benjapolchai	Director
Mrs. Kongkeaw	Piamduaytham	Managing Director

Mrs. Chanisa Chutipat
Chief Executive Officer

Mr. Thirapun Sanpakit
Chief Information Officer

Mr. Kirati Kosicharoen
Vice President
Marketing & Business
Development Department

Mr. Pongpiti Ektheinchai
Vice President
Information Technology
Support Department

settrade
Settrade.com Company Limited

Settrade.com Co. Ltd. (Settrade) was established by The Stock Exchange of Thailand (SET) on October 13, 2000. Since starting operations in November 2000, the firm has provided Internet trading platforms and used high-end investment technology so that brokerage firms can offer more trading channels to retail investors. Settrade also develops computerized systems related to the securities business. Furthermore, it is the official selling agent and central marketer of SET online information products, thus increasing the efficiency of information dissemination to investors and other market participants, e.g., data vendors, brokers, research houses, and the press.

Vision

To develop Thailand's capital market by facilitating Internet trading and widely disseminating market information in an accurate, timely, comprehensive, and efficient manner.

Registered Capital, Shareholding, and Organization Structure

- Established with THB 80 mln. of registered capital.
- The SET holds 99.99% of the registered capital.
- Settrade consists of three departments: Information Technology, Information Technology Support, and Marketing & Business Development.

Board of Directors

Director's Name		Position
Mr. Vijit	Supinit	Chairman
Dr. Olarn	Chaipravat	Director
Mr. Sahas	Treetipbut	Director
Mr. Charnchai	Charuvastr	Director
Mrs. Kannikar	Chalitaporn	Director
Mr. Nopdol	Nandabhiwat	Director
Mr. Kittiratt	Na-Ranong	Director
Mrs. Patareeya	Benjapolchai	Director
Mrs. Chanisa	Chutipat	Chief Executive Officer

Major Activities in 2004

Highlights of the Settrade's activities in 2004 are summarized as follows:

- **Sales and Services to SET members** Settrade introduced a new Internet trading system-Streaming-and various mobile services for checking information on stocks, mutual funds and bonds via cellular phones. In 2004, Settrade's system was utilized to randomly allot the IPO shares of Airports of Thailand Pcl. (AOT), Thai Oil Pcl. (TOP), MCOT Pcl. (MCOT), and SIAM DR Co. Ltd. (BCP-DR1) to the public. Settrade had 17 brokers as members in 2004.
- **Information services** Settrade launched an investor version of SETSMART (SET Market Analysis and Reporting Tool) to help retail investors access a broad range of fundamental information. Settrade also joined hands with 17 brokers and the Securities Analysts Association to launch the "Analyst Consensus" service on www.settrade.com. Furthermore, Settrade, together with the SET, researched and designed the new transmission channel for the real-time Price Reporting System (PRS) over the Transmission Control Protocol/Internet Protocol (TCP/IP) network, which will be launched in early 2005.

- **Investor base expansion** Settrade organized training and marketing activities to boost Internet trading and educate investors, listed companies' personnel, university students, and the general public. As of end-2004, Settrade had 28,936 online accounts, 13,108 of which were new, representing an increase of 83% year-on-year. The company also created brand and online investment awareness through the mass media, including newspapers, magazines, radio, television and the SET's 1st floor plasma display. To accommodate its promotional and marketing activities, Settrade manages a coffee cum book shop, called "Settrade.com".

- **Website services via www.settrade.com** In 2004, Settrade added currency exchange information, international exchange Indices, and oil and gold prices provided by Moneyline Telerate. Settrade also compiled and provided more comprehensive information to website viewers via articles, research papers, and analyst consensus. The website won the "Truehits 2004 Award" of the Government Information Technology Services (GITS), National Electronics and Computer Technology Center (NECTEC), as Thailand's most popular website under the "Banking-Finance" category for the second consecutive year. Settrade also cooperated with Family Know-How Co. Ltd. and the True Corporation Pcl. to broadcast live seminars via its SETCast service. A pilot project was undertaken at the "SET in the City" event was broadcasted to the SET Building and SET Information Centers at Khon Kaen and Chiang Mai Universities. Over 5,000 unique Internet Protocols (IPs) watched this service using broadband Internet.

Statistical Highlights

	2004	2003	2002
Number of clients (brokerage houses)	**17**	15	14
Number of trading accounts	**28,936**	15,828	5,244
Average number of orders per month	**280,757**	156,514	39,105
Average number of matched orders per month	**119,828**	73,799	17,839
Average trading value (buy+sell) per month (THB mln.)	**12,091**	8,349	1,956
Average value per matched order (THB)	**100,902**	113,132	109,625
Average number of requests per day via SMS	**9,683**	7,060	-

Business Plans in 2005

Settrade will continue to develop and expand its Internet trading system to make it faster, more reliable, and attractive for on-line investors, using technology to fulfill the SET's mission of expanding the country's investor base. The company will pursue new product developments for mobile trading and strive to create a widespread investment-oriented culture. Its information dissemination will continue to be conducted in a thorough and accurate manner. Meanwhile, technological investments will target creating added value to the company's high quality services. Important business objectives in 2005 include:

- To be the leading service center offering an Internet trading system;
- To expand the investor base of both on-line and traditional investors;
- To improve our service level in terms of reliability and speed;
- To increase the trading system's capacity to serve more users;
- To make the trading system's backup more reliable;
- To support the SET by studying and developing Internet trading systems for bonds and derivatives;
- To collaborate with the Thailand Securities Depository to improve its provident fund service system;
- To launch stock information products for the retail market;
- To collaborate with the SET to develop backup systems for stock trading.

Family Know-How Co. Ltd.

1 **Mr. Ratchapol Laovanitch**
Executive Director

2 Mrs. Thidarat Sethavaravichit
Vice President
President Office

3 Mr. Nineboon Phonvasin
Vice President
Media Production Department

4 Mr. Anupong Chaiyariti
Vice President-Media & Information
Managememt Department

5 Ms. Noppakao Sucharitakul
Vice President
Activities & Edutainment Department

6 Ms. Siriporn Sa-ngobtam
Vice President
Marketing & Research Department

Family Know-How Company Limited

The Family Know-How Co. Ltd. (FKH) was established on August 6, 2002 with THB 20 mln. in registered capital. The Stock Exchange of Thailand (SET) currently holds 99.99% of all its outstanding shares.

Scope of Work

- Help develop an "investment culture" in Thai society.
- Promote and deepen information about finance and investment to individual investors, creating a large pool of knowledgeable investors and thus help develop the Thai capital market in line with the Capital Market Master Plan.
- Publicize the development of Thai financial institutions and the investment environment as well as enhance the image of Thai investments internationally.
- Promote, through campaigns, concepts associated with good governance.
- Generate interest in, and promote an understanding of, the merits of privatization of Thai state-owned enterprises, and publicize their progress.

Mission & Vision

The FKH is represented by the symbol of a "light bulb", implying its role as a tool for illuminating the way to a better understanding of not only the economy but also the capital and money markets. Such understanding will lead to the creation of personal financial planning by individuals and, consequently, an investment culture for the whole country. The FKH's long-run intentions are to develop healthier financial and social structures for Thailand.

Board of Directors

Director's Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Nibhat	Bhukkanasut	Vice Chairman
Mr. Kittiratt	Na-Ranong	Director
Mr. Yuth	Vorachattarn	Director
Mr. Somkid	Jiranuntarat	Director
Mr. Thep	Roongtanapirom	Director
Mr. Knit	Kounavudhi	Director
Mr. Anusorn	Tamajai	Director
Mrs. Patareeya	Benjapolchai	Director
Mr. Vichate	Tantiwanich	Director
Mr. Ratchapol	Laovanitch	Executive Director

Performance in 2004

The FKH disseminated information regarding "Personal Financial Planning" and "Investment Choices" through the mass media using edutainment ("education + entertainment") as its tool so that the content would reach the requisite target groups. In 2004, the FKH did the following:

- **Television:** "Keeping Abreast with the Capital Market" and "SET in the City"
- **Radio:** Headline News, Money Line News, Documentary, Smart Money, and Let Your Money Grow Through Mutual Funds

- **Newspaper:** Focus on Listed Companies, Securities Financial Focus (Property Financing Knowledge), Smart Money (Personal Financial Planning Knowledge), Stock Shot, Mutual Funds Society and Money Mirror
- **Magazine:** Personal Finance Magazine
- **Activities:** Money Management Award, Money Expo & SET in The City and a children's play—"Ood Eed the Pig and the Magic Piggy Bank"

Furthermore, the FKH disseminated information about the Thai capital market, managing integrated media programs, e.g., for mutual funds, TSFC Securities Ltd. and the Thailand Futures Exchange (TFEX).

Operational Plans for 2005

The FKH will continue to focus on delivering the concepts of "Personal Financial Planning" and "Investment Choices" through all available media to generate maximum exposure. Moreover the FKH will join the SET to set up a TV channel dedicated to economic and investment programs.

Thailand Futures Exchange Pcl. (TFEX)

Mrs. Kesara Manchusree

Managing Director

The Thailand Futures Exchange Pcl. (TFEX), a subsidiary of The Stock Exchange of Thailand (SET), was established on May 17, 2004 as a derivatives exchange. The TFEX is governed by the Derivatives Act B.E. 2546 (2003) and is under the supervision of the Securities and Exchange Commission (SEC). By law, TFEX is allowed to trade futures, options, and options on futures. The permitted underlying products include:

- Equities and other securities, e.g., securities indices;
- Debts, e.g., government bonds and interest rates on debts;
- Non-agricultural commodities and other financial indices (e.g., gold, crude oil and foreign currencies)

Mission

The TFEX's mission is to be a world-class exchange for the trading and hedging of derivatives products. The TFEX will accomplish its mission by offering an efficient infrastructure to its market participants, with easy access and at a reasonable cost, while striving to maintain a fair, orderly and transparent market. The TFEX values its customers and is committed to providing its customers with unsurpassed services and innovative products. The TFEX intends to create and promote a knowledge-based environment.

Corporate Information

By the end of 2004, the TFEX had THB 100 mln. (approx. USD 2.5 mln.) in paid-up capital. The SET is a 99.99% stakeholder. TFEX's Board of Directors consists of the following 12 persons:

Director's Name		Position
Mr. Vijit	Supinit	Chairman
Asst. Prof. Niputh	Jitprasonk	Member
Mr. Viroj	Nualkhair	Member
Mr. Kittiratt	Na-Ranong	Member
Mrs. Patareeya	Benjapolchai	Member
Mrs. Nongram	Wongwanich	Member
Mr. Wiboon	Perm-Arayawong	Member
Professor Dr. Anya	Khanthavit	Member
Asst. Prof. Dr. Patcharavalai	Jayapani	Member
Mr. Adisorn	Sermchaiwong	Member
Mr. Charamporn	otikasthira	Member
Mrs. Kesara	Manchusree	Managing Director

TFEX Business - Present and Future

Products

As the derivatives market is quite new to Thailand, the TFEX has planned its first product to be the simple, but effective, hedging and trading of instruments. A product survey and many discussions with focus groups were conducted during the product design phase. The TFEX's aim is to launch its market in late 2005 with the SET50 Index Futures as its first product. In addition, bond futures, equity index options and stock options are all in the pipeline.

Infrastructure

The TFEX has selected a world-renowned software vendor to deliver its state-of-the-art technology trading platform. Rules, regulations and a market supervision system have also been carefully built in to ensure a fair and transparent trading environment in line with international standards.

Participant Readiness

This is one of the most critical factors to the success of the market. The TFEX has been carrying out extensive programs to help market participants and investors prepare themselves for the new and exciting derivatives business, and to attract various types of international investors to join our market.

As one of its prime efforts towards building a knowledge-based environment, in 2004, the TFEX launched its "TFEX Academy" program to educate and provide essential information to market participants. From the Academy's offerings, market participants can select various seminars and educational courses that best suit their needs. These range from basic courses on understanding derivatives for beginners to advanced courses with topics focusing on real-world applications, as well as specifically-tailored programs that will help participants better prepare themselves to operate in the derivatives business (e.g., risk management). These programs, and others, will improve the participants' skills and increase their knowledge of derivatives trading. The programs will be conducted throughout 2005.

In addition, more events and programs will be launched, both domestically and internationally, in order to help introduce the TFEX and its products to the world. For example, in March 2005, the TFEX Academy and the University of Chicago Graduate School of Business, world-famous for its pioneering work in derivatives, will join together to offer a seminar entitled "Leading the Way into the Futures Business" for top Thai capital market executives.

The Way Forward

The TFEX is committed to the success of a liquid derivatives market with a complete product range. At this stage, the TFEX's role is to build a solid foundation for the derivatives market in Thailand. The TFEX will carry out this role and help ensure that investors benefit, market participants are strengthened and Thailand has a sustainable, growing derivatives market.

No	Company Name	Symbol
1*	BUALUANG SECURITIES PUBLIC COMPANY LIMITED 191 SILOM COMPLEX OFFICE BUILDING, 29/F, SILOM ROAD, SILOM, BANGRAK, BANGKOK 10500 Tel (662) 231-3777 Fax (662) 231-3797 Website www.bualuang.co.th	BLS
2*	TISCO SECURITIES COMPANY LIMITED 48/8 TISCO TOWER, 4/F, NORTH SATHORN ROAD, BANGRAK, BANGKOK 10500 Tel (662) 633-6999 Fax (662) 633-6900 Website www.tiscosec.com	TSC
3	ADKINSON SECURITIES PUBLIC COMPANY LIMITED 132 SINDHORN BUILDING 1, 2/F, WIRELESS ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 263-3733 Fax (662) 254-4032 Website www.adkinsononline.com	ASL
4*	DBS VICKERS SECURITIES (THAILAND) COMPANY LIMITED 989 SIAM TOWER BUILDING, 14-15/F, RAMA I ROAD, PATHUMWAN, BANGKOK 10330 Tel (662) 657-7000 Fax (662) 657-7777 Website www.dbsvitrade.com	DBSV
5*	SICCO SECURITIES PUBLIC COMPANY LIMITED 130-132 SINDHORN TOWER 2, 1-2, 6/F, AND SINDHORN TOWER 3, 12/F, WIRELESS ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 627-3100 Fax (662) 263-2043 Website www.ssec-online.com	SICSEC
6*	PHATRA SECURITIES PUBLIC COMPANY LIMITED 252/6 MUANGTHAI-PHATRA OFFICE TOWER 1, 6, 8-11/F, RACHADAPHISEK ROAD, HUAYKWANG, BANGKOK 10320 Tel (662) 693-2000 Fax (662) 693-2399 Website www.phatrasecurities.com	PHATRA
7*	BT SECURITIES COMPANY LIMITED 44 BANKTHAI BUILDING, 24-26/F, SOI LANG SUAN, PLOENCHIT ROAD, PATHUMWAN, BANGKOK 10330 Tel (662) 657-9000 Fax (662) 657-9333 Website www.btsecurities.com	BTSEC
8*	ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED 175 SATHORN CITY TOWER, 3/1, SOUTH SATHORN ROAD, TUNGMAHAMEK, SATHORN, BANGKOK 10120 Tel (662) 285-1666, 285-1777 Fax (662) 285-1901 Website www.asiaplus.co.th	ASP
9	CREDIT SUISSE FIRST BOSTON SECURITIES (THAILAND) COMPANY LIMITED 990 ABDULRAHIM PLACE, 27/F, UNIT NUMBER 2701, 990 RAMA IV ROAD, KWAENG SILOM, KHET BANGRAK, BANGKOK 10500 Tel (662) 614-6000 Fax (662) 614-6362 Website www.csfb.com	CSFB
10*	APEX SECURITIES COMPANY LIMITED 132 SINDHORN BUILDING 1, 1/F, WIRELESS ROAD, LUMPINEE, BANGKOK 10330 Tel (662) 256-7888 Fax (662) 256-7899 Website www.apexsec.com	APEX

No	Company Name	Symbol
11*	KASIKORN SECURITIES PUBLIC COMPANY LIMITED 400/22 KASIKORNBANK BUILDING, 19/F, PHAHOLYOTHIN ROAD, PHAYATHAI, BANGKOK 10400 Tel (662) 470-3235, 470-3276 Fax (662) 470-2223 Website www.kasikornsecurities.com	KSEC
12*	SIAM CITY SECURITIES COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 9/F, RAMA1 ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 624-8888 Fax (662) 624-8899 Website www.scis.co.th	SCIBS
13*	KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 323 UNITED CENTER BUILDING, 23/F, SILOM ROAD, BANGKOK 10500 Tel (662) 231-1111 Fax (662) 231-1505 Website www.kgieworld.co.th	KGI
14*	CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED 21/3 THAI WAH TOWER, 1/F, SOUTH SATHORN ROAD, BANGKOK 10120 Tel (662) 285-0060 Fax (662) 285-0620 Website www.cns.co.th	CNS
15*	ASIA CREDIT SECURITIES COMPANY LIMITED 622 THE EMPORIUM TOWER, 11/F, 1-8 SUKHUMWIT 24, KLONGTON, KLONGTOEY, BANGKOK 10110 Tel (662) 658-9000 Fax (662) 658-9292 Website www.acsec.co.th	ACS
16*	NATIONAL SECURITIES PUBLIC COMPANY LIMITED 444 MBK TOWER, 14, 18, 19/F, PHAYATHAI ROAD, PATUMWAN, BANGKOK 10330 Tel (662) 217-9595 Fax (662) 217-9642 Website www.natsec.co.th	NATSEC
18	TSEC SECURITIES COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 16/F, RAMA1 ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 264-5888 Fax (662) 264-5891 Website www.tsecstock.com	TSEC
19*	KIATNAKIN SECURITIES COMPANY LIMITED 500 AMARIN TOWER, 7/F, PLOENCHIT ROAD, PATHUMWAN, BANGKOK 10330 Tel (662) 680-2222 Fax (662) 680-2233 Website www.kks.co.th	KKS
22*	TRINITY SECURITIES COMPANY LIMITED 179/109-110, 25/F, BANGKOK CITY TOWER, SOUTH SATHORN ROAD, TUNGMAHAMEK, SATHORN, BANGKOK 10120 Tel (662) 670-9100 Fax (662) 286-9000 Website www.trinitythai.com	TRINITY

No	Company Name	Symbol
23*	SCB SECURITIES COMPANY LIMITED 130-132 SINDHORN BUILDING, TOWER 3, 24-26/F, WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 686-2000 Fax (662) 263-3811 Website www.scbsec.com	SCBS
24*	SYRUS SECURITIES PUBLIC COMPANY LIMITED 25 ALMA LINK BUILDING 9, 12, 15, 14, 17 & 18/F, SOI CHIDLOM, PLOENCHIT ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 646-9999 Fax (662) 646-9889 Website www.syrus.co.th	SYRUS
25*	GLOBLEX SECURITIES COMPANY LIMITED 87/2 C.R.C ALL SEASONS PLACE BUILDING 12/F, 1-7 UNIT WIRELESS ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 672-5999 Fax (662) 672-5888 Website www.GloblexSecurities.com	GLOBLEX
26*	UOB KAY HIAN SECURITIES (THAILAND) COMPANY LIMITED 130-132 SINDHORN TOWER 1, 3/F AND TOWER 3, 15, 19/F, WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 659-8000 Fax (662) 263-2306 Website www.uobkayhian.co.th	UOBKHST
27*	BFIT SECURITIES PUBLIC COMPANY LIMITED 540 MURCURY TOWER 14/F PLOENCHIT ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 658-5888 Fax (662) 658-5919 Website www.bfitsec.com	BFITSEC
28	MACQUARIE SECURITIES (THAILAND) COMPANY LIMITED 130-132 SINDHORN TOWER1, 8/F, WIRELESS ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 263-2888-9 Fax (662) 263-2898 Website www.macquarie.com	MACQ
29*	AYUDHYA SECURITIES PUBLIC COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD 12/F, RAMA1 ROAD, PATHUMWAN, PATHUMWAN, BANGKOK 10330 Tel (662) 659-7000 Fax (662) 646-1100 Website www.ays.co.th	AYS
30*	INTEL VISION SECURITIES PUBLIC COMPANY LIMITED 540 MURCURY BUILDING, 17-18/F, PLOENCHIT ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 658-5800 Fax (662) 658-5779 Website www.ivs.co.th	IVS
32*	FAR EAST SECURITIES COMPANY LIMITED 87/2 CRC TOWER 18,38,39/F ALL SEASONS PLACE, WIRELESS ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 Tel (662) 648-1111 Fax (662) 648-1000 Website www.fes.co.th	FES

No	Company Name	Symbol
33*	FINANSA SECURITIES COMPANY LIMITED 48/22-23, 12A/F AND UNIT NUMBER 48/45-46, 20/F TISCO TOWER, NORTH SATHORN ROAD, SILOM, BANGRAK, BANGKOK 10500 Tel (662) 697-3800 Fax (662) 638-0301 Website www.finansa.com	FINANSA
34*	PHILLIP SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 849 VORAWAT BUILDING, 15/F, SILOM ROAD, BANGRAK, BANGKOK 10500 Tel (662) 268-0999 Fax (662) 635-1615 Website www.phillip.co.th	PHILIP
38*	UNITED SECURITIES PUBLIC COMPANY LIMITED 1550 THANAPOOM TOWER, 4-6/F, NEW PETCHBURI ROAD, MAKKASAN, RACHTAVEE, BANGKOK 10400 Tel (662) 207-0038 Fax (662) 207-0505 Website www.unitedsec.com	US
41	JP MORGAN SECURITIES (THAILAND) COMPANY LIMITED 20 BUBPHAJIT BUILDING, 2-3/F, NORTH SATHORN ROAD, SILOM, BANGRAK, BANGKOK 10500 Tel (662) 684-2600 Fax (662) 684-2610 Website www.jpmorgan.com	JPM
42*	KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 20-21/F, RAMA1 ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 658-6300 Fax (662) 658-6301 Website www.kimeng.co.th	KIMENG
43	BNP PARIBAS PEREGRINE SECURITIES (THAILAND) COMPANY LIMITED 990 ABDULRAHIM PLACE, 29/F, RAMA IV ROAD, SILOM, BANGRAK, BANGKOK 10500 Tel (662) 659-8999 Fax (662) 659-8988 Website www.bnpparibas.com	BNPPP
45	CLSA SECURITIES (THAILAND) COMPANY LIMITED 87 M.THAI TOWER, ALL SEASONS PLACE BUILDING, 16/F, WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 Tel (662) 253-2945, 257-4600 Fax (662) 253-0534 Website www.clsa.com	CLSA
47*	SEAMICO SECURITIES PUBLIC COMPANY LIMITED 287 LIBERTY SQUARE, 9, 15-17, 20-21/F, SILOM ROAD, BANGRAK, BANGKOK 10500 Tel (662) 695-5000 Fax (662) 631-1709 Website www.seamico.com	ZMICO
49*	UBS SECURITIES (THAILAND) COMPANY LIMITED 93/1 DIETHELM TOWER A, 2, 13/F, WIRELESS ROAD, PATHUMWAN, BANGKOK 10330 Tel (662) 651-5700 Fax (662) 651-5730 Website www.ubswarburg.com	UBS

As of March, 2005

** Member companies that could trade debentures on the bourse.*

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The Stock Exchange of Thailand Building
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Facsimile : (66) 2654-5649
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