ANNUAL REPORT 2005

ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Developing a sustainable, learning-based society and economy

Vision

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

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Key Events for The Stock Exchange of Thailand (1975-2005)

1975

- May 20 : The Securities Exchange of Thailand Act B.E. 2517 was enacted.
- April 30 : The Securities Exchange of Thailand (SET) officially started trading by implementing a post-on-board system. The trading period ran from 10:30 - 12:00 hours.
- Ceiling & floor prices were set to not exceed 15% of the previous day's closing price.
- June 20 : Prime Minister MR Krukrit Pramote presided over the opening ceremonies of SET, located in the Siam Center building, 4/F, Rama I Road, Bangkok

1976

- Commission fees were set at 0.5% for trading common stocks, debentures, or preferred-stocks and 0.1% for government bonds, with a minimum of THB50 for all types of securities.

1977

- The margin rate was set at 30%.
- Listed and authorized companies submitted half-yearly financial statements in addition to annual ones.
- Trading in unit trusts started.

1978

- To ensure transparent and fair trading, SET revised its trading rules and regulations, in that member companies were allowed to receive trading orders only from marketing staff in their offices.
- May 1 : To discourage short-term trading, the government announced collection of a capital gains tax for securities held less than six months before selling, resulting in a dramatic decrease in securities trading. This tax was therefore cancelled in July.

1979

- The Raja Finance crisis strongly affected the national economy and investment.
- The ceiling and floor prices were dropped to 5% to be in line with the then-current trading state by dampening speculation.
- Listed and authorized companies started submitting quarterly financial statements starting Q3/1979, and from Q1/1981, started submitting quarterly financial statements that had been reviewed by authorized auditors. This action was considered the best practice for information disclosure and still continues.

1980

- January 2 : SET Index was introduced.
- Member companies established the "Assembly of Members of The Stock Exchange of Thailand" to promote and disseminate information regarding securities businesses. This Assembly was later named the "Association of Members of the Stock Exchange" in 1981, then the "Association of Securities Companies" in 1992.

1981

- SET's trading period was changed from 10:30 - 12:30 hours to 09:30 - 11:30 hours.
- The ceiling and floor prices were adjusted to 10%.
- Supervisory signs of "NP (Notice Pending)" and "NR (Notice Received)" were introduced to ensure that all investors received sufficient information.

1982

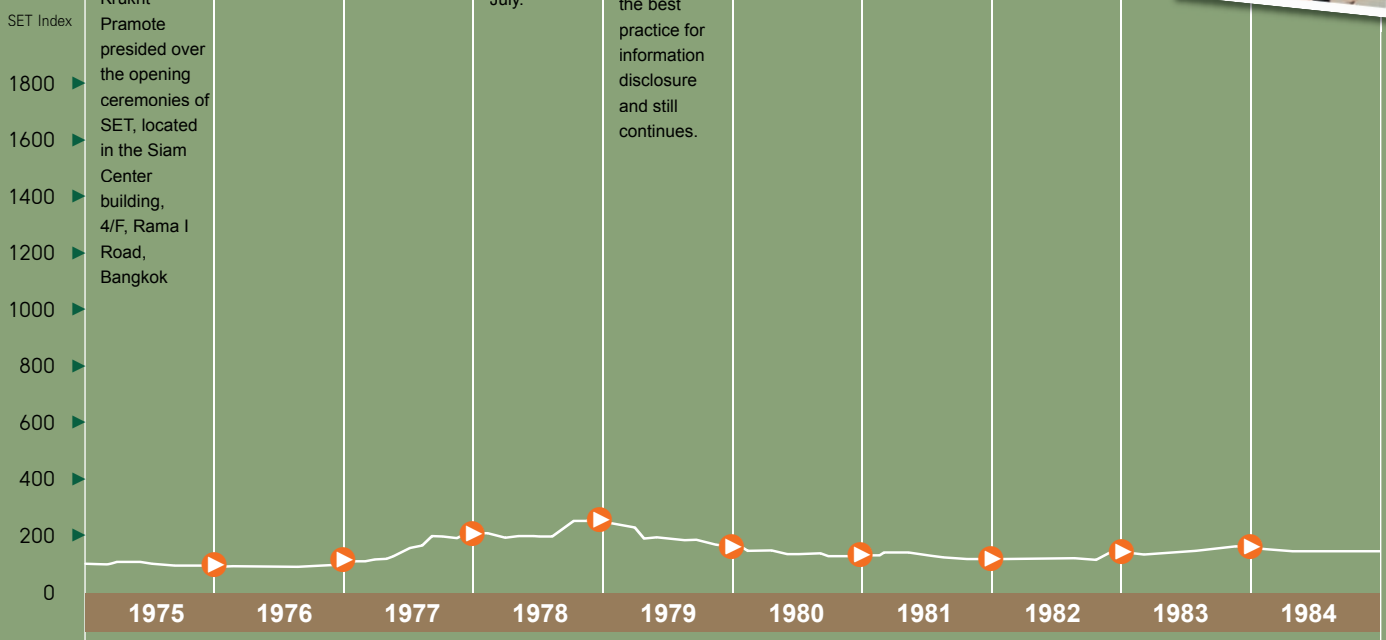
- The clearing and settlement system was improved to meet international standards by using a net clearing system to replace the original transaction-operated systems.

1983

- SET moved to the Sindhorn Building, Wireless Road, Bangkok

1984

- September 26 : The Second Securities Exchange of Thailand Act B.E. 2527 was enacted.
- The Capital Market Development Sub-committee was made responsible for drafting guidelines to develop capital market.



1985

- The post-trading system and registration platforms, which later became "Thailand Securities Depository Co., Ltd.", were developed.
- SET hosted the 4th annual meeting of East Asian and Oceanian Stock Exchanges Federation, which SET had joined in 1982.

1986

- SET joined hands with Siam Commercial Bank PCL to provide telebanking services.
- Thailand Fund, the first on-shore international mutual fund, invested in the Thai capital market with an initial value of USD30 million.

1987

- Listing requirements were amended to help small businesses raise funds on SET.
- Alien Board was established to support international investors.

1988

- Japan Securities Dealers Association accepted SET as an Authorized Stock Exchange, allowing Japanese to invest without restrictions.
- Share Depository Center (SDC) was established and the "Book Entry" system for clearing and settlement was implemented.

1989

- Department of Trade and Industry, United Kingdom, confirmed SET as an Approved Market to allow investment by unit trusts.
- Midwest Stock Exchange, of the United States, started developing SET's computer securities trading system.

1990

- Trading hours were extended from 09:30 - 11:30 hours to 09:00 - 12:00 hours.
- Restrictions were imposed on the number of shares per board lot. One board lot was to contain 100 shares to help the clearing and settlement systems meet international standards.
- SET joined World Federation of Exchanges (WFE) as a member and International Organization of Securities Commissions (IOSCO) as an affiliate member to exchange knowledge and experiences with international capital markets.
- SET joined hands with member companies in establishing "Securities Analysts Association" to develop the standards and quality of analysts.

1991

- "The Securities Exchange of Thailand" was renamed "The Stock Exchange of Thailand".
- April 19 : the fully-computerized "ASSET" (Automated System for The Stock Exchange of Thailand) trading system was introduced.
- Initiation of real-time reporting via Price Reporting System (PRS)

1992

- March 16 : the Securities and Exchange Act B.E. 2535 was enacted to enable more efficient supervision and development of the capital market.
- Trading hours were extended and divided into two sessions, 10:00 - 12:00 hours and 14:30 - 16:00 hours
- The scripless system was implemented to enhance efficiency in securities depository management.

1993

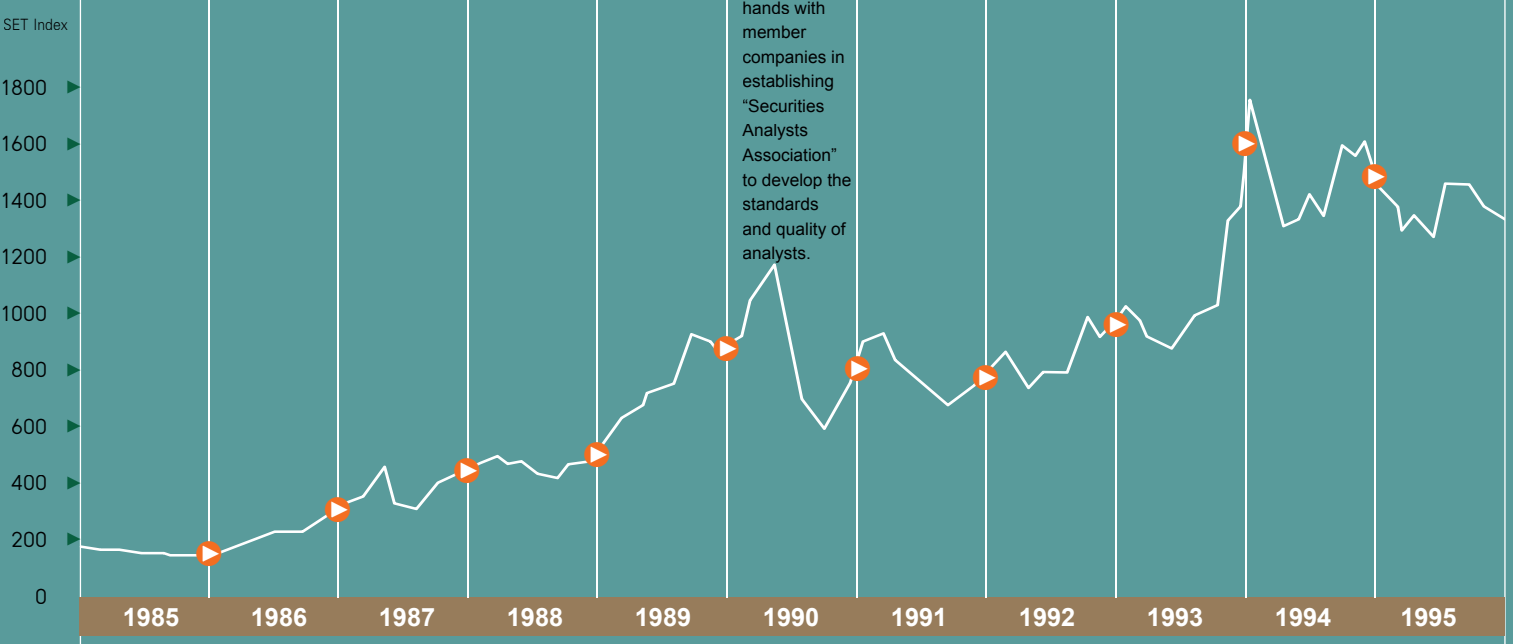
- Commission fees collected by brokers from investors trading in unit trusts and warrants were reduced from 0.5% to 0.3% but not less than THB30 per transaction.
- An "open-door" policy for full disclosure was promoted to build Corporate Governance.

1994

- January 4 : SET Index closed at 1,753.73, which was the highest point since SET first operated.
- Trading hours were extended in the afternoon from 14:30 - 16:00 hours to 14:30 - 16:30 to encourage investment from international investors and enhance competitiveness over other regional stock markets.

1995

- The supervisory sign "H (Halt)" was introduced to temporarily prohibit securities trading (for no more than one trading period).
- Establishment of Clearing Fund with an initial value of THB200 million
- August 16: SET50 Index was launched.



1996

- Listed companies disclosed their information via ELCID (Electronic Listed Company Information Disclosure) to create a fast, precise and effective information disclosure process.

- Essential information was publicized via www.set.or.th.
- Automated market surveillance tools were introduced to build investor confidence.

1997

- Commissions were adjusted, allowing sub-brokerage clients to fully negotiate fees, while international securities firms and retail clients could negotiate with minimums of 0.3% and 0.5% of each trade, respectively.
- Ceiling and floor limits were adjusted to 30% of the previous day's closing price to allow prices to better reflect market demand and promote liquidity. These limits are still used today.

1998

- Start of short selling to increase trading liquidity and manage risk.
- Credit balance introduced to replace margin trading, thus enhancing member companies' financial liquidity and following the policy of separating the finance and securities businesses.
- Relocation of the SET's offices to Ratchada-phisek Road, the current location.
- Listed companies required to have Audit Committee by December 31, 1999

1999

- Derivative warrants started trading.
- Market for Alternative Investment (mai) established to encourage small and medium businesses to raise funds on the capital market.

2000

- January 10 : Internet trading started operating.
- October 13 : Settrade.com Co., Ltd. was established to provide online securities trading for member companies and investors.
- Start of off-hours trading until 17:00 hours.
- Trading commissions of all securities were made fully negotiable, with a minimum of 0.25%

2001

- June 11 : SET launched the trading of Non-Voting Depository Receipts (NVDRs), issued by Thai NVDR Co., Ltd. These reduced foreign investment barriers and increased liquidity in the Thai market. NVDR holders have the same financial rights as other investors, but cannot vote.
- Introduction of treasury stocks
- September 12 : SET stopped trading for one day due to the impact of the World Trade Tower attack by terrorists.
- September 17 : Market for Alternative Investment (mai) started securities trading.
- Implementation of net settlement trading

2002

- Commissions were amended and set at a minimum of 0.25% for every type of investor and 0.20% for Internet trading
- September 3 : mai Index was launched.
- Family Know-how Co., Ltd. was established to promote financial literacy and investment among the general public.

2003

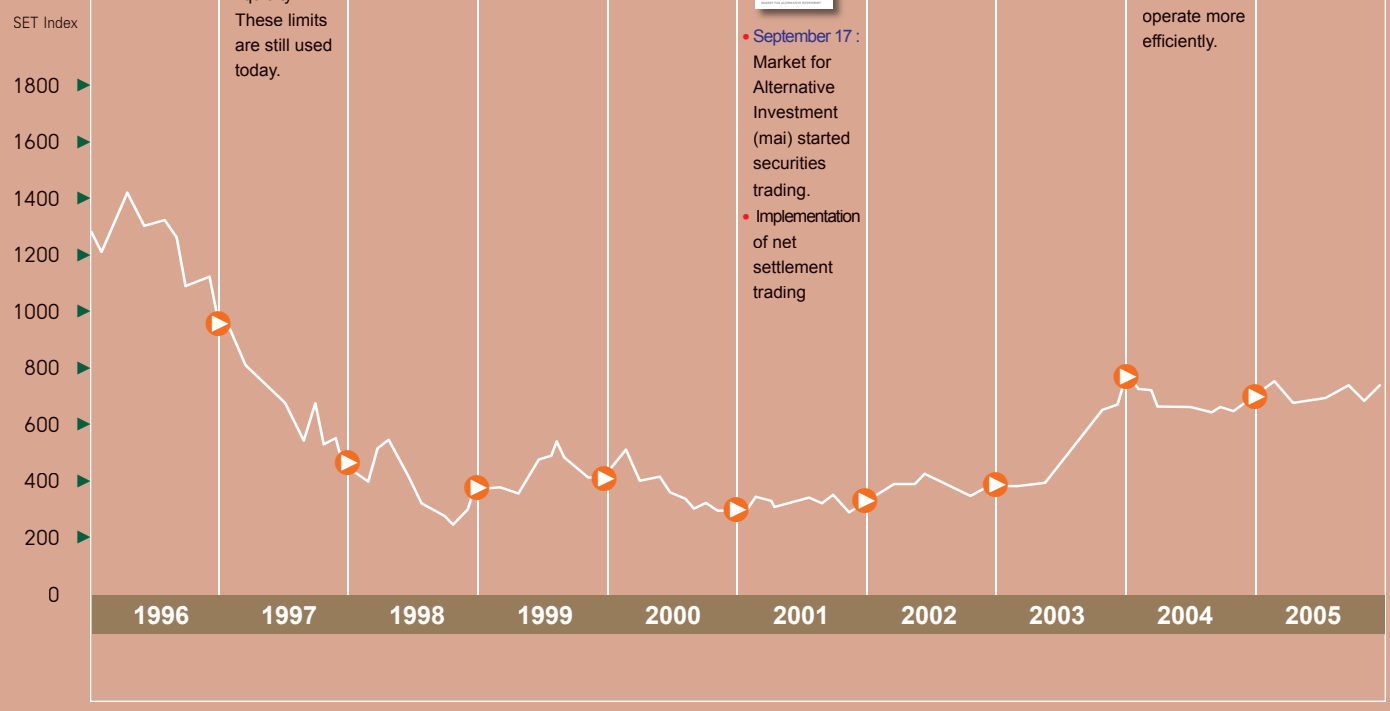
- November 4 : total trading value reached its historic peak at THB64,263.51 million per day.
- November 26 : Bond Electronic Exchange (BEX) started trading.

2004

- Thailand Futures Exchange PCL (TFEX) was established as an exchange for derivatives trading.
- Securities Investor Protection Fund (SIPF) was established to protect investors' benefits and build confidence.
- Federation of Thai Capital Market Organizations (FeTCO) was established to promote and develop the Thai capital market so that it will operate more efficiently.

2005

- May 3 : SET100 Index was introduced; SET adjusted the base index of the SET50 to be in line with SET100.
- "Money Channel", a 24/7 economic and investment information TV channel, began airing on UBC 97 and TGN (Thai TV Global Network).
- Fixed Income and Related Securities Trading System (Firsts) was developed.



Corporate Information

ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

The Stock Exchange of Thailand

Location

The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey,
Bangkok 10110, Thailand
Telephone : (662) 229-2000, (662) 654-5656
Facsimile : (662) 654-5649
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;
- Serve as a role model by acting responsibly towards society.

mai, BEX and Subsidiaries

Market for Alternative Investment (mai)

9th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2023
Facsimile : (662) 654-5596
Website : www.mai.or.th

Bond Electronic Exchange (BEX)

5th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2786
Facsimile : (662) 654-5762
Website : www.bex.or.th

Thailand Futures Exchange PCL (TFEX)

5th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2758
Facsimile : (662) 654-5213
Website : www.tfex.co.th

Thailand Securities Depository Co., Ltd.

4th - 7th Floors, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2800
Facsimile : (662) 359-1259
Website : www.tsd.co.th

Operations

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

Personnel

- The total staff of SET and its subsidiaries was 902 persons as of December 31, 2005.

International Memberships

- Asian and Oceanian Stock Exchanges Federation (AOSEF)
- International Organization of Securities Commissions (IOSCO) : Affiliate member
- World Federation of Exchanges (WFE)

Auditor

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

Thai Trust Fund Management Co., Ltd.

4th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2898
Facsimile : (662) 359-1258
Website : www.tsd.co.th/ttf/thaitrustfund.html

Thai NVDR Co., Ltd.

4th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2898
Facsimile : (662) 359-1258
Website : www.set.or.th/nvdr

SIAM DR Co., Ltd.

4th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2898-9
Facsimile : (662) 359-1258

SETTRADE.COM Co., Ltd.

5th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2084-88
Facsimile : (662) 654-5583
Website : www.settrade.com

Family Know-how Co., Ltd.

6th Floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road,
Klongtoey, Bangkok 10110
Telephone : (662) 229-2610-26
Facsimile : (662) 654-5587
Website : www.familyknowhow.com

Message from the Chairman

Even though Thailand's economy has faced numerous economic obstacles, such as the impact from the tsunami, unrest in the south, the spread of bird flu, increasing oil prices, as well as the higher interest and inflation rates, their impact has been minimized by strong export performance and the government's economic policies. The government's policy of promoting Thailand to be the "Detroit of Asia" has expanded the local automobile and related industries. Mega-infrastructure projects have enabled the construction and steel industries to grow. Consequently, Thailand's economic growth rate for 2005 remains satisfactory.

Over the last 30 years, The Stock Exchange of Thailand (SET) has successfully met all of its objectives. The Thai capital market has grown and developed a higher standard of good corporate governance. This is in line with the government's policy of developing the capital market as a crucial driving force in bringing about sustainable economic growth. SET will also strengthen the structure of the capital market and build confidence. This is to be achieved, on one hand, by increasing the diversity of investment products for corporate fund-raising. On the other hand, SET will provide investors with a wide range of investment alternatives and risk management tools, including equities, bonds, and derivatives.

SET has supported companies in raising funds through the capital market by advising potential businesses, particularly those in key industries. SET has also developed the Bond Electronic Exchange (BEX) to be a complete retail market for private and government bonds and to become an integrated investment market. Additionally, SET and Thailand Futures Exchange PCL (TFEX) have proceeded with all necessary preparations to begin futures trading in 2006, thereby enabling SET to provide all services that a mature and developed capital market normally offers to investors.

More importantly, SET has upgraded the capital market to meet international standards in Corporate Governance (CG) and accurate information disclosure. Today, we are pleased to see CG ratings have improved. SET has long realized the importance of protecting investors and all other stakeholders, so it closely monitors the trading processes so that they are fair and transparent, to gain the trust of local and international investors.

Aside from its principal mission to develop the Thai capital market and national economy, SET also realizes the importance of social responsibility and community development. Therefore, we set up the "SET 30th Anniversary Charity Fund" in 2005 to promote education, music and sports as well as improve the living standards of local communities. Another mission for SET is to become a role model of Corporate Social Responsibility (CSR) for other organizations in the capital market.

On behalf of the Board of Governors, executives, and employees of SET and its subsidiaries, I would like to thank all parties for their confidence and extensive cooperation in the SET's operations. In the future, SET, under the second Thai Capital Market Master Plan (2006-2010), will develop the market to be completely integrated through improving the market's infrastructure, promoting transparency, and enhancing competitiveness. These factors, we believe, will turn the market into a stable driving force in promoting sustainable economic growth.

Vijit Supinit

(Mr. Vijit Supinit)

Chairman

Message from the President

The Stock Exchange of Thailand (SET) will continue to help develop the Thai capital market into an integrated entity, so that it can effectively fulfill its role as an increasingly important engine for sustained economic growth. With this in mind, SET has closely cooperated with Federation of Thai Capital Market Organization (FeTCO) and other relevant public and private organizations.

Despite numerous economic obstacles during the year, many firms were interested in listing and raising funds on SET. In fact, 50 firms joined SET and Market for Alternative Investment (mai) in 2005, bringing the total number of listed companies to 504 by end-2005.

Market capitalization reached THB5.12 trillion (approx. USD1.27 billion), or 72% of GDP, a year-on-year (y-o-y) increase of 69%. Meanwhile, listed firms' total net profits reached THB537.39 billion (approx USD13.34 billion), a 13% rise over 2004. In addition, SET's promotion of good corporate governance (CG) among listed companies helped to boost the average CG score of listed firms to 69% as rated by Thai Institute of Directors (Thai IoD), up from 60% a year earlier.

As a part of the development of the Thai capital market, Bond Electronic Exchange (BEX) also grew substantially. In 2005, for the first time, BEX listed government bonds and those issued by non-listed firms. Consequently, the outstanding value of BEX listings dramatically jumped from THB194.85 billion (approx. USD4.84 billion) at the end of 2004 to THB770.46 billion (approx. USD19.13 billion) at end-2005, a 295% increase. In addition, BEX launched

its trading system, the Fixed Income and Related Securities Trading System (Firsts) exclusively designed for direct trading among institutions, to be operational later this year. Meanwhile, Thailand Futures Exchange PCL (TFEX) is ready to begin operations in 2006, starting with trading SET50 Index Futures.

Promoting financial literacy about savings and investment has always been an important SET mission, as we strongly believe that the key to sustainable market growth lies in an educated public and highly qualified financial professionals. Therefore, SET has collaborated with the Ministry of Education to train teachers nationwide under the program "Personal Finance for Youth" (Ngern-Thong-Khong-Mee-Ka). SET has also been conducting the University Networking Project to promote better financial discipline among Thais, to help make this trait an integral part of our national culture. In addition, SET has developed courses for financial professionals in line with new investment products and established the "Money Channel", a 24/7 TV transmission dedicated to financial and investment information.

To expand the market's investor base, SET organized numerous activities for individual and institutional investors, e.g., Money Expo, SET roadshows, and "SET in the City", now improved and made into a monthly version known as "Thai Investors' Day". For institutional investors, SET invited renowned regional experts to join "Thailand Focus 2005-Strategist" so that listed firms could present themselves directly to this prime target market.

SET also places a strong emphasis on Corporate Social Responsibility (CSR) by developing our society and youth. For example, "SET 30th Anniversary Charity Fund" has supported a wide variety of Thai youth development projects, such as Chulalongkorn University's Sports Center, Mahidol University's Music Library and a community library.

Over the past three decades, the growth of SET and the Thai capital market has been due to the strong support of all related parties, which enables the Thai bourse to be a strong fundamental mechanism that contributes to the nation's economy. SET will continue to pro-actively develop to deal with a changing global economy and society. We will become an integrated capital market, with a diverse product range, enabling us to reach our full potential and compete globally.

(Mr. Kittiratt Na-Ranong)

President

Expanding the quality investor base

And cultivating an investment culture

Through a variety of related activities...

Stephen R. Covey
Be Smart...

SET Board of Governors

1. **Mr. Vijit Supinit**
   Chairman
2. **Mr. Kampanart Lohacharoenvanich**
   Vice Chairman
3. **Dr. Olarn Chaipravat**
   Governor
4. **Mr. Songdej Praditsmanont**
   Governor
5. **Mrs. Wiwan Tharahirunchote**
   Governor

6 **Assoc. Prof. Niputh Jitprasonk**
Governor

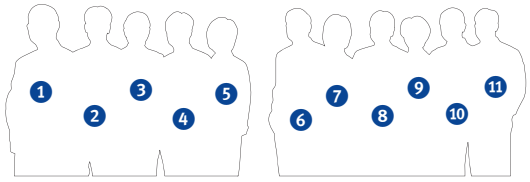
7 **Mrs. Asvini Tailanga**
Governor

8 **Mr. Anant Asavabhokhin**
Governor

9 **Mrs. Pattera Dilokrungthirapop**
Governor

10 **Mr. Suraphol Kulsiri**
Governor

11 **Mr. Kittiratt Na-Ranong**
President



Background of Governors

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

Current Positions

- Chairman, The Stock Exchange of Thailand (SET)
- 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, Bangkok

Past Experience

- Governor and Chairman of the Court of Directors, Bank of Thailand
- Chairman, Export-Import Bank of Thailand
- Commission Member, Securities and Exchange Commission
- Chairman, Fund for Revival and Development of Financial Institutions
- Executive Director, National Economic and Social Development Board
- Senator, Parliament of Thailand (Secretary, Finance, Banking and Financial Institution Committee)
- Alternate Executive Director, International Monetary Fund, Washington D.C.

Mr. Kampanart Lohacharoenvanich

Education

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

Current Positions

- Vice Chairman, SET
- President, Trinity Securities Company Limited
- Director, Trinity Wattana PCL.
- Chairman, Disciplinary Committee, SET
- Member, Executive Committee, SET
- Member, Remuneration Committee, SET
- Chairman, Association of Securities Companies (ASCO)
- Vice Chairman, Federation of Thai Capital Market Organizations (FeTCO)
- Director, Thailand Futures Exchange PCL.
- Chairman, Audit Committee, Inoue Rubber (Thailand) PCL.

Past Experience

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

Dr. Olarn Chaipravat

Education

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

Current Positions

- Governor, SET
- Council Member, Shinawatra University
- Honorary Advisor, Fiscal Policy Research Institute
- Chairman, Thai Asset Management Corporation
- Director, Thai Airways International PCL.
- Director, PTT PCL.
- Director, Settrade.com Company Limited
- Director and Chairman, Audit Committee, Shin Corporation PCL.
- Chairman, Capital Market Education Committee, SET
- Director, PTT Chemical PCL.
- Director, Thai Oil PCL.
- Chairman, Office for National Education Standards and Quality Assessment (Public Organization)

Past Experience

- Advisor to the Management Board, Siam Commercial Bank PCL.
- President & Chief Executive Officer, Siam Commercial Bank PCL.
- Director, Financial Institution Supervision & Examination Department, Bank of Thailand
- Advisor to the Finance Minister (Dr. Somkid Jatusripitak)

Mr. Songdej Praditsmanont

Education

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

Current Positions

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

Past Experience

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

Mrs. Wiwan Tharahirunchote

Education

- M.B.A. (Finance & Marketing), Kellogg School of Management, Northwestern University, U.S.A.
- Bachelor of Arts (English, with Honors), Chulalongkorn University

Current Positions

- Governor, SET
- President, One Asset Management Ltd.
- Director, Thailand Securities Depository Company Limited
- Advisor, Market for Alternative Investment (mai) Advisory Committee
- Country Representative, Kellogg Alumni Club
- Executive Director, National Electronics and Computer Technology Center (NECTEC)

Past Experience

- Director & Senior Executive Vice President, One Asset Management Limited
- Executive Vice President, One Asset Management Limited
- Assistant Vice President, Business Development Department, Kasikorn Bank PCL.
- Member, Audit Committee, SET

Assoc. Prof. Niputh Jitprasonk

Education

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

Current Positions

- Governor, SET
- Chairman to the Audit Committee, Bangkok Commercial Asset Management Company Limited (BAM)
- Member, Executive Committee, National Housing Authority
- Director, Valuers Association of Thailand
- Chairman, Academic Committee, Real Estate Business School
- Director, Asian Valuers Association
- Director, Real Estate Business Program, Faculty of Commerce and Accountancy, Thammasat University
- Chairman, Investor Protection Fund Committee, SET
- Member, Audit Committee, SET
- Director, Thailand Futures Exchange PCL.

Past Experience

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

Mrs. Asvini Tailanga

Education

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

Current Positions

- Governor, SET
- Managing Director, Thanachart Securities PCL.
- Member, Bond Electronic Exchange Committee, SET
- Member, Technology Development Committee, SET
- Member, Investor Protection Fund Committee, SET
- Member, Executive Board, Association of Securities Companies

Past Experience

- Managing Director, Tisco Securities Ccompany Limited

Mr. Anant Asavabhokhin

Education

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

Current Positions

- Governor, SET
- President / CEO, Land & Houses PCL.
- Director, Home Product Center PCL.
- Director, Quality Houses PCL.
- Director, Quality Construction Products PCL.
- Director, Bangkok Chain Hospital PCL.
- Director, Book Club Finance PCL.
- Director, Land & Houses Retail Bank PCL.

Past Experience

- General Manager, Land & Houses PCL.
- Project Manager, Land & Houses PCL.

Mrs. Pattera Dilokrungthirapop

Education

- Master of Engineering Science, University of Queensland, Brisbane, Australia
- Bachelor of Engineering (Honors) Monash University, Melbourne, Australia

Current Positions

- Governor, SET
- Chief Executive Officer, DBS Vickers Securities (Thailand) Company Limited
- Executive Director, Association of Securities Companies (ASCO)
- Director, Thailand Securities Depository Company Limited
- Director, Settrade.com Company Limited

Past Experience

- Managing Director, SG Asia Credit Securities Company Limited
- Executive Director, Asia Credit Finance PCL.
- Thailand Representative, SG Securities Research Company Limited Thailand Representative Office
- Head of Research, Socgen - Crosby Research Company Limited

Mr. Suraphol Kulsiri

Education

- Bachelor of Business Administration, Bangkok University

Current Positions

- Governor, SET
- Director, Kiatnakin Finance PCL.
- Chairman, Technology Development Committee, SET
- Member, Securities Investor Protection Fund Committee, SET
- Director, Settrade.com Company Limited

Past Experience

- Chief Executive Officer, Kiatnakin Securities Company Limited
- Assistant Managing Director, Kiatnakin Finance and Securities PCL.

Mr. Kittiratt Na-Ranong

Education

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

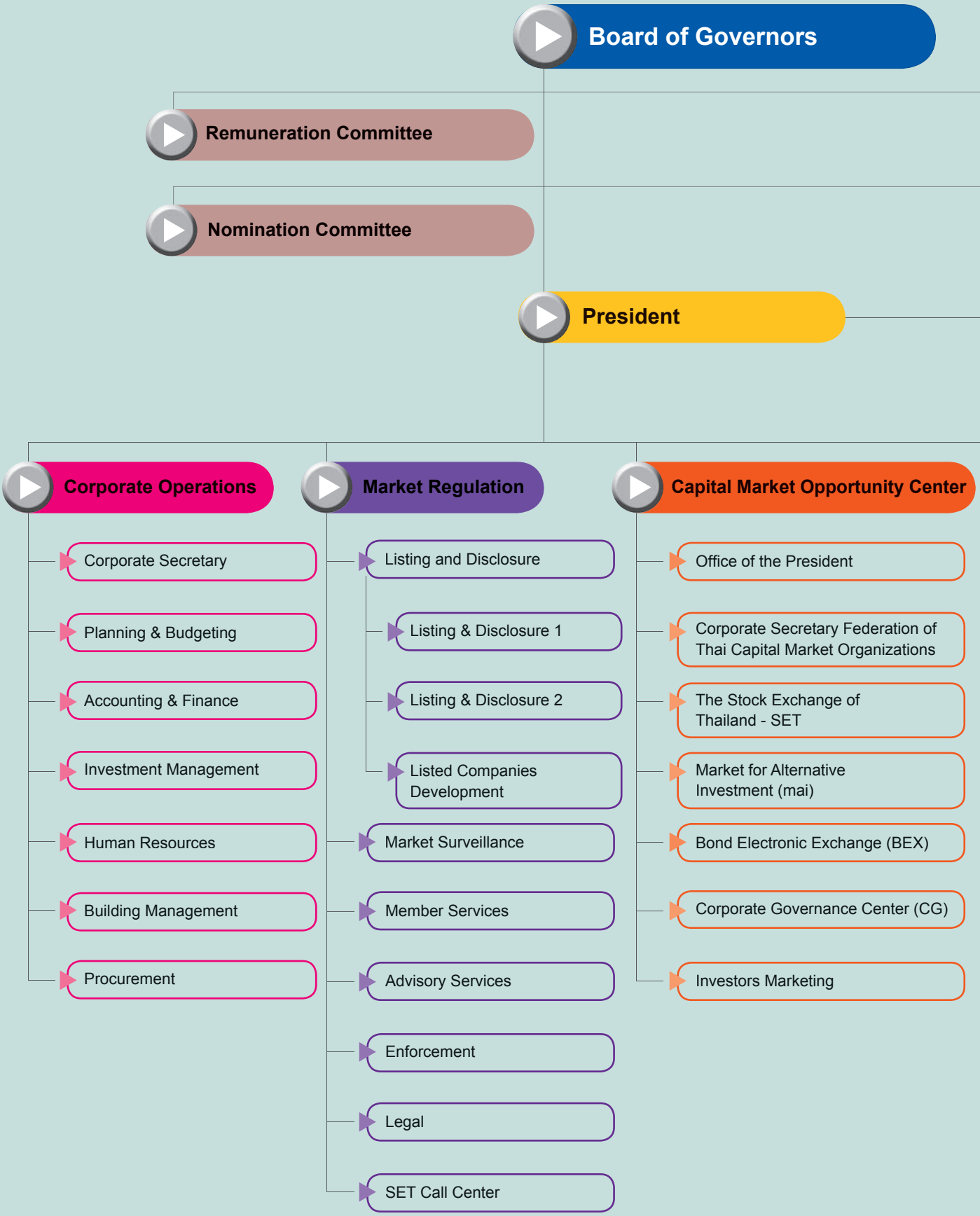
Current Positions

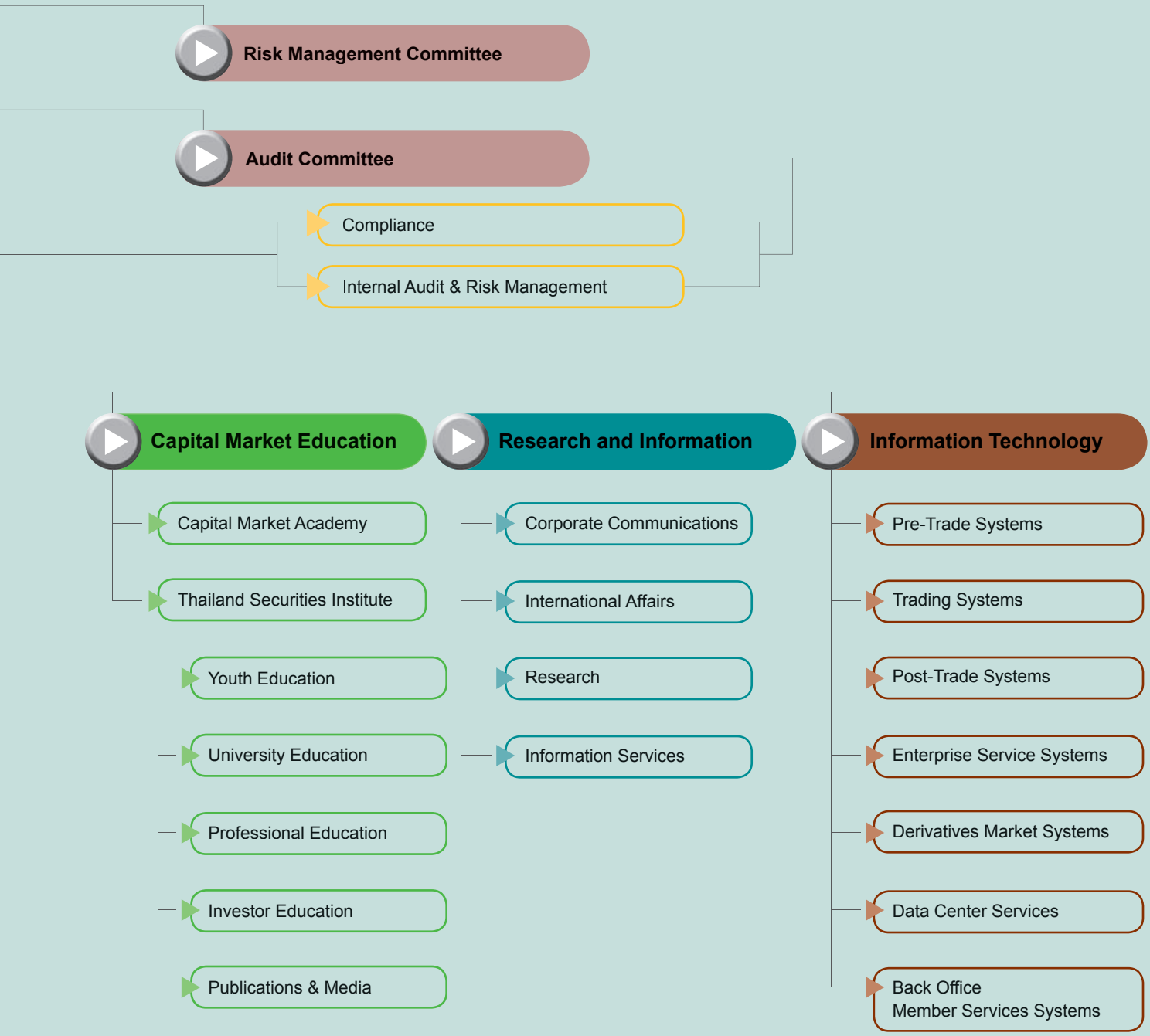
- President, SET
- Member, Committee on Relationships Between Wholesalers and Producers of Food
- Director, Property Management Office, Chulalongkorn University
- Chairman of Subcommittee, Venture Capital Fund for Enhancing SMEs Competitiveness
- Member of the Executive Board, Sports Authority of Thailand
- Director and Board Secretary, Federation of Thai Capital Market Organizations
- Director, Venture Capital Fund for Enhancing SMEs Competitiveness
- Director, State Enterprises Capital Policy Committee

Past Experience

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

SET Organization Structure





As of April 1, 2006

SET Executives

Corporate Supervision Working Group

"Our missions and responsibilities are to advise, supervise and examine the operations of SET and its subsidiaries to ensure that their activities comply with all applicable laws, rules, regulations, SET Board of Governors' Resolutions, and President's Directives. We will also help achieve an efficient internal control system and prudent risk management by submitting our supervisory reports to the Audit and the Risk Management Committees."

1. **Mr. Kittiratt Na-Ranong**
   President
2. **Ms. Patchara Wongnimitkul**
   Vice President, Compliance Department

Corporate Operations Division

"Our missions and responsibilities are to devise strategic plans and allocate the SET's corporate budget to be in line with the policies and directions as stipulated by SET Board of Governors (BOG). We function as the secretariat for the SET BOG and its counterparts at all SET subsidiaries. We also administer, manage and develop the SET's human resources, finances and assets as well as procure products and services to optimize SET and its subsidiaries' operations."

1. **Mrs. Patareeya Benjapolchai**
   Executive Vice President, Corporate Operations Division
2. **Dr. Naree Boontherawara**
   Senior Vice President, Corporate Operations Division

Research and Information Division

"Our missions and responsibilities are to provide timely and high quality information and analyses to support decision-making by capital market stakeholders, including the SET group, industry participants, the investing public and their international counterparts. We will raise public awareness and profile of the SET group through effective public relations and media networking. Furthermore, we will promote the corporate social responsibility of the SET group and encourage more participation from related parties."

3 **Dr. Sethaput Suthiwart-Narueput**
Senior Vice President, Research and Information Division

4 **Mrs. Ladawan Kantawong**
Vice President, Corporate Communications Department

3 **Mr. Paisan Puratjaroenchai**
Vice President, Building Management Department

4 **Ms. Sudarat Tangsoontornkij**
Vice President, Accounting & Finance Department

5 **Mr. Kraitas Sirikanchana**
Vice President, Procurement Department

6 **Mrs. Patchara Thanattrai**
Vice President, Human Resources Department

7 **Mr. Sittha Siripanich**
Vice President, Human Resources Department

8 **Ms. Salinee Nana**
Vice President, Investment Management Department

Capital Market Opportunity Center

"Our missions and responsibilities are to promote long-term investment in the private sector, ensuring that funds and other sources of capital are appropriately matched with targeted industries while, at the same time, increasing the number of listed companies by identifying and promoting firms with the potential to list on SET and mai. Furthermore, departmental objectives include expanding the investor base through strategic marketing, assisting the bond market to become recognized as a prominent source of capital for listed firms, and helping firms maximize the benefits of listing by utilizing various financial tools. Achieving these objectives will strengthen the companies' financial standings and corporate governance practices, bringing the firms up to international standards."

❶ **Ms. Sopawadee Lertmanaschai**
Chairman, Capital Market Opportunity Center

❷ **Mr. Vichate Tantiwanich**
Chairman, mai Advisory Committee

Market Regulation Division

"Our missions and responsibilities are to conduct market surveillance and supervise the practices of listed and member companies to ensure that they are in accordance with the letter and spirit of the SET's rules and regulations. We are also responsible for determining and enforcing all punishments on parties whose practices have violated SET regulations. Our work will be efficient, timely, and transparent. All activities are to protect the general investors' rights and benefits and retain their confidence in Exchange's trading processes."

❶ **Mr. Suthichai Chitvanich**
Executive Vice President, Market Regulation Division

❷ **Mr. Supakit Jirapraditkul**
Senior Vice President, Market Regulation Division

3 **Dr. Santi Kiranand**
Chief Executive Officer, Bond Electronic Exchange

4 **Mr. Chanitr Charnchainarong**
Chief Executive Officer
Market for Alternative Investment

5 **Ms. Wipha Leethakulnumchai**
Vice President, Marketing-SET Department

6 **Mr. Prapan Charoenprawatt**
Vice President, Market for Alternative Investment

7 **Mrs. Pannavadee Ladawan**
Vice President, Investors Marketing Department

8 **Mrs. Ratvalee Anantananont**
Vice President, Office of the President

3 **Mr. Sakkarin Ruamrangsri**
Senior Vice President, Market Regulation Division

4 **Mr. Sarayuth Boonchaoren**
Senior Vice President, Market Regulation Division

5 **Mrs. Sumalee Lertthanaporn**
Vice President, Enforcement Department

6 **Mr. Suchat Sitawarin**
Vice President, Member Services Department

7 **Mrs. Somsri Nittayasakd**
Vice President, Market Surveillance Department

8 **Ms. Paveena Sriphothong**
Vice President, Listing and Disclosure Department I

Capital Market Education Division

"Our missions and responsibilities are to create content and organize activities to promote a greater knowledge and understanding of finance and investment among Thailand's youth, investors and the general public. This expanded knowledge will enable them to understand more about investment alternatives and 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 capital market, so that they can better serve the needs of investors by maintaining the highest possible ethical and professional standards. In addition, we are also committed to develop high-quality capital market executives to gain more insights about the market and possess vision, ethical leadership and well-developed professional abilities. This is aimed to bring far-reaching benefits to organizations, the Thai capital market, economy and society as a whole."

1. **Mr. Punsak Vejanurug**
   Chairman, Capital Market Education
2. **Mrs. Jiraporn Koosuwan**
   Executive Director, Thailand Securities Institute
3. **Ms. Phanit Kirdchockchai**
   Vice President, Publications and Media Department
4. **Mrs. Karuna Aksaravut**
   Vice President, Youth Education Project

Information Technology Division

"Our missions and responsibilities are to operate and develop trading and post-trading systems to support the entire SET's capital market operations, with focus on efficiency, accuracy and reliability of the systems. In addition, we took an initiative in creating mutual missions among the securities industry as a whole in order to maintain robustness of the systems. Furthermore, several work improvement programs have been geared forward to increase efficiency through applying standard work procedures and risk-aware project management. We also promoted a culture of transparency, in which all the work can be thoroughly examined."

1. **Mr. Chaiyoot Chamnanlertkit**
   Executive Vice President
   Information Technology Division
2. **Mr. Sornkawee Puranachoti**
   Senior Vice President
   Information Technology Division
3. **Ms. Varaporn Nana**
   Vice President
   Enterprise Service Systems Department
4. **Mr. Suraphol Eittimeteevut**
   Vice President
   Trading Systems Department

5 **Mr. Sarana Chaiprasert**
Vice President, University Education Project

6 **Mrs. Nuchanard Santivarakum**
Vice President, Investor Education Project

7 **Dr. Krisada Sektrakul**
Vice President, Professional Education Project

8 **Mr. Yothin Koo-Smith**
Executive Director, Capital Market Academy

9 **Mrs. Nantaporn Damrongpong**
Vice President, Capital Market Academy

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

6 **Mr. Kowin Kulruchakorn**
Vice President, Pre-Trade Systems Department

7 **Mr. Surapong Vongsopanagul**
Vice President, Post-Trade Systems Department

8 **Ms. Nichapatra Akkaravatewatana**
Vice President
Information Technology Management Department

9 **Mr. Kosol Songsermmongkol**
Vice President
Data Center Services Department

As of March 31, 2006

Promoting a basic understanding of

Saving and investment

And developing a strong, integrated learning network

OUT YOUR MONEY

Three-Year Statistical Highlights

Market Highlights

The Stock Exchange of Thailand (SET)		2005	2004	2003
Turnover				
• Volume	(million units)	639,678.15	550,423.60	548,581.67
• Value	(THB million)	4,031,240.02	5,024,399.25	4,670,281.49
• Daily Average	(THB million)	16,454.04	20,507.75	18,908.02
• No. of Transactions		27,922,274	31,703,029	31,689,520
• Turnover Ratio	(%)	146.76	176.39	284.53
Listed Companies				
• No. of Listed Companies		468	440	408
• No. of Listed Mutual Funds		8	9	9
• No. of Newly-Listed Companies		36	36	21
• No. of Newly-Listed Mutual Funds		-	1	-
• No. of Delisted Companies		9	7	4
• No. of Redeemed Mutual Funds		1	1	2
Listed Securities				
• Total Listed Securities		576	541	505
- Common Stocks[1/]		476	442	410
- Unit Trusts		8	9	9
- Warrants		82	79	75
- Others		10	11	11
Total Market Capitalization	(THB billion)	5,105.11	4,521.89	4,789.86
Capital Mobilized by Listed Companies	(THB billion)	119.85	77.58	170.18
SET Index				
• Close		713.73	668.10	772.15
• Highest (Date/Month)		741.55 (28/02)	794.01 (12/01)	772.15 (31/12)
• Lowest (Date/Month)		638.31 (07/07)	581.61 (17/05)	350.98 (11/03)
Average Dividend Yield	(%)	3.37	2.75	1.81
Average Price/Earnings Ratio (P/E)		9.40	9.40	13.65
Market for Alternative Investment (mai)				
Turnover				
• Volume	(million units)	9,870.59	4,875.10	6,478.54
• Value	(THB million)	35,940.95	34,220.73	30,191.46
• Daily Average	(THB million)	146.70	139.68	122.23
• No. of Transactions		743,625	599,377	509,748
Listed Companies				
• No. of Listed Companies		36	24 [2/]	13 [3/]
• No. of Newly-Listed Companies		14	14	6
Listed Securities				
• Total Listed Securities		38	27	15
- Common Stocks		36	24	13
- Unit Trusts		2	3	2
Total Market Capitalization	(THB billion)	14.31	11.70	13.69
Capital Mobilized by Listed Companies	(THB billion)	0.17	0.46	0.41

		2005	2004	2003
mai Index				
• Close		158.23	188.07	343.70
• Highest (Date/Month)		214.00 (16/02)	371.45 (16/01)	410.49 (04/12)
• Lowest (Date/Month)		154.05 (02/12)	178.08 (01/11)	122.22 (10/02)
Bond Electronic Exchange (BEX) [4/]				
Turnover				
• Volume	(units)	334,200	635,000	88,800
• Value	(THB million)	335.24	642.82	85.86
Listed Issues				
• No. of Listed Issues				
- Corporate Bonds		73	39	22
- Government Bonds		19	-	-
• No. of Newly-Listed Issues				
- Corporate Bonds		37	21	22
- Government Bonds		19	-	-
• No. of Redeemed Issues				
- Corporate Bonds		3	4	-
- Government Bonds		-	-	-
Total Outstanding Value				
• Corporate Bonds	(THB million)	281,686.23	194,854.35	152,648.10
• Government Bonds	(THB million)	488,777.90	-	-

1/ *Including property funds*
2/ *Three listed firms resumed trading on SET on January 1, 2004.*
3/ *Two listed firms resumed trading on SET on January 1, 2003.*
4/ *BEX started trading on November 26, 2003.*

Financial Highlights

(THB million)

Consolidated Financial Statements		2005	2004	2003
Total Revenues		3,034	2,716	1,691
• Income from investments		1,102	478	174
• Surplus for the year		583	939	332
Capital Expenditure		1,089	332	175
Total Assets		17,355	14,750	13,837
• Current Assets		7,374	7,742	7,720
• Long-Term Investments		7,887	5,844	5,164
• Other Assets		2,094	1,164	953
Total Liabilities		844	444	370
• Current Liabilities		809	444	370
• Non-Current Liabilities		35	-	-
Total Funds		16,511	14,306	13,467
Return on Total Assets	(%)	3.40	6.40	2.40
Current Ratio	(times)	9.10	17.40	20.90
Debt to Funds Ratio	(%)	5.10	3.10	2.70

Capital Market Review in 2005

Equity market

- **Total market capitalization expanded and the SET Index increased**

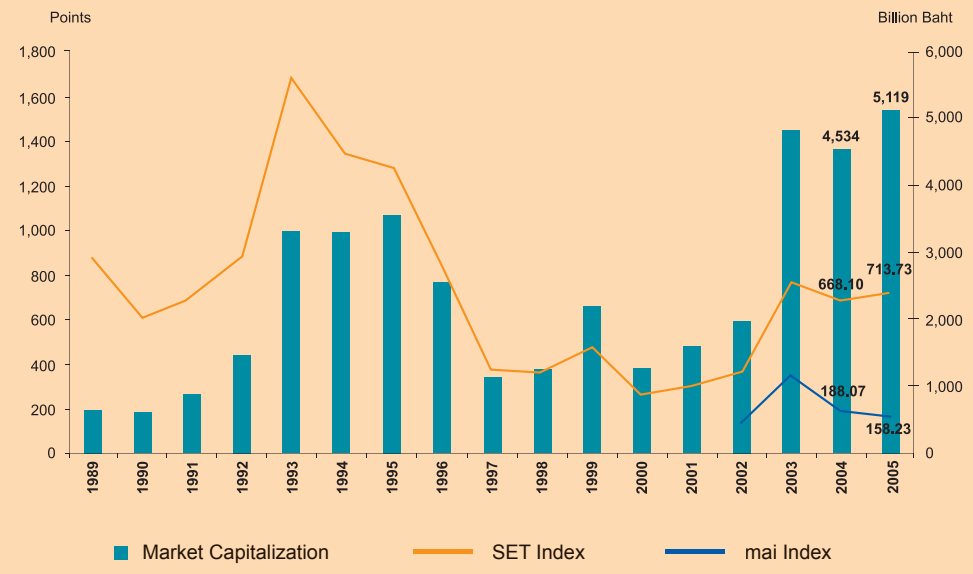
The Stock Exchange of Thailand (SET) Index closed at 713.73 points at end-2005, an increase of 7% from the 668.10 points at of end-2004. Besides, total market capitalization expanded to THB5.1 trillion (USD127 billion) in 2005, from THB4.8 trillion (USD119 billion) in 2004, a 13% increase. However, average daily turnover was THB16,454 million (USD409 million) and the total turnover in 2005 was THB4 trillion (USD99 billion), down 20% from the THB5 trillion(USD124 billion) in 2004.

Dividend yields rose from 2.75% in 2004 to 3.37% in 2005, while the price-to-earnings ratio (P/E ratio) remained unchanged at 9.40%

- **The total market capitalization and the total turnover on mai increased**

The Market for Alternative Investment (mai) Index closed at 158.23 points at end-2005, down 16% from the 188.07 points at end-2004. Besides, total market capitalization expanded to THB14,314 million (USD335 million) in 2005, from THB11,703 million (USD291 million) in 2004, up 22%. Total turnover increased from THB34,221 million (USD850 million) in 2004 to THB35,941 million (USD893 million) in 2005, a 5% increase.

Index and Market Capitalization

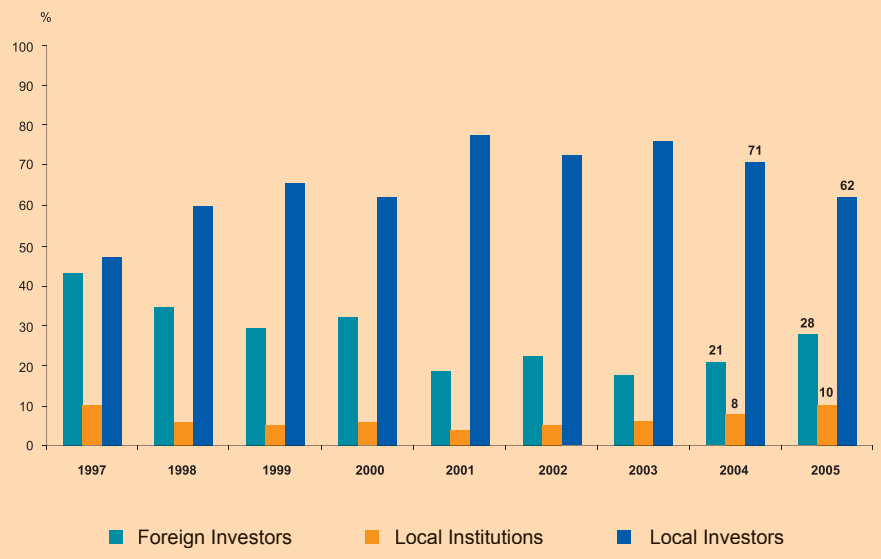


- **Although retail investors had the most transactions, the proportion of foreign investors rose and they were the only group having a net buy in 2005**

As for the value of transactions by investor type for SET and mai in 2005, local retail investors accounted for 62% of total transactions, a significant drop from 71% in 2004. The foreign investors' proportion increased from 21% in 2004 to 28% in 2005, and that of local institutions rose from 8% to 10% for the same period. This rise in the proportion of institutional trading is to be expected as the market matures, and helps stabilize the market.

Foreign investors were the only group to have a net buy of THB118,650 million (USD2,946 million) in 2005—a significant increase from a net buy of THB5,646 million (USD140 million) in 2004. Both local retail and local institutional investors were net sellers, amounting to THB67,238 million (USD1,670 million) and 51,412 million (USD1,277 million), respectively.

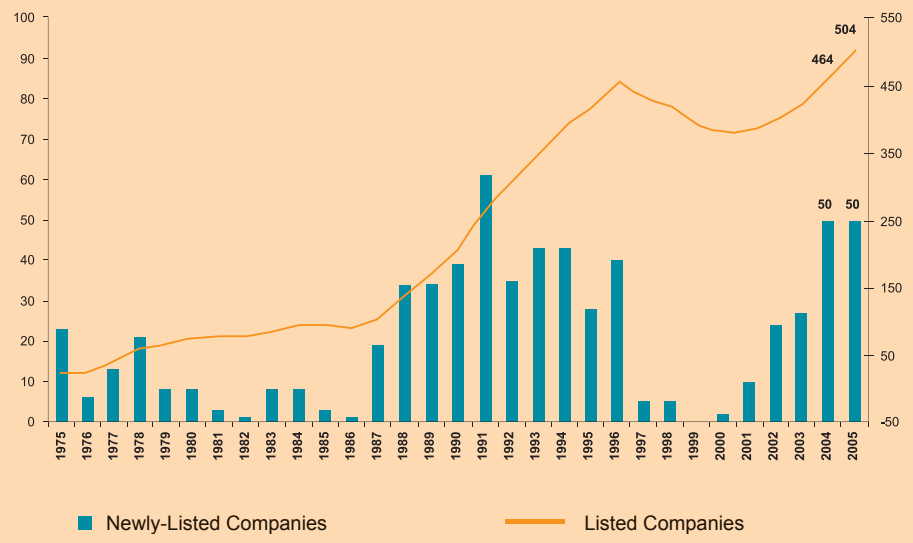
Transactions by Investor Type



- **Listing on SET and mai increased to 504 companies, with 50 newly listed in 2005**

There were a total of 50 newly listed companies in 2005, composed of 36 firms on SET and 14 on mai. This made the total number of listed firms on SET rise to 468, and the total on mai jump to 36 by end-2005.

Number of new and existing listed companies (SET and mai)



Bond Market

- **Both outstanding and transaction values increased**

In 2005, Thailand's outstanding value of bonds expanded to THB3.4 trillion (USD84 billion), a 17% increase from THB2.7 trillion (USD67 billion) in 2004. The three groups of bonds in terms of value were government, 40%; corporate, 20%; and Bank of Thailand and Financial Institutions Development Fund (FIDF) bonds, 19%.

The outstanding value of bonds on Bond Electronic Exchange (BEX) at end-2005 was THB770,464 million (USD19 billion), up 295% from THB194,850 million (USD5 billion) at end-2004, consisting of THB488,778 million (USD12 billion), in government bonds and THB281,686 million (USD7 billion), in corporate bonds. The total transaction value in 2005 was worth THB335 million (USD8 million), a daily average of THB1.3 million (USD32,000).

Favorable conditions for the Thai capital market

- **Satisfactory corporate earnings, strong companies' efficiency and massive foreign investment were key driving forces.**

1. Overall economy

The Thai economy in 2005 grew by 4.5%, down from 6.2% in 2004. Accelerated sectors were manufacturing, construction and financial intermediation. Good economic performance was supported by expansions of public and private investment.

2. Listed companies

2.1. Corporate earnings

Although the overall economy slowed, listed firms still performed well, as reflected by satisfactory net profits on SET and mai. Net profit in the 2005 was THB528 billion, increasing by 14.9% year-on-year (y-o-y).

2.2. Firms' efficiency

Company efficiency remained strong despite unfavorable external factors, e.g., a continual rise in oil prices, which had limited effects on corporate balance sheets. Return on capital employed (ROCE) was at 17.0% for Q4/2005, slightly lower than 19.1% for the same period in 2004. Similarly, return of equity (ROE) and return on assets (ROA) slightly decreased from 22.2% and 13.9% for Q4/2004 to 19.0% and 12.4% for the same period in 2005 respectively.

These strong indicators signaled the listed firms' capability to adjust to shocks from higher costs. In addition, the companies' low debt to equity ratio represented healthy financial leverage.

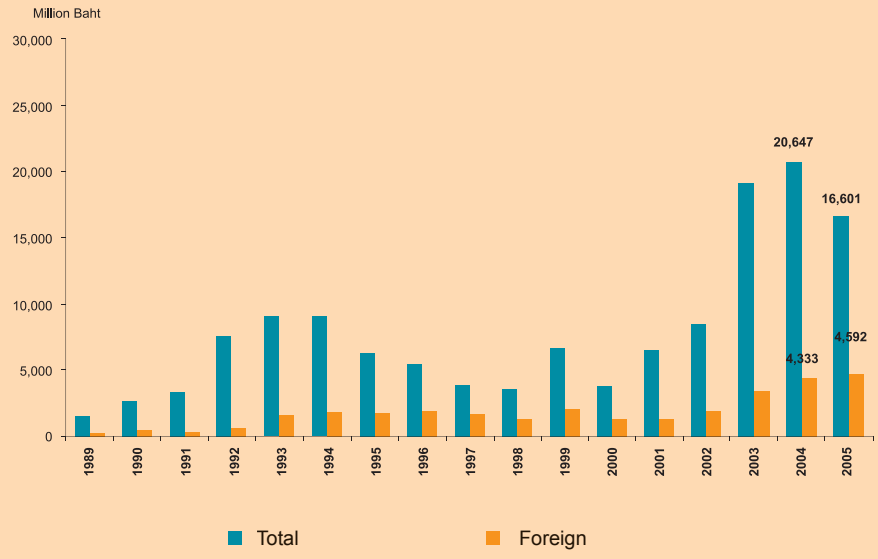
3. Capital inflows

The Institute of International Finance (IIF) reported that capital inflows to emerging markets reached USD61.5 billion in 2005. In the case of Thailand, foreign investors registered net buys of around THB118,650 million (USD2,946 million), driven by significant corporate earnings and high dividend yields.

- **Effects from risk factors were controllable.**

Risk factors had limited effect on the Thai capital market. Rising interest rates had insignificant effects on corporate balance sheets, since corporate debt had continually declined compared to pre-crisis levels. In the same way, the effects of high oil prices were minimal since the Thai capital market was dominated by energy and banking sectors. In the energy sector, most companies were only slightly affected by higher oil prices since they could pass the higher crude oil prices they had to pay in the world market on to consumers. Moreover, evidence that the Thai government could effectively control the current outbreak of bird flu improved investors' confidences.

Average Daily Turnover (SET and mai)



SET's Major Achievements in 2005

The Stock Exchange of Thailand (SET) is determined to be a highly liquid secondary market for securities to raise funds and win investor and stakehoders' confidence for its fair and transparent activities. SET has continued to expand the diversity of its quality investment products to offer more investment alternatives. The Thai bourse has also striven to make the capital market's infrastructure more modern and efficient. Moreover, it has educated targeted groups on personal finance and investment matters so that the Thai capital market will develop in a steady, sustainable manner. Additionally, the Exchange remains firmly committed to upholding its social responsibilities by organizing and participating in numerous activities, e.g., youth development, helping the needy, and forging a stronger community. SET's major achievements in 2005 are summarized as follows:

Improving the quality and expanding the diversity of investment products

Heeding its mission, the Exchange continues to develop the quality and increase the diversity of investment products to offer investors a wider variety of investment instruments. Throughout 2005, SET has equipped the Thai capital market with a variety of investment alternatives, including equity and debt instruments as well as derivatives products.

- **Equities**

SET has implemented several aggressive marketing strategies to persuade potential companies to list on the Exchange. In 2005, the Bourse and other organizations provided information to 380 companies to prepare them for listing. SET primarily focused on businesses in Thailand's strategic industries, e.g., food, packaging, auto parts, fashion, transportation, logistics industries. Meanwhile, the Market for Alternative Investment (mai) focused on small- to medium-sized enterprises and start-up businesses with promising prospects. In 2005, 50 new firms listed, 36 of which listed on SET while the remainder joined the mai. Consequently, by the end of 2005, SET had a total of 468 listed firms and mai, 36—a cumulative total of 504 firms. The total value of the newly-listed securities, at market price, was approximately THB5,119.42 billion (approx. USD127 billion) in 2005.

SET also supported listed companies to raise funds and increase securities' trading liquidity through issuing financial instruments. In 2005, 138 listed companies successfully raised THB120.02 billion (approx. USD3 billion). Twenty-three listed companies split the par value of their stocks to increase their shares' liquidity, while 16 paid dividends, which helped to attract savers.

SET reclassified companies in two sectors in the Services Industry Group. This was done to better reflect the true nature of their businesses and that of firms preparing to list on SET. The Hotel & Travel Services sector was renamed the "Tourism & Leisure" sector, whereas the Entertainment & Recreation sector is now known as the "Media & Publishing" sector. Moreover, companies in the Printing & Publishing and the Professional Services sectors moved to the Media & Publishing sector. SET's reclassification was in the third phase and became effective on January 3, 2006.

Debt instruments

Bond Electronic Exchange (BEX) has now become a standardized bond exchange. To promote a greater diversity of debt instruments, BEX approved the listings of bonds and debentures issued by non-listed firms and non-government agencies. Throughout 2005, 56 bonds and debentures were issued, collectively worth THB604.53 billion (approx. USD15 billion). Thirty-seven issues of debentures from the private sector accounted for THB115.75 billion and 19 government bonds were worth THB488.78 billion. There were a total of 73 issues of debentures from the private sector and 19 issues of government bonds. The 92 issues amounted to an outstanding value of THB770.46 billion (approx. USD19 billion), or a 295% year-on-year (y-o-y) jump over 2004's THB194.85 billion (approx. USD5 billion). This showed significant development of this fast-growing market in terms of volume and diversity.

BEX has encouraged a better understanding of the bond market as well as the benefits and alternatives of bond issuances amongst securities issuers. BEX has also conducted investor education through various media. To attract more investors, BEX has offered capital gains tax exemptions for bond investments. Bond issuers do not have to pay listing and trading fees for another year, until December 2006. BEX also developed its trading platform to improve trading efficiency and better serve all types of investors.

Derivatives

Thailand Futures Exchange PCL (TFEX), a SET subsidiary, has prepared to commence its operations as an exchange for trading and hedging of financial derivatives products in 2006. To prepare for the trading of its first product, the SET50 Index Futures, TFEX has already accepted its 20 member companies and those of Thailand Clearing House Co., Ltd. TFEX has also prepared a state-of-the-art technology trading platform. As derivatives are new to the Thai capital market, TFEX has been carrying out extensive educational programs to help all market participants prepare themselves for this business.

Supporting investor base expansion

SET has actively organized activities to expand its quality investor base, both retail and institutional investors, domestically and overseas. To do this, SET has collaborated with several organizations in the public and private sectors.

Expanding the retail investor base

SET has recognized the importance of educating people in investing through various types of securities. So the Exchange has conducted extensive research for investors and has lent financial support to securities companies in conducting research, covering firms both on SET and mai. The Exchange collaborated with the Securities Analysts Association in developing quality securities analysts in the Thai capital market.

SET has also promoted investor relations (IR) amongst listed companies. Thus, by the end of 2005, 307 listed companies have joined the IR Club.

Amongst SET's activities that consistently gained major public attention were SET roadshows, Securities Analysts Fairs, and other investment fairs, such as Money Expo and SET in the City. In addition, the bourse also held the Thai Investors' Days on the first weekend of every month, starting December 2005. Throughout 2005, over 800,000 people participated in SET's activities.

Expanding the institutional investor base

SET, in collaboration with Thailand Securities Depository Co., Ltd. and asset management companies, hosted three investment fairs to promote investment through Retirement Mutual Funds (RMFs) and Long-Term Equity Funds (LTFs). Over 4,860 new trading accounts were opened, with a total investment worth THB359 million. Moreover, SET held a quarterly event, Opportunity Day, for listed firms' executives to present their operational performances to investors and securities analysts. Throughout 2005, 191 listed firms joined the Opportunity Day activities. In addition, SET established the SCB-mai Stock Long Term Equity Fund (SCBLT3), worth THB5 billion, aimed at investing on mai.

To expand the foreign investor base, SET organized the "Thailand Focus 2005 - Strategies" event. It was exclusively held for brokers and fund managers to directly obtain information from Thailand's key economic policy-makers. Fifty-one senior regional economists, strategists and leading securities analysts participated. SET also held an international roadshow in Beijing, China, where 80 representatives from 42 Chinese leading investment banking firms and investment institutions attended.

Promoting good corporate governance

SET has long stressed the importance of good corporate governance (CG) practices amongst listed companies and other organizations. The Exchange has been upgrading its CG guidelines to be more in line with international standards.

In 2005, advisory teams from SET's Corporate Governance Center provided guidance on good CG practices to 74 organizations, including listed companies, firms that were in the listing process, and other interested organizations. Several seminars and roundtable discussions were held throughout the year. In addition, the bourse also cooperated with the Professor Sangvian Indaravijaya Foundation and Thammasat University in developing CG courses for undergraduate students at the university's Faculty of Commerce and Accountancy. SET also encouraged directors of its member companies, listed companies, and firms in the listing process, to undergo training on their proper roles, duties and responsibilities. By end-2005 approximately 71% of all listed firms' directors had undergone at least some CG training.

Moreover, SET granted a 50% discount on its annual listing fees for two consecutive years to companies receiving at least a "good" CG score on their first-time ratings. These firms include PTT PCL, Thai Airways International PCL and Tisco Bank PCL. The Exchange also hosted SET Awards 2005, where listed firms were honored for their outstanding performances and management.

In addition, SET joined forces with related organizations to promote good CG practices amongst listed companies. SET lent support to the Thai Institute of Directors (Thai IOD) in organizing the Board of the Year Awards 2004/2005 where directors of 12 listed firms were honored and awarded. SET provided financial support and supplied needed information for evaluating listed firms' CG performance. A SET study showed that Thai listed companies had shown improvement in their CG practices: their average CG scores reached 69%, up from 60% in 2004. The scores of the listed companies in SET100 and SET50 Indexes were at 76% and 79%, respectively.

Better understanding of savings and investment

In 2005, SET's Thailand Securities Institute (TSI) successfully educated Thais about personal finance and investment. The TSI was able to successfully promote financial literacy amongst its target groups of over 2.5 million people.

- **Primary and secondary level students**

SET joined hands with the Ministry of Education in training faculty members about economics and finance. The Exchange also produced and distributed four textbooks to students nationwide on personal finance and savings, entitled "Ngern Thong Khong Mee Ka" (or "Making Sense of

Money"). Accompanying teacher editions for these textbooks were also developed by the Exchange. Moreover, SET held numerous youth educational activities, including the Financial Literacy Competition and the Middle School Program, which taught students about personal economics, financial planning, business ethics and international economics. Throughout 2005, over 14,000 teachers and lecturers from nearly 5,500 schools nationwide joined SET's educational programs.

Undergraduate students

Throughout 2005, SET's University Networking Project was continually promoted with leading educational institutions—Chulalongkorn, Thammasat, Prince of Songkla, Khon Kaen, Chiang Mai, Mahidol, Srinakharinwirot, Kasetsart, and Mahasarakham Universities; Chulachomklao Royal Military Academy, and King Pradjadhipok Institute.

The bourse established SET Corners, serving as branches of SET library, at 42 universities and educational institutions. In 2005, 57 of these were operational nationwide. The bourse also set up a Securities Market Information Center (SMIC) at Khon Kaen University. Additionally, SET organized numerous educational activities, e.g., Young Researcher Competition, Thai Biz Game, or 2005 SIFE Thailand National Competition. The Exchange also established Young Investor Clubs in several educational institutes, Bon Physique Fitness at Khon Kaen University and a Fitness Room at the Chulachomklao Royal Military Academy. In 2005, SET promoted an understanding of personal finance and investment to over 800,000 students and teachers nationwide.

Securities professionals

SET has continued to develop educational activities for practitioners in the Thai capital market to further enhance ethics and professionalism. SET took responsibility for the Certified Investment and Securities Analyst (CISA) program for securities analysts and fund managers, including its training programs and license examinations. To provide information about derivatives trading, the Exchange hosted realistic futures and options simulations and other relevant training activities. In 2005, approximately 22,000 practitioners joined and over 4,000 professionals passed the licensing examinations.

Investors and general public

To upgrade the quality of its investor base, SET continued disseminating information about personal finance and investment through training programs and e-Learning systems. To more efficiently reach a broader audience, SET also sponsored several television and radio programs to disseminate financial information to the general public. The programs included the "Kao Tan Talad Thun" (or "Keeping Abreast with the Thai Capital Market"), broadcast on Modernine TV, the

"SET in the City" on UBC Channel 7, and the sitcom "Sathon Donjadee" on Channel 3, as well as several radio programs on F.M.101 MHz and the government's radio network run by the Public Relations Department. To reach a wider audience, SET also published pocket books, textbooks, magazines, newsletters, brochures and pamphlets. SET publicized investment information in various business newspapers and produced a weekly supplement—"Roo Laew Ruay" (or "Learn to Get Rich")—in the Siam Sport newspaper.

Furthermore, SET disseminated information about saving and investment through the mass media using "edutainment" (from the words "education" and "entertainment"). The bourse and its subsidiaries held numerous activities, including a play entitled "Jan Eoey Jan Jao, Mai Kho Khao Kho Gang" (or "Dearest Moon: Moonlight, Hope and Happiness") under the "Noo Ja Om - Ngern Thong Khong Mee Ka" (or "Learn to Save and Make Sense of Money") project, the Money Management Awards 2005, a storybook contest using the theme "Roo Keb, Roo Chai" (or "Know How to Save, Know How to Spend"). Another media channel that helped promote a better awareness of financial topics among the public was the Money Channel, Thailand's first 24/7 TV channel to focus exclusively on economics and investment information. In addition, SET gave books on finance and investment and book shelves to 12 Bangkok Metropolitan Administration's Savings Support Centers.

To celebrate its 30th year of operations, SET established the Capital Market Academy (CMA) to develop high-quality capital market executives who possess well-developed professional abilities, dynamic visionary talents, and outstanding leadership potential. The CMA conducted a specifically-designed program for executives in line with its mission: "Synergizing Knowledge, Vision, and Leadership". The CMA's first leadership program made its debut in 2005, attracting 48 top-level executives from the public and private sectors.

Transparency and fairness by proactive supervision

Supervising securities trading and relevant transactions

SET focused on the supervision of securities trading. It scrutinized trading and exercised its power in a quick and timely manner to restrain trading that might lead to illegal actions, and prevent negative repercussions. The Exchange prohibited its members from providing net-settlement and margin loans trading of securities whose trading appeared to be irregular, and notified its members of their suspicious trading behavior. This spurred the development of the order screening system, to reduce irregular securities trading transactions. SET examined several cases in 2005, summarized below:

- *Violations of the Securities and Exchange Act, B.E.2535 (1992)* SET investigated and discovered several cases of irregular securities trading practices. It found three cases involving insider information and 13 cases involving price manipulations. SET subsequently submitted the cases to the Securities and Exchange Commission (SEC) for further consideration.

- *Inappropriate information disclosure* SET closely monitored listed companies' information disclosure. SET required firms to clarify situations 122 times. Throughout 2005, SET posted "H" (Trading Halt) for 20 cases, "SP" (Trading Suspension) for four cases, and "NP" (Notice Pending) for two cases.

- *Irregular securities trading* SET prohibited its member companies from providing net settlement and margin loans trading 17 times to eight securities firms, due to possibly irregular trading. The Exchange also asked its member companies to reduce their customers' credit lines and prohibited net settlements and/or margin trading in 24 cases.

- *Price manipulations and irregular securities trading orders* SET prosecuted 57 cases involving price manipulations and inappropriate securities trading orders. Three securities companies were fined and 23 licensed officers were punished. Among them, 17 were fined, one put on a six-month probation, and another on a one-year probation. Meanwhile, one was barred from all operations in the securities business for two months and another for three months. Two were fined and barred from all operations for three months. In addition, 11 SET's member companies and 20 licensed officers received written warnings.

Supervising listed firms

SET closely monitored listed firms' operations. The Exchange's supervisory roles could be categorized into three main areas:

1) Supporting listed companies to be self-regulatory and operate in line with SET rules and regulations in a proper and timely manner

SET produced numerous publications, including a handbook for listed organizations' information disclosure. It also trained contact persons of each listed firm under the Training and Networking for Contact Persons (TaN) program.

Approximately 370 firms joined the program and meetings, which were held 15 times throughout 2005.

2) Revising SET's rules and regulations

SET revised its rules and procedures to be more stringent and in line with listed companies' operations. For investor protection, SET posted an SP sign immediately when companies failed to submit required financial statements on time. The Exchange also agreed to lower the proportion of state enterprises held by minor shareholders under extraordinary circumstances. SET announced that firms had to submit listing applications by December 31, 2005 in order to be eligible for special tax privileges. Moreover, SET made its regulations for listed-company's executives more practical, flexible and in line with the SEC's regulations.

3) Amending regulatory measures

To improve its supervisory efficiency, the Exchange utilized the public reprimand, a moderate-level regulatory measure for listed companies not following SET's rules and regulations. The Exchange also posted 'Alert' signs on the company's news available through the SETSMART information system, warning shareholders and investors. The bourse advised companies in the Rehabco group on debt restructuring so they could return to their normal business sectors and trade again, and in 2005, four out of 25 Rehabco firms went back to their former sectors. However, a "C" (Compliance) sign was posted on their securities, notifying investors to be careful.

Furthermore, SET declared that firms which had been in the Rehabco sector for two years or more would be nominated for delisting. However, the Exchange extended the delisting period and reconsidered the status of Rehabco firms on a case-by-case basis. Consequently, SET resolved that the companies eligible to return to their normal sectors except for not meeting operating net profit requirements could petition the Exchange within seven days after the due date for financial statement submission. Companies failing to petition may face delisting.

Fine-tuning the capital market's efficiency

SET placed more emphasis on developing the capital market's infrastructure to efficiently accommodate increased trading activities of securities and innovative financial instruments, ranging from equity and debt instruments to derivatives products. To serve all product transactions, the bourse applied international best practices and cutting-edge technology.

The Exchange continued to develop its infrastructure to better facilitate bond trading activities of retail and institutional investors. The Fixed Income and Related Securities Trading System ("Firsts") was applied to allow market participants to gain real-time trading information. Hence, investors would be able to make more efficient investment decisions, and trade and negotiate bonds more conveniently, quickly and transparently. To better offer one-stop services, the electronic trading platform was linked to the clearing and settlement service system of Thailand Securities Depository Co., Ltd. (TSD).

For the derivatives market, SET had OMX Technology, a leading global provider of transaction technology, develop an integrated trading and clearing platform. The platform is now ready for use, after successfully completing several test-runs with member companies and relevant parties, including Thailand Futures Exchange PCL. and Thailand Clearing House Co., Ltd. The platform will be officially tested in Q1/2006 to be ready for derivatives trading in 2006.

To win the confidence of investors and all related parties, SET continued to improve the efficiency of its infrastructure system, particularly the market surveillance and IT systems. Moreover, SET supported TSD's development of securities post-trading operations. This included further improving the back office service bureau to provide securities registration, depository and clearing and settlement services. The Exchange also promoted the development of the Central Securities Depository (CSD) system to better facilitate the depository and clearing and settlement services for government bonds. In accordance with the Finance Ministry's policy, TSD linked its systems to those of the Bank of Thailand, the current depository and clearing house for government bonds. This will prepare TSD to become the country's sole central depository and clearing house for both corporate and government bonds. Furthermore, the bourse supported the enhancement of other post-trading services, including dividend payment services for shareholders. The Exchange also established an IT back-up site to assure investors and all interested parties of its operational systems' efficiency and reliability.

Research and IT

Data and information are very crucial for investors to make decisions. SET, therefore, offered investors information on Thailand's macroeconomic status and outlook, business industries and corporate fundamentals as well as listed companies' performance in its SETNote analysis report on a quarterly basis. SET also provided Thai Capital Market Research Resources (ThaiCap), a pool for research and other academic information on capital markets from domestic and international sources, through its website www.set.or.th. Moreover, SET supported research on various topics related to the capital markets. The Exchange further strengthened its relationships with foreign bourses to exchange information and further develop its leading position amongst global capital markets.

Activities for society

SET has long emphasized helping society. To achieve the sustainable development of Thai society, SET carried out numerous activities to help young people. SET's activities were aimed at helping youth develop in music, sports and recreation. This is part of the ultimate goal of improving the quality of life of Thai youngsters. Determined to show its strong spirit of sharing, SET continued to give full support to the needy. The Exchange acted as a role model for making social contributions by organizing a number of activities for nearby communities.

- **SET's 30th Anniversary Charity Fund**

To celebrate three decades of operations, the Exchange established the "SET 30th Anniversary Charity Fund" to consistently promote and develop better standards of education, music and sports in Thai society. The bourse held numerous activities to achieve sustainable development in the Thai community. It supported the Chulalongkorn University's stadium renovation to be a model with all the facilities of a modern athletic venue, including a library and sports information center. SET also constructed standardized badminton courts at Mahidol University and supplied musical resources for their music library. SET also supported the construction of a model community library--Sermpunya community library--in Bangkok's Klong Chan district. Additionally, SET helped develop soccer fields in Yala, Pattani, Narathiwas, three southern provinces facing political unrest. This was aimed at promoting good health in the community.

Helping Thai youth and communities

SET provided educational and sports equipment to nearby communities and organized several activities. The Exchange allowed children in surrounding areas to use its sports courts, and set up a soccer training project where professional soccer coaches trained children. Other SET activities included the Capital Market for Students Program and several Thai and international chess training and competitions. Some of these activities were to provide students with opportunities to gain hands-on experience and income during their school break. In addition, SET also provided financial support and held activities for several charitable foundations, e.g., Duang Prateep Foundation, Sikkha Asia Foundation, and Foundation for Slum Childcare.

To promote reading amongst Thai youth, SET provided learning materials and learning centers. SET joined with other organizations in building several libraries at Baan Tan Yong Lu Lo and Baan Lada Schools, Pattani province. SET also built a youth library at the John F. Kennedy Library at Prince of Songkla University (Pattani Campus) and established a public library in the Yala Municipality and a discovery-learning library at Soonrumnamjai School, Klong Toey, Bangkok.

Social responsibilities

SET gave both short- and long-term support to help tsunami victims in six southern provinces as well as three provinces plagued by political unrest. SET, in collaboration with the Federation of Thai Capital Market Organizations (FeTCO), hosted numerous fundraising activities to help southern people through the “From the Hearts of All Thais to the South” project. Activities included charity concerts and walk rallies,

and vocational programs for local housewives. SET helped to construct Al Amine mosque, in To Leu Bae Community, Narathiwas.

In addition, the Exchange acted as a center for collecting and supplying donations to the South. It supported permanent residence construction projects there worth over THB120 million. In addition, SET helped tsunami victims by donating THB200 million to the Tsunami Recovery Fund.

To help these victims, the Exchange invited children from Baan Nam Kem and Baan Nai Rai communities in Pang Nga province to tour Bangkok. SET also collaborated with Duang Prateep Foundation in supporting 12 children invited by the Chinese Red Cross to go on a study tour to Beijing, China.

Committed to its mission of being a role model in the Thai capital market for making social contributions, SET strived to continue its active role in developing a stronger and more harmonious society. The Exchange will remain a vital driving force for the sustained development of Thailand’s society.

Promoting youth development

In education, sports, and music

As a role model for social contributions

วันเด็กที่ตลาดหุ้น
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เด็กรุ่นใหม่ต้องขยันอ่าน ขยันเรียน กล้าคิด กล้าพูด
settrade
SET in the City
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SET Becomes an Integrated Investment Center

Since its founding over three decades ago, SET has remained strongly committed to its core mission of becoming a key driving force in the business sector's sustainable development, by actively encouraging Thai firms to raise long-term funds through the capital market. SET also strives to promote cultural awareness and appreciation among Thais. The SET's ultimate goal is to help achieve sustainable economic growth and development for Thailand.

To become an integrated investment center, SET has continued to organize numerous strategic activities to become a highly liquid secondary market for listed firms to raise funds and win the confidence of investors and other stakeholders. As part of its intensive efforts to gain credibility with domestic and international investors, SET has fostered liquidity, efficiency, and transparency in its securities trading.

SET continues to enhance its competitiveness in preparation for global competition with international securities markets. Furthermore, SET has constantly striven to become a strong self-regulatory organization and has become a pro-active supervisor of listed company activities, ethics, information disclosure and corporate governance practices. SET has also continued to develop the efficiency of its information technology and human resources and remains focused on promoting a better understanding of savings and investment among investors and the general public.

Developing an integrated securities exchange

SET has continually promoted the secondary market for efficient fundraising by potential medium- to large-sized businesses in all industries and has also promoted investment in a large variety of equity investment instruments, including common and preferred stocks, unit trusts, and warrants.

SET has continuously been successful in developing a strong and reliable marketplace for equity investment products. While SET's achievements in promoting good corporate governance have been outstanding and recognized as a crucial factor in its competitiveness with international security exchanges, it continues to place a strong effort on further developing the Thai capital market to meet international standards. SET, as a part of its efforts to expand the diversity of its quality investment products, thus attracting investment from local and foreign sources, established Bond Electronic Exchange and Thailand Futures Exchange PCL in 2003 and 2004, respectively. These two events marked milestones in SET's development into an integrated securities exchange.

Bond Electronic Exchange

Even though bonds and debentures have been available in Thailand since 1975, the trading of debt securities long witnessed relatively low liquidity. This was due to a lack of interest from investors and the small number of debt instruments available, partly because as the Thai government enjoyed a budget surplus, it did not issue bonds from 1988 to 1996. Although only a limited number of corporate bonds were issued, SET continued to promote bond and debenture issuance as an additional fundraising tool for listed companies.

Following the 1997 economic downturn, the government worked to develop the local bond market as one of the three main pillars of the monetary system, along with financial institutions and the equity market. These efforts were to encourage investment in the kingdom's infrastructure and prepare Thailand as a leading regional fundraising source and investment hub.

SET established Bond Electronic Exchange (BEX) and started trading in 2003. BEX provides safe and reliable debenture trading services, using sophisticated electronic support systems with clearing and settlement services that adhere to standards similar to equity trading on SET, operated by Thailand Securities Depository Co., Ltd. (TSD).

Strongly committed to BEX's development as a highly efficient bond trading center, SET has continued to improve the bond market in strategic areas, including bond trading efficiency, debt instrument quality, and intermediary and information reference sources. In line with government policy on Asian Bond development, BEX has consistently developed to serve as a central fundraising source for all Asian countries, thus lessening Thailand's financial dependence on other countries. To serve all types of investors and debt security issuers, SET has adapted BEX listing criteria to fit all types of debt instruments, including government bonds and corporate debentures, along with support in the cross-listing of Asian Bonds on BEX.

Thailand Futures Exchange PCL

Since enacting the Derivatives Act B.E. 2546 (2003), SET has developed a derivatives market in Thailand to offer a greater diversity of investment alternatives and hedging instruments. Established in 2004 as a SET subsidiary, Thailand Futures Exchange PCL (TFEX) was granted approval in 2005 from the Securities and Exchange Commission (SEC) to be a derivatives exchange.

By law, TFEX is allowed to trade futures, options, and options on futures. The permitted underlying products include equities, debts, and other securities, e.g., security indices, government bonds, non-agricultural commodities and other financial indices, including gold, crude oil, and foreign currencies. TFEX will start trading its first product, the SET50 Index Futures, in 2006.

SET continues to work towards creating liquidity, a diversity of derivative products, and a wider selection of member companies and investors on TFEX. To gain the increased confidence of investors and other market participants, TFEX is constantly enhancing the efficiency of its operations, particularly with its modern trading and clearing and settlement systems, so that they will become increasingly in line with

international standards. Developing a derivatives market will benefit investors, drive the sustained development of Thailand's economy, and be a major mechanism in the country's competitive development.

Developing into an integrated market

In 2006, SET will take another crucial step towards becoming an "integrated market", in which a complete range of investment instruments, including equities, bonds, and derivatives will become available.

However, creating an integrated market requires effective development in every aspect. These needs include improvements in securities trading and backup system efficiency to cope effectively with business expansion, promotion of integrated investment instruments, and most importantly, promotion of investor knowledge concerning the integrated market.

- **Improving capital market infrastructure efficiency**

SET has long realized the importance of improving capital market infrastructure, including securities trading, clearing and settlement, and depository functions. Also, information technology must effectively support and combine all transactions, including equities, bonds, and derivatives, through implementation of international standards of technology.

Aside from on-going improvements in operating systems to support capital market operations, SET has developed electronic bond trading systems to support all types of investors. The Retail Bond Market and the Fixed Income and Related Securities Trading System (Firsts) offer a complete service that includes Bid & Ask, Negotiation, Central Trading Information, and Analytical Tools. Coming on-line in 2006, the systems are connected to the clearing and settlement systems at Thailand Securities Depository Co., Ltd., and will facilitate bond trading transactions.

In addition, Thailand Futures Exchange PCL (TFEX) has joined hands with OMX Technology to develop a derivatives trading system and clearing house. Completed and tested for readiness for trading to commence in 2006, the system will undergo a final round of official testing before trading comes on-line. Associated with the upcoming launch, numerous training courses have been held for member companies and other involved parties.

SET has also developed an information technology system which connects the database of every market and has developed additional information channels, thereby allowing every investor easy access to accurate and useful content via an on-line system and websites.

- **Promoting integrated investment instruments of securities business**

Currently, Thailand's securities firms are typically departmentalized by type of investment product, including for trading, giving of advice, and managing risk. But, in an integrated market, there must be a connection between investment products.

In an integrated market, there must be a connection between investment products to create highly effective securities trading management in terms of transactions and risk management, and to enhance effectiveness in customer services and business development.

- **Promoting integrated investment knowledge**

To become an integrated market, it is necessary to promote investor knowledge so that they have a better understanding of the different investment instruments they can employ to manage their portfolio and reduce their investment risk. Therefore, to provide the information needed to make financial decisions, every investor should have access to essential information concerning each investment instrument, its potential return, and possible risks.

In addition, it is necessary to provide students and the public with personal financial knowledge concerning the various investment instruments available. Although they may have not yet invested in securities, an informed society will lead to a fundamental understanding that will prove beneficial when they are ready to invest.

Therefore, SET and other relevant organizations in the capital market, including an alliance of educational institutions, have joined hands to provide essential knowledge concerning financial management, savings, and investment for investors and targeted groups.

The Thai capital market will be increasingly significant as an economic force over the next few decades, as SET strengthens its competitiveness. The bourse must become even further integrated, providing a greater diversity of investment products—equities, bonds, and derivatives—while enhancing the efficiency of its infrastructure and promoting financial planning and savings among the public. Thus, the market will continually grow as a key driving force for our country's sustainable economic growth.

Compliance with Good Corporate Governance Principles

Policies on Good Corporate Governance (Principle 1)

The SET Board of Governors (BoG) recognizes the importance of good corporate governance (CG) as a principal factor in making any organization's systems 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, SET has established 15 principles of Good Corporate Governance for its listed and member companies to practice and promotes their compliance with the said principles. The BoG has initiated CG policies and practices for SET that can be categorized into 5 principal areas:

1) the rights and equality of stakeholders,

2) the BoG's structure, roles, duties, responsibilities and independence,

3) information disclosure and transparency,

4) control and risk management, and

5) business ethics.

The Compliance Department has the responsibility of ensuring that SET itself adheres to all CG policies and practices, which it does by monitoring all concerned parties and then reporting their levels of compliance directly to the Audit Committee.

In addition, the BoG continues to recognize the importance of good CG and encourages its executives and employees to comply with the policies. In 2005, the BoG declared October 13 to be CG Day for SET and its subsidiaries, inviting experts to give talks to its executives and employees. [October 13 is the birthday of Prof. Sangvian Indaravijaya, who encouraged the adaptation of CG principles by organizations in the Thai capital market.]

Rights of Stakeholders (Principles 2, 3, 4)

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 SET and its subsidiaries, government agencies and the greater Thai society.

Hence, when initiating various rules, regulations, policies or measures, 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 CG principles concerning the treatment of, and responsibility to, its members;
- Issuing rules to protect the interests of investors and establishing 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 information to investors in Bangkok, the provinces and abroad;
- Treating strategic trading partners in a fair, uniform and transparent manner by stipulating the criteria and procedures on goods and services procurement by 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;
- Bearing in mind its role within Thai society, SET contributes to charitable organizations, sponsors social activities and promotes a healthy environment in communities and the nation as a whole to improve Thais' living standards.

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

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

- Five 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 financial business. There must also be at least one person who is a senior executive of a listed company. 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 SET. The consideration of a candidate's qualifications is emphasized in addition to various other criteria as specified by the Securities and Exchange Act.
- Five 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 SET select candidates from a list divided into two groups, one consisting of four individuals [representatives from the top management of member companies (from Executive Vice President Up) and the other group composed of one individual [proposed by the Nominating Committee, and not being a director, a president, or an employee of a member company].
- The SET President, who is an ex-officio Governor, is appointed by the 10 previously-appointed Governors.

Furthermore, the Securities and Exchange Act stipulates that the Chairman of the SET BoG 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 BoG, in the performance of its duties, takes part in developing and approving the SET's visions, missions, strategies, goals, policies and its business plan as well as supervising the SET's operations to ensure that its approved plan is being carried out and its budget is being strictly adhered to. The BoG also evaluates and adjusts the SET's business plan to better reflect any changes in the market. The BoG also performs a self-assessment once a year.

Meetings of the SET Board of Governors (Principle 11)

Meetings of the BoG are scheduled on a monthly and quarterly basis in advance for a full year so that the Governors and executives are aware of the schedule and will be able to reserve time to attend as many of the meetings as possible. Special meetings may be convened as deemed appropriate.

Prior to each Meeting of the BoG, the Management [comprised of the President, Executive Vice President(s) and Senior Vice President(s)] will consider the agendas which are proposed to the Board in order to ensure that all significant matters are included in such agendas. The Corporate Secretary Department performs the following duties:

- Prepares invitation letters, which must clearly specify the meeting agenda, and distributes meeting documentation five days before the date of each meeting so as to provide the Governors with adequate time to study details before attending the meeting. If a special meeting must be convened due to some emergency, the meeting documentation may be distributed less than five 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 BoG to exercise due discretion. The normal length of each meeting is half a day. Governors may table additional topics other than what is on 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 BoG 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 BoG.

In 2005, the BoG held 15 regular meetings and two special meetings. The attendance of these meetings by each of the Governors can be summarized as follows:

Name	Term	Attendance (times)/ Number of Meetings (times)		
		Ordinary Meetings	Extraordinary Meetings	Total
1. Mr. Vijit Supinit*	Aug. 1, 2005 - July 31, 2007	15/15	2/2	17/17
2. Mr. Kampanart Lohachareonvanichj	May 28, 2004 - May 27, 2006	15/15	2/2	17/17
3. Mr. Songdej Praditsmanont*	May 28, 2004 - May 27, 2006	15/15	2/2	17/17
4. Dr. Olarn Chaipravat*	Aug. 11, 2004 - Aug. 10, 2006	13/15	1/2	14/17
5. Mrs. Wiwan Tharahirunchote*	Aug. 11, 2004 - Aug. 10, 2006	14/15	2/2	16/17
6. Assoc. Prof. Niputh Jitprasonk*	Aug. 1, 2005 - July 31, 2007	11/15	2/2	13/17
7. Mrs. Asvini Tailanga	May 28, 2004 - May 27, 2006	14/15	2/2	16/17
8. Mr. Anant Asavabhokhin	Aug. 11, 2004 - Aug. 10, 2006	13/15	1/2	14/17
9. Mrs. Pattera Dilokrungthirapop	May 28, 2005 - May 27, 2007	9/9	2/2	11/11
10. Mr. Suraphol Kulsiri	May 28, 2005 - May 27, 2007	9/9	2/2	11/11
11. Mr. Kittiratt Na-Ranong	Sep. 10, 2005 - Sep. 9, 2007	10/15	1/2	11/17
12. Mr. Suthep Peetakanont	May 28, 2003 - May 27, 2005	5/6	0/0	5/6
13. Mr. Wiboon Perm-Arayawong	May 28, 2003 - May 27, 2005	4/6	0/0	4/6

Note : * Mr. Vijit Supinit, Mr. Songdej Praditsmanont, Dr. Olarn Chaipravat, Mrs. Wiwan Tharahirunchote and Assoc. Prof. Niputh Jitprasonk were re-elected for a 2nd term.

Committees (Principle 12)

The BoG 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 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, were clearly defined, as on Page 56.

Remuneration of Governors and Senior Executives (Principle 10)

Subject to guiding provisions in the Securities and Exchange Act, the Chairman, Vice Chairman and Governors of the BoG 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. If any given Governor is assigned to be a committee member, he/she receives additional monetary remuneration for those duties, as designated by the BoG. The BoG has also considered and approved the remuneration of top level executives as recommended by the Compensation Committee.

In 2005, the SET Governors were remunerated monthly, for a total of THB6,900,000 [in 2004: THB6,650,000]. Other remuneration, provided to the Chairman of the SET BoG only, includes an official vehicle, driver and expenses relating to the official vehicle. The three members of the Executive Committee received remuneration which totaled THB6,200,000 [in 2004: THB 5,200,000] and the three members of the Audit Committee received remuneration totaling THB2,100,000 [in 2004: THB2,100,000]. The SET's seven most senior executives—the President and six Executive Vice Presidents—were remunerated a total of THB61,000,000 [in 2004: THB54,787,000] for their services. Other remuneration 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.

Conflicts of Interest and Business Ethics (Principles 6 and 7)

The BoG 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 SET and that appropriate control systems are available to prevent any conflicts of interest and/or dishonest acts by SET employees.

The BoG has also 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 in performing their duties for SET. These principles will be adhered to with regards to 1) themselves, 2) investors, service users, other concerned parties and the public as well as 3) the organization. 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, 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 SET from using any 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 SET or any illegitimate act, or prevent the performance of their duties to be performed in an equitable manner.

The BoG has notified SET Governors and SET employees of the practices that they are required to follow in the acquisition and disposition of securities. 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 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 of

their own account or for any accounts held by their spouse or minor child, using the required form. With respect to the governors, said reports shall remain confidential. Employees and executives up to the level of Executive Vice President in the Listing and Disclosure Department as well as Market Surveillance Department (who possess, routinely handle, or have access to non-public price-sensitive information and/or confidential information), shall also be required to disclose said reports to their supervisors.

The SET requires its Governors, committee members and advisors of both 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, if 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. 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 BoG 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 BoG requires the department to report the results of each audit to the SET Audit Committee directly.

Some of the significant elements of an internal control are risk assessment and the assurance of management of major risks to the Exchange. Hence, the BoG has appointed the Risk Management Committee to be in charge of providing advice and opinions to the BoG and Management to adequately define the risk management policy and framework and to ensure that all departments are able to efficiently manage risks covering all areas related to the business entity. The Committee also considers the suitability of the risk assessment methodology to ensure that the major risks are properly treated. With regards to this concern, the Internal Audit and Risk Management Department's responsibility is to establish risk assessment criteria and risk management process guidelines as the standard to be conformed to by all departments and to be integrated into an organization-wide view. The Department also supports and provides advice to all departments, develops an efficient risk management system, and creates risk awareness throughout the organization. Finally, it is the Department's responsibility to report on the status of any risk to the Risk Management Committee and to the BoG.

Reporting by the Board of Governors (Principle 14)

The BoG realizes its responsibility for providing accurate and precise financial statements in accordance with generally accepted accounting 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 66

Relationship with Investors and Groups of Stakeholders (Principle 15)

SET realizes the importance of encouraging 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. SET also understands the importance of disclosing transparent and comprehensive information, both of the SET's performance and securities transactions 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. SET accomplishes these tasks by utilizing the following :

- The SET's and its subsidiaries' websites are www.set.or.th, www.setsmart.com, www.mai.co.th, www.bex.or.th, www.tsi-thailand.org, www.cma.in.th, www.tsd.co.th, www.settrade.com, www.thaiirclub.com, www.familyknowhow.com, www.tfex.co.th, www.set.or.th/nvdr, www.set.or.th/sipf/index.html, www.setfinmart.com, www.cgthailand.org, www.settrade.com/brokerpage/FKH/StaticPage/MoneyChannel/MoneyChannelIndex.html and www.webhoon.com

- The S-E-T Call Center Unit provides information on the SET's activities and its subsidiaries, the SET index, rights and sign posting via its 24-hour automatic telephone system. Additional responsibilities include responding to any inquiries concerning the said matters, information on listed companies, rules of SET, events on the Money Channel and also receiving and responding to any notifications concerned with system problems via SET officers during office hours from 08:00 hrs. to 18:00 hrs. (Telephone: 66-2229-2222 or e-mail address: SETCallCenter@set.or.th or by fax: 66-2654-5426-7.)

- It developed and distributed academic textbooks, books on savings, investments and management administration, monthly and annual journals, including statistics and other data on securities trading via publications and electronic media through which people and interested investors can conveniently access all such information.

- The Maruey Knowledge & Resource Center at the SET Building is open Sunday-Thursday from 08:30 to 23:00 hrs. and on Friday-Saturday from 08:30 to 24:00 hrs., which provides capital market information and information resources on both academic matters and forms of recreation as well as search services, from websites (www.set.or.th, www.maruey.com or www.setsmart.com), electronic data base system (OPAC, BISNEWS, VTLS or NEWSCENTER) and audio-visual services such as DVD, VCD or CD-ROM. The Center also includes a modern coffee shop and book shop "SETTRADE.COM".

- The Securities Market Information Center was established in the Northeastern Region at the Faculty of Administrative Science, Khonkaen University for providing financial and investment information which is online from SETSMART System of SET as well as other electronic media.

- SET Corners were established in educational institutions and potential units having the capacity to promote their Corner to a wide audience. As of December 31, 2005 there were 57 Corners.

- Conferences and meetings amongst the management of listed companies are held for exchanging views with experts from various key organizations in economics and business administration, including the offering of their opinions. These meetings create opportunities for managers to establish high-quality business networks to aid them in improving their own businesses.

- Annual meetings of members as well as the holding of any special meetings requested by the members are held for delivering opinions or considering any important issues or matters permitted by the approved criteria.

- A Thai Investor's Day is held once a month on Saturday-Sunday at the SET Building on Ratchadaphisek Road, Bangkok. The event is aimed at continually promoting a greater understanding of personal finance, financial planning, short- and long-term investment and risk management amongst students and general investors.

- The Thailand Securities Institute (TSI) is charged with improving the knowledge 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.

- The Money Channel is a great source of information on Thailand's economy, investment news and your own personal financial management planning, under the concept of "all about your money". It can be viewed on UBC 97, through the internet [www.settrade.com or www.hispeedworld.com], cable TV and Buddy Broadband 24/7.

- Federation of Thai Capital Market Association is comprised of the Association of Securities Companies, Listed Companies Association, Investment Management Companies, Thai Investors' Association, Securities Analysts Association, and SET. It carries on activities which promote both domestic and foreign investments, including providing recommendations and guidance on operations to relevant associations for improving their own businesses.

- The Capital Market Academy (CMA) is responsible for teaching leaders about the capital market as well as developing the vision and leadership characteristics of senior executives from the private, public and academic sectors as well as private social development organizations. These activities are to establish cooperation amongst everyone involved to help solve problems, promote and develop the Thai capital market, Thai economy and Thai society as a whole. In addition, the CMA will contribute to, and participate in, various other activities related to capital market innovations and management, including specialized training programs, symposiums, public seminars, and other public services.

SET Committees Established by the SET Board of Governors

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

SET Committee 2005

- Executive Committee
- Audit Committee
- Remuneration Committee
- Nomination Committee
- Risk Management Committee
- Legal Committee
- Disciplinary Committee
- Appeals Committee
- Offences and Punishments for Brokerage or Agent's Fee Charge Violations Committee
- Technology Development Committee
- Capital Market Education Committee
- Bond Electronic Exchange Committee
- Securities Investor Protection Fund Committee

1. Executive Committee

Unit responsible : Corporate Secretary Department

Structure : Three members, i.e., the SET Chairman, SET Vice Chairman, and SET President.

Term : Dependent upon governor's term of office.

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

Responsibilities of the Executive Committee are as follows:

- Supervise securities trading.
- Investigate member companies.
- Manage securities listing and information disclosure.
- Manage human resources, procurement and outsourcing.
- 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, including one appointed governor and one elected governor who is an executive of a member company, with at least one member being knowledgeable in accounting and finance.

Term : Dependent upon the governor's term of office.

Name	Position
Mr. Songdej Praditsmanont	Chairman
Assoc. Professor Niputh Jitprasonk	Member
Ms. Asvini Tailanga	Member
Ms. Patchara Wongnimitkul	Secretary

Responsibilities of the Audit Committee are stipulated in the Audit Committee Charter, which stated that the committee's responsibilities to the SET BoG are to:

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

3. Remuneration Committee

Unit responsible : Human Resources Department

Structure : Three members, i.e., the SET Chairman, SET Vice Chairman, and Chairman of SET's Audit Committee, with the Vice President of Human Resources Department as the Secretary.

Term : Dependent upon governor's term of office.

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kampanart	Lohacharoenvanich	Member
Mr. Songdej	Praditsmanont	Member
Mrs. Patchara	Thanattrai	Secretary

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

- Policies and rules concerning remuneration for the SET BoG, President, Advisors, Committees appointed by the BoG and executives from Senior Vice President level upwards.
- Annual remunerations, annual salary adjustments, salary adjustments and every other type of remuneration for the President and individual executives.
- 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 to be conducted.

5. Risk Management Committee

Unit responsible : Internal Audit & Risk Management Department and Compliance Department

Structure : Eleven members, including four executives and experts, including one selected from the SET Governors, with the Vice President of the Internal Audit & Risk Management Department as the Member and Secretary.

Term : From January 1, 2005 to December 31, 2005

Name		Position
Mr. Songdej	Praditsmanont	Chairman
Mrs. Oranuch	Apisaksirikul	Member
Professor Dr. Anya	Khanthavit	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
Dr. Santi	Kiranand	Member
Executive Vice President of the Legal Department		Member
Vice President of the Risk Management Department		Member and Secretary

Responsibilities of the Risk Management Committee are as follows:

- Determine SET risk management policies and propose these to the SET BoG for approval. Categories of risk contended with include: marketing essential risk, credit risk, liquidity risk, operation risk, strategy risk and other risks that could potentially affect SET's image and reputation.
- Determine the SET risk management framework.
- 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 BoG.
- Supervise operations utilizing risk management procedures.
- Follow-up on any operations in accordance with each department's strategy.
- Advise the SET BoG on risk management.
- Examine any proposals or reports from the Risk Management Department in order to:

  (a) Recognize the amount of risk in each business unit and SET overall.

  (b) Recognize risk management consequences or progress for each department.
- 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 talking the appropriate actions before forwarding them to the BoG.
- Appraise the appropriate risk measurement methodologies, including the efficiency of the risk management infrastructure.

6. Legal Committee

Unit responsible : Enforcement Department

Structure : Four members, including four legal experts, with 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, 2005 to December 31, 2005

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

Responsibility of the Legal Committee is to provide the SET BoG with advice, opinions and recommendations regarding relevant laws pertaining to, and including, 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, brokerage business, and financial business; one legal expert, and the SET President or executive from Senior Vice President level upwards as assigned.

Term : From January 1, 2005 to December 31, 2006

Name		Position
Mr. Kampanart	Lohacharoenvanich	Chairman
Mr. Machima	Kunjara Na Ayudhya	Member
Mr. Sutthi	Sookying	Member
Ms. Yaowalak	Aramthaveethong	Member
Mr. Kittiratt Na-Ranong or executive from Senior Vice President level upwards as assigned		Member
Mrs. Sumalee	Lertthanaporn	Secretary

Responsibilities of the Disciplinary Committee are as follows:

- Examine any wrongdoings and penalize individual(s) violating (or associating with others to violate) SET's rules and regulations, and then report to the SET BoG—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 BoG, 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 BoG.

- 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 BoG with approval by the SEC governors. Each member must be the expert in each of the following fields: law, finance and accounting, or the brokerage business.

Term : From January 1, 2005 to December 31, 2006

Name		Position
Professor Hiran	Radeesri	Chairman
Mr. Chaikasem	Nitisiri	Member
Mr. Seri	Chintanaseri	Member
Dr. Suvarn	Valaisathien	Member
Mr. Sukri	Kaocharern	Member
Mr. Sakkarin	Ruamrangsri	Secretary

Responsibilities of the Appeals Committee are as follows:

- Review any appeal made against any punishment order(s) laid down by the SET BoG's any committee, the Disciplinary Committee or the President. This is to determine whether the appellant, in reality, is innocent of violating SET's rules and regulations for which he is being punishing, as stated in the appeal.

- 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.
- Convey their opinions to the SET BoG to assist the Board in marking decisions and advise them as to whether to carry out 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.
- 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 (+Special Audit Project)

Structure : At least one member from the Association of Securities Companies, one legal expert and the SET President or executive from Senior Vice President level upwards as assigned.

Term : From January 30, 2005 to December 31, 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 or executive from Senior Vice President level upwards as assigned	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 violating of the Rules and Procedures for the Charging Brokerage and Agent's Fees for the Buying and Selling of Listed Securities, and the Member's Good Corporate Governance B.E. 2004.

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, 2005 to December 31, 2005

Name		Position
Mr. Suraphol	Kulsiri	Chairman
Mrs. Asvini	Tailanga	Member
Mr. Montree	Sornpaisarn	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 as follows:

- Select a business model and IT integration package that are most suitable to accomplishing the SET's vision to make Thailand one of the most attractive Asian capital markets.
- Select business operations and business lines that are appropriate for the securities business, beginning with pre-trading on through to post-trading for both the Market Integrated Process and Straight-through processing systems.
- Select technology development directions and system architecture that will accommodate future technology and business development for SET and its affiliates.
- Determine the directions that should be taken for IT human resources skills development to improve staff members' understanding of the latest developments in both business and technology, including their ability to apply technology to any type of transaction.
- Select an appropriate business and technology partner for SET who will be responsible for developing IT human resources and its computer system, especially regarding Post-trading and Straight-through Processing

11. Capital Market Education Committee

Unit responsible : Thailand Securities Institute

Structure : Representatives and experts from several organization.

Term : From January 1, 2005 to December 31, 2005

Name		Position
Dr. Olarn	Chaipravat	Chairman
Professor Dr. Chai-Anan	Samudavanija	Member (honorary advisor)
Professor Dr. Somsakdi	Xuto	Member (TSI advisor)
Professor Dr. Anya	Kanthavit	Member
Ms. Nawaporn	Ryanskul	Member
Professor Dr. Thira	Sutabutra	Member

Name	Position
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 executive from 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 Electronic Exchange

Structure : Representatives and experts form 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
Ms. Suchada	Kirakul	Member
Mrs. Nongram	Wongwanich	Member
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 promote trading of all types of bonds listed, including those which are cross-listed on BEX 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 executive at the Senior Vice President level upwards as assigned, and the TSD President, with the Executive Vice President of the Member Service Department 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 or executive at the Senior Vice President level upwards as assigned	Member
Mrs. Nongram Wongwanich	Secretary
Mr. Suthichai Chitvanich	Secretary

Responsibilities of the Investor Protection Fund Committee are as follows:

- Determine fund management policies, by investing in securities or other assets or by any other means that the committee deems appropriate.
- Examine all related facts and evidence concerning investor protection and report findings to the SET BoG.
- Any other responsibilities and activities as deemed appropriate by the SET BoG.

Audit Committee Report

The Board of Governors (BoG) 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 SET, who are independent of the SET's operations. The Committee has been empowered by the BoG to carry out their duties as stated on page 57

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

The Committee has concluded that 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 2005, the Committee held twelve meetings (in which the SET Compliance Vice President acted as the Committee's Secretary) and reported its findings to the BoG on a quarterly basis (apart from exceptional cases, which were reported monthly). These reports kept the Board informed, and enabled it to take appropriate action whenever necessary. Management was invited to participate in the meetings to provide additional information when deemed appropriate. Matters affecting management considered during 2005 were as follows:

Reviews Carried Out

- Quarterly and annual financial statements were reviewed and concurred with prior to submission for the BoG's 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 SET's management, as well as following up on these actions.
- SET's activities in complying with the criteria required by the World Federation of Exchanges (WFE) were reviewed.
- Year 2006 plans of SET's Audit Committee, Internal Audit Unit and Compliance Department were reviewed.
- The rules and procedures of SET executives and other employees who trade securities 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".
- Review of the process whereby SET prohibited member companies from trading BNT using the net settlement process, or from extending margin loans to purchase BNT shares, in response to BNT's complaint to the SEC.

- SET's evaluation of its management and internal control system were reviewed according to the COSO-based approach.
- SET's risk management systems were reviewed.
- SET and its subsidiaries' compliance with good corporate governance were reviewed.

Recommendations Made

- Suggestions were given on the management of SET's investment fund.
- SET was advised to carry out an users satisfaction survey covering the computer system of SET and its subsidiaries.
- SET was advised that its IT Audit team should review new computer systems or major changes to existing systems during the development stages as well as afterwards.
- SET was advised to establish risk management procedures to cover cases of brokers sending erroneous buy / sell orders.
- Audit plans and the External Auditors' findings were acknowledged and recommendations were provided.

Other Activities

- Follow up on SET's 2005 plan.
- Meetings were held between the Committee and management as well as between the Committee and External Auditors.
- 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 BoG that Mrs. Unakorn Phruithithada, or Mr. Boonmee Ngotngamwong, or Mr. Soodwin Panyawongkanti of PricewaterhouseCoopers ABAS Ltd. be appointed as SET's auditor for the financial year ending on December 31, 2006. Suggested remuneration for this role was set at THB840,000. Furthermore, the Audit Committee also reviewed its remuneration of THB890,000 for the audit of the SET's eight subsidiaries and the Clearing Fund for the financial year ending December 31, 2006.

(Songdej Praditsamanont)
Chairman, Audit Committee
February 15, 2006

Management Discussion and Analysis

Capital Market Review in 2005

The Stock Exchange of Thailand (SET) and Market of Alternative Investment (mai)

Total market capitalization and the SET Index increases

The SET Index closed at 713.73 points as at end-2005, a 7% increase from 668.10 points as at end-2004. Additionally, total market capitalization expanded 13%, reaching THB5.1 trillion, from THB4.5 trillion a year earlier. However, average daily turnover fell to THB16,454 million and the total turnover dropped 20% from THB5 trillion in 2004 to THB4 trillion in 2005. Average dividend yields increased from 2.75% to 3.37% in 2005, while the price-to-earnings ratio (P/E ratio) remained unchanged at 9.40.

mai total market capitalization and turnover growth

The mai Index closed at 158.23 points as at end-2005, down 16% year-on-year (y-o-y) from 188.07 points. Total market capitalization, however, expanded by 22%, to THB14,314 million in 2005. The total turnover increased by 5%, from THB34,221 million in 2004 to THB35,941 million, while the average daily turnover was THB147 million.

More foreign investors trade on the Thai Exchange

In 2005, local retail investors accounted for 62% of total transactions, falling from 71% in 2004. Meanwhile the proportion of foreign investors grew from 21% to 28%, and that of local institutions rose from 8% to 10%. This shift from individuals towards institutions is typical as markets mature, and helps lessen volatility. Foreign investors had net buys of THB118,650 million in 2005, rising by 47.58% from THB5,646 million in 2004, whereas both local retail and institution investors were net sellers, amounting to THB67,238 million and THB51,412 million, respectively.

Listed companies on SET and mai reached 504, with 50 newcomers

Fifty new companies listed in 2005—36 companies joined SET and 14, mai. The year ended with 468 firms being on SET and 36 on mai.

1. Operational Results

In 2005, SET and subsidiaries' revenues exceeded expenses by THB583 million, a 38% y-o-y drop of THB356 million, with revenues increasing by THB318 million but expenses by soaring by THB674 million.

1.1 Analysis of Income

In 2005, SET and its subsidiaries realized THB3,034 million in total revenues, up y-o-y by THB318 million, or 12%, from 2004. Operating revenues increased THB312 million, or 12%, as listed below:

- Investment income increased by THB624 million mainly because:
  - Gains from trading securities in mutual funds rose by THB428 million.
  - Dividend income from mutual funds grew by THB209 million.
- Registrar fees increased by THB23 million due to rises of listed companies' registered capital.
- Other revenues increased by THB68 million, mainly consisting of:
  - Service and media production fees from Family Know-how Co., Ltd. (FKH), a SET subsidiary, which rose by THB29 million.
  - Revenues from Thailand Securities Institute increased by THB17 million.
  - Revenues from Securities and Depository Center services went up by THB10 million.
- Broker seat admission fees decreased by THB308 million, as the nine members who joined in 2002 fully paid their admission fees.
- Trading fees fell by THB99 million y-o-y, or 19%, because the average daily trading volume in 2005 dropped by THB4,047 million, or 20%, from THB20,647 million per day in 2004 to THB16,601 million per day in 2005.

1.2 Analysis of Expenses

In 2005, SET and its subsidiaries recorded THB2,452 million in consolidated expenses, up by THB675 million y-o-y, or a 38% increase, from 2004. The major reasons were:

1.2.1 Operating expenses increased by THB534 million y-o-y, or 38%, as follows:

- Staff costs rose by THB119 million, because of 161 new staff. (2005: 902 persons, 2004: 741 persons).

- Marketing expenses increased by THB87 million. The major reasons were:
  - Public relations expenses amounted to THB42 million for the Money Channel, a financial news television run by FKH.
  - Capital market education training programs amounted to THB12 million, mainly due to the "Ngern Thong Khong Mee Ka" (or "Making Sense of Money") train-the-trainer program
- Depreciation and amortization expenses went up by THB53 million.
- Other expenses rose by THB275 million. The major reasons were:
  - Service and media production costs from FKH rose by THB118 million due to TV program production costs. The programs were mainly broadcast on the Money Channel starting from early-April 2005. Amongst the programs was "Sathon Donjadee", a sitcom about personal finance and investment, which aired in October 2005.
  - Contributions to related capital market institutions increased by THB35 million.
  - Communication expenses increased by THB28 million, because of rises in delivery costs and printing of service forms for securities registrar services, amounting to THB17 million.
  - Office building expenses increased by THB22 million.
  - Training and seminar expenses for Capital Market Education rose by THB20 million.
  - Repair and maintenance expenses of hardware and software were up by THB11 million.

1.2.2 Charity and corporate social responsibility (CSR) expenses jumped by THB140 million y-o-y, or a 172% rise.

In 2005, the major charity and CSR projects, amounting to THB221 million, were comprised of:

- Donations for tsunami victims amounting to THB77 million.
- Contributions for sport complex projects, including Chulalongkorn University's stadium, Mahidol University's badminton court, soccer fields in three southern provinces and athlete residence of Chulachomklao Royal Military Academy amounted to THB10 million.
- THB10 million in support for the "Blue Flag Project", a Department of Internal Trade project to purchase low-priced ready-cooked foods.

In 2004, the major charity and CSR projects, amounting to THB81 million, were

- The "Ngern Thong Khong Mee Ka" (or "Making Sense of Money") project, to commemorate the 72nd anniversary of Her Majesty the Queen, cost THB30 million. This project, conducted in conjunction with the Ministry of Education, published an instructor's handbook for teaching personal finance.
- Donations to help tsunami victims amounted to THB20 million.

2. Financial Position as of December 31, 2005

Changes in the financial status of SET and its subsidiaries in 2005 from 2004 are due to the following transactions:

2.1 Analysis of Assets

As of December 31, 2005 SET and its subsidiaries reported total assets of THB17,355 million. The majority, or 86%, were cash and investment, totaling THB14,905 million, as summarized as below:

(1) Cash and investment of SET and its subsidiaries, totaling THB14,567 million, comprised of

- Investment in mutual funds: THB6,544 million.
- Investment managed by SET: THB4,032 million.
- Investment in private funds: THB2,776 million.
- Cash and other investments: THB1,215 million.

(2) Investment in the Securities Investor Protection Fund totaled THB338 million.

2.2 Analysis of Liabilities

At the end of 2005, SET and its subsidiaries had THB844 million in total liabilities, which is 90% higher than in 2004, at THB400 million. The major liabilities include:

(1) Accounts payable and accrued expenses amounted to THB472 million, mainly comprising:

- Acquisition of hardware and software, and repair and maintenance expenses: THB87 million.
- Staff costs payable: THB70 million.
- Dividends payable on NVDRs and unfulfilled subscription orders for new shares: THB44 million.
- Donations to help tsunami victims awaiting disbursement: THB28 million.
- Accrued construction and building improvements: THB18 million.
- Accrued advertising media expenses and production costs: THB17 million.

(2) Fees received in advance amounted to THB128 million.

(3) Other current liabilities came to THB208 million, which were mainly guarantee deposits and retentions of THB108 million and withholding taxes payable of THB63 million.

(4) Non-current liabilities, amounting to THB35 million, comprised of members' portion of contributions and benefits of the Securities Investor Protection Fund.

2.3 Analysis of Funds

On December 31, 2005 the SET's total funds reached THB16,511 million, a 15% increase y-o-y, worth THB2,205 million. The major reasons for the changes were:

(1) The General Fund, valued at THB11,661 million, went up by THB646 million, due to THB583 million in operational gains in 2005.

(2) Increase of unrealized gains from investment in mutual funds, which totaled THB1,622 million.

3. Cash Flows

The cash and cash equivalents ending on December 31, 2005 were THB484 million, an increase of THB126 million from 2004, mainly due to changes in cash flow from operating and investing activities as follows:

(1) Net cash from investing activities was THB202 million, an increase of THB817 million. This mainly came from investment income increases of THB733 million.

(2) Net cash flow used in operating activities amounted to THB76 million.

Financial Risk Management Policy

SET and its subsidiaries have two material financial risks: investment and counterparty credit risks. The policies to manage these risks are outlined below:

Investment Risks

SET's investment portfolio, which is managed by the Investment Working Committee, operates under investment policies which are in accordance with SET regulations and reviewed by the SET BoG semi-annually or whenever the investments may be affected by significant changes. SET's investment policy is concerned with both return and risk. The policy has established a practice of risk diversification, by apportioning SET investments among several instruments and financial institutions or issuers. This policy, and its practice, is to prevent overall investment losses.

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

SET's investments are managed both in-house and through private and mutual funds.

Counterparty Credit Risks

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

1. Each me mber 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 capability, i.e., its net capital. In cases where the settlement value of any member exceeds its limit, the member must 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 previously-determined acceptable levels, it 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.

Additionally, SET and TSD have introduced a risk management scheme to address liquidity risk resulting from a member's default on its securities clearing and settlement. TSD's overdraft and SET's Clearing Reserve Fund combined have THB2 billion in reserve to shore up financial liquidity and reduce losses before resorting to other risk management schemes.

To ensure the adequacy of TSD's financial resources and meet internationally-accepted standards, TSD conducts stress testing quarterly to assess the potential largest default exposure to the clearing and settlement system.

Furthermore, TSD applies Real Time Gross Settlement (RTGS) in clearing and settlement of high-value transactions of debt and equity instruments as a clearing and settlement alternative, and to reduce risks and collateral burdens carried by members.

Report on the Board of Governors' Responsibility for Financial Statements

The Board of Governors (BoG) has reviewed 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 SET, as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to the financial statements.

The BoG 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 BoG 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 BoG is of the opinion that SET's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to SET and its subsidiaries' financial statements for the year ending December 31, 2005.

(Mr. Vijit Supinit)
Chairman

(Mr. Kittiratt Na-Ranong)
President

Auditor's Report

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated and entity balance sheets as of 31 December 2005 and 2004, and the related consolidated and entity statement of revenues and expenses, changes in fund balances and cash flows for the years then ended of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand, respectively. The Stock Exchange of Thailand's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and entity financial statements referred to above present fairly, in all material respects, the consolidated and entity financial position as of 31 December 2005 and 2004, and the consolidated and entity results of operations and cash flows for the years 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

22 February 2006

Balance Sheets

As at 31 December 2005 and 2004

(Unit : Thousand Baht)

	Notes	Consolidated 2005	Consolidated 2004	SET 2005	SET 2004
ASSETS					
Current Assets					
Cash and cash equivalents		484,325	358,288	299,539	198,855
Short-term investments	3	6,533,419	7,125,449	6,058,814	6,630,488
Accounts receivable and accrued income-net	4	120,974	110,224	106,464	103,872
Admission fee receivables		647	37,380	647	37,380
Accrued interest receivables		42,412	49,893	41,002	47,837
Other current assets	5	191,876	60,690	189,989	45,620
Total Current Assets		7,373,653	7,741,924	6,696,455	7,064,052
Non-Current Assets					
Investments in subsidiaries and associate	6	147,530	144,866	862,412	796,123
Long-term investments	7	7,887,408	5,843,775	7,809,717	5,840,775
Loans to subsidiary	17	-	-	5,000	10,000
Property and equipment, net	8	1,573,508	901,506	1,501,448	851,626
Intangible assets, net	9	362,421	111,318	331,142	100,578
Other assets		10,428	6,197	9,650	4,359
Total Non-Current Assets		9,981,295	7,007,662	10,519,369	7,603,461
Total Assets		**17,354,948**	**14,749,586**	**17,215,824**	**14,667,513**

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Balance Sheets (Cont'd)

As at 31 December 2005 and 2004

(Unit : Thousand Baht)

	Notes	Consolidated 2005	Consolidated 2004	SET 2005	SET 2004
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable and accrued expenses		472,272	229,651	369,339	163,359
Fees received in advance		128,377	119,890	116,812	115,306
Accrued income tax		1,639	886	-	-
Other current liabilities		207,515	93,488	184,410	83,059
Total Current Liabilities		809,803	443,915	670,561	361,724
Non-Current Liabilities					
Contributions to the Securities Investor Protection Fund	10.6	34,261	-	34,261	-
Benefits on the Securities Investor Protection Fund	10.6	435	-	435	-
Total Non-Current Liabilities		34,696	-	34,696	-
Total Liabilities		844,499	443,915	705,257	361,724
Fund Balances					
Funds	10	14,730,584	14,147,713	14,730,584	14,147,713
Unrealized gain on available-for-sale securities		1,779,863	157,956	1,779,983	158,076
Minority interest		2	2	-	-
Total Fund Balances		16,510,449	14,305,671	16,510,567	14,305,789
Total Liabilities and Fund Balances		**17,354,948**	**14,749,586**	**17,215,824**	**14,667,513**

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Statements of Revenues and Expenses

For the years ended 31 December 2005 and 2004

(Unit : Thousand Baht)

	Notes	Consolidated 2005	Consolidated 2004	SET 2005	SET 2004
REVENUES					
Broker seat admission fees		237,132	543,765	235,532	543,765
Trading fees		460,585	557,370	429,518	529,032
Listing fees		231,946	231,734	231,946	231,734
Registrar fees		553,652	530,646	-	-
Service fees from subsidiaries	17	-	-	313,429	315,689
Investment income		1,102,388	478,439	1,087,786	468,745
Share of profit of investments in subsidiaries and associate	6	2,664	2,207	66,289	83,130
Other revenues	12	438,829	370,802	175,092	157,444
Total Revenues		3,027,196	2,714,963	2,539,592	2,329,539
EXPENSES					
Staff costs		897,795	779,156	645,194	566,978
Marketing expenses		234,782	148,341	311,480	190,635
Contributions to the Office of the SEC	13	150,000	150,000	150,000	150,000
Contributions to subsidiary	17	-	-	89,577	24,999
Depreciation and amortization		168,100	114,580	139,877	92,258
Other expenses	14	752,453	477,208	424,910	286,081
Total Expenses		2,203,130	1,669,285	1,761,038	1,310,951
Excess of revenues over expenses from operation		824,066	1,045,678	778,554	1,018,588
NON-OPERATING ITEMS					
Net income from the Securities Investor Protection Fund	11	7,326	1,365	7,326	1,365
Donation and social contribution		220,985	81,327	203,009	80,954
Excess of revenues over expenses before income tax		610,407	965,716	582,871	938,999
Income tax		27,536	26,717	-	-
Excess of revenues over expenses, net		**582,871**	**938,999**	**582,871**	**938,999**

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Statements of Changes in Fund Balances

For the years ended 31 December 2005 and 2004

(Unit : Thousand Baht)

	Consolidated										
	Securities Clearing Reserve Fund	Futures Clearing Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	The SET's 30th Anniversary CharityFund	General Fund	Unrealize gain on available-for-sale securities	Minority interest	Total
Notes	10.1	10.2	10.3	10.4	10.5	10.6	10.7				
Beginning balance 1 January 2005	2,000,000	300,000	100,000	246,328	85,349	301,365	100,000	11,014,671	157,956	2	14,305,671
Unrealize gain on available-for-sale securities	-	-	-	-	-	-	-	-	1,621,907	-	1,621,907
Add Excess (under) of revenues over expenses (Note 11)	-	-	-	-	1,451	7,326	(72,110)	646,204	-	-	582,871
Ending balance 31 December 2005	**2,000,000**	**300,000**	**100,000**	**246,328**	**86,800**	**308,691**	**27,890**	**11,660,875**	**1,779,863**	**2**	**16,510,449**
Beginning balance 1 January 2004	2,000,000	-	100,000	246,328	34,667	-	-	10,827,719	258,138	1	13,466,853
Unrealize gain (loss) on available-for-sale securities	-	-	-	-	-	-	-	-	(100,182)	-	(100,182)
Add Excess of revenues over expenses (Note 11)	-	-	-	-	682	1,365	-	936,952	-	-	938,999
Share of profit from subsidiary	-	-	-	-	-	-	-		-	1	1
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**	**157,956**	**2**	**14,305,671**

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Statements of Changes in Fund Balances

For the years ended 31 December 2005 and 2004

(Unit : Thousand Baht)

	SET									
	Securities Clearing Reserve Fund	Futures Clearing Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	The SET's 30th Anniversary CharityFund	General Fund	Unrealize gain on available-for-sale securities	Total
Notes	**10.1**	**10.2**	**10.3**	**10.4**	**10.5**	**10.6**	**10.7**			
Beginning balance 1 January 2005	2,000,000	300,000	100,000	246,328	85,349	301,365	100,000	11,014,671	158,076	14,305,789
Unrealize gain on										
available-for-sale securities	-	-	-	-	-	-	-	-	1,621,907	1,621,907
Add Excess (under) of revenues										
over expenses (Note 11)	-	-	-	-	1,451	7,326	(72,110)	646,204	-	582,871
Ending balance 31 December 2005	**2,000,000**	**300,000**	**100,000**	**246,328**	**86,800**	**308,691**	**27,890**	**11,660,875**	**1,779,983**	**16,510,567**
Beginning balance 1 January 2004	2,000,000	-	100,000	246,328	34,667	-	-	10,827,719	258,119	13,466,833
Unrealize gain (loss) on										
available-for-sale securities	-	-	-	-	-	-	-	-	(100,043)	(100,043)
Add Excess of revenues										
over expenses (Note 11)	-	-	-	-	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**	**158,076**	**14,305,789**

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Statement of Cash Flows

For the years ended 31 December 2005 and 2004

(Unit : Thousand Baht)

	Notes	Consolidated 2005	Consolidated 2004	SET 2005	SET 2004
Cash flows from operating activities					
Excess of revenues over expenses, net		582,871	938,999	582,871	938,999
Adjustments for :					
Doubtful debts		(2,493)	(9,333)	(871)	(1,361)
Depreciation and amortization		168,100	114,580	139,877	92,258
(Gain) loss on sales of fixed assets and intangible assets		(1,431)	(381)	(1,742)	23
Reversal of an impairment loss of land		(4,941)	-	(4,941)	-
Write-off work in process to expense		249	10,449	249	10,449
Investment income		(1,109,762)	(479,822)	(1,095,160)	(470,128)
Share of profit of investments in subsidiaries and associate	6	(2,664)	(2,207)	(66,289)	(83,130)
Excess of revenues over expenses before changes in operating assets and liabilities		(370,071)	572,285	(446,006)	487,110
(Increase) decrease in operating assets					
Accounts receivable and accrued income		(8,257)	96,986	(1,721)	68,681
Admission fee receivables		36,733	59,933	36,733	59,933
Other current assets		(131,186)	(17,666)	(144,369)	(8,016)
Other assets		(4,231)	(1,892)	(5,291)	(172)
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses		242,621	30,865	205,980	18,834
Fees received in advance		8,487	4,354	1,506	6,080
Accrued income tax		753	(506)	-	-
Other current liabilities		114,027	38,976	101,351	61,740
Non-current liabilities		34,696	-	34,696	-
Net cash from (used in) operating activities		(76,428)	783,335	(217,121)	694,190

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Statement of Cash Flows (Cont'd)

For the years ended 31 December 2005 and 2004

(Unit : Thousand Baht)

	Notes	Consolidated 2005	Consolidated 2004	SET 2005	SET 2004
Net cash from (used in) operating activities		(76,428)	783,335	(217,121)	694,190
Cash flows from investing activities					
Cash at banks by M.O.U.		(62,632)	(12,265)	(62,632)	(12,265)
Cash received from short-term investments		16,898,500	5,644,918	15,494,242	5,550,581
Investment income		1,180,166	447,657	1,165,625	438,533
Purchases of short-term investments		(5,472,733)	(4,328,839)	(4,458,160)	(4,121,782)
Purchases of long-term promissory notes at financial institutions		-	(150,000)	-	(150,000)
Purchases of bonds		(8,828,730)	(40,000)	(8,427,935)	(40,000)
Purchases of debentures		(312,667)	(50,000)	(280,000)	(50,000)
Purchases of investment units in mutual funds		(2,122,003)	(1,795,041)	(2,112,152)	(1,795,041)
Cash received from loans to subsidiary	17	-	-	5,000	5,000
Purchases of fixed assets	8	(802,303)	(269,290)	(759,107)	(249,407)
Purchases of intangible assets	9	(286,365)	(62,901)	(257,350)	(62,502)
Proceeds from sales of fixed assets		3,586	543	2,628	49
Investments in subsidiaries		-	-	-	(100,000)
Investments in other companies		-	(1,238)	-	(1,238)
Dividends received from subsidiaries		-	-	-	43,000
Benefits from Staff Welfare Fund		1,447	799	1,447	799
Benefits from Securities Investor Protection Fund		6,199	421	6,199	421
Net cash from (used in) investing activities		202,465	(615,236)	317,805	(543,852)
Net increase (decrease) in cash and cash equivalents		126,037	168,099	100,684	150,338
Cash and cash equivalents at beginning of the year		358,288	190,189	198,855	48,517
Cash and cash equivalents at end of the year		484,325	358,288	299,539	198,855
Supplementary information for cash flows:					
Cash paid during the year					
Income tax paid		29,866	27,224	-	-

Please see the notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 83 to 113 which form an integral part of these financial statements.

Notes to the Consolidated Financial Statements and the SET's Financial Statements

For the years ended 31 December 2005 and 2004

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. 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. The address of The Stock Exchange of Thailand is as follows:

62 Ratchadaphisek 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 trading of 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 (the 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 2005 The Stock Exchange of Thailand and its subsidiaries employed 902 employees (2004 : 741 employees).

These consolidated and the SET's financial statements have been approved by the Board of Governors on 22 February 2006.

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.

As a result of the Federation of Accounting Professions (FAP) approval of the new accounting standards on 12 May 2005, the SET has adopted TAS 52, 'Events After Balance Sheet Date', TAS 53, 'Provisions, contingent Liabilities, and Contingent Assets' and TAS 54, 'Discontinuing Operations' in the second quarter of 2005. The adoption of these new accounting standards did not have a material impact to the financial statements presented.

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.

2.2 Consolidated financial statements

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 6.

2.3 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.

2.4 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 denominated in foreign currencies are translated to Thai Baht at the exchange rate prevailing at the balance sheet 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.

2.5 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.

2.6 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at anticipated net 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.

2.7 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 The Stock Exchange of Thailand 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 and specific mutual 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.

2.8 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.

Repairs and maintenance are charged to the statement of revenues and expenses during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are included in statement of revenues and expenses.

2.9 Intangible assets

2.9.1 Computer software

Generally, costs associated with developing or maintaining computer software programs 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 programs 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.

2.9.2 Patent and Operating rights

Patent represents the expenditure on acquired patent for media publications (including related identifiable trademarks). Operating rights represent the expenditure on acquiring of the rights to use systems including copyrights, patents and trademarks and other related rights, i.e Bond Trading system. Both patent and operating rights are controlled by the SET or its subsidiaries and are expected to generate economic benefits more than one year. They are recognized as intangible assets and amortized over their expected useful life, generally over 10 years using the straight line method.

Patent and operating rights are 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.

2.10 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.

2.11 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 a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the SET and its subsidiary.

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.

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 Provision

Provisions, which exclude the provisions relating to employee benefits, are recognised when the SET has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the SET expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the period in which the SET becomes legally or constructively committed to payment. Costs relating to the ongoing activities of the SET are not provided in advance.

2.14 Directors' remuneration

Directors' remuneration comprises of the benefits paid to the Board of Governors and the Board of Directors of subsidiaries including benefits be received as the members of sub-committees (not included salaries, bonus and related benefits payable to management).

3. Short-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Investments managed by the SET				
General investments				
Savings accounts	199,691	424,389	198,570	395,337
Fixed deposit accounts	407,289	1,693,244	407,288	1,478,656
Promissory notes	643,000	1,595,330	582,550	1,471,375
	1,249,980	3,712,963	1,188,408	3,345,368
Investments in money market funds	410,241	456,515	410,241	456,515
Available-for-sale securities	-	26,004	-	-
Debt securities due within one year	2,097,691	40,000	1,787,845	40,000
Total investments managed by the SET	3,757,912	4,235,482	3,386,494	3,841,883
Investments managed by private funds				
General investments				
Savings accounts	42,251	58,899	41,953	58,823
Fixed deposit accounts	79,000	60,000	78,000	60,000
Other debt instruments	980,680	1,422,231	932,272	1,375,731
	1,101,931	1,541,130	1,052,225	1,494,554
Trading securities	1,673,576	1,348,837	1,620,095	1,294,051
Total investments managed by private funds	2,775,507	2,889,967	2,672,320	2,788,605
Total short-term investments	**6,533,419**	**7,125,449**	**6,058,814**	**6,630,488**

Investments managed by the SET

Savings accounts bear interest rate of 1.00% - 2.00% per annum (2004 : 1.00% per annum).

Fixed deposit represent fixed deposit at banks which have maturity between 3 and 12 months and interest rates of 0.50% - 3.75% per annum (2004 : 0.38% - 4.00% per annum).

Promissory notes represent the promissory notes at financial institutions which have maturity between 3 and 12 months and interest rates of 2.50% - 4.00% per annum (2004 : 1.00% - 3.25% per annum).

Available-for-sale securities in 2004 represent treasury bills, government and state enterprise bonds due within 2005 which have yields of 1.30% - 1.40% per annum.

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

Debt securities due within one year represent treasury bills, government bonds, Bank of Thailand bonds and debentures (2004 : treasury bills) which have yields of 3.00 - 4.50% per annum (2004 : 1.75% per annum). The aggregated market value as at 31 December 2005 was Baht 2,094 million (2004 : 39.80 million).

Investments managed by private funds

Investments in private funds are managed by three 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 19 - 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 coupon rates of 0.50% - 5.03% per annum (2004 : 0.50% - 4.50% per annum) and yields of 1.00% - 12.00% per annum (2004 : 1.00% - 4.50% per annum).

Trading securities consist of government bonds, Bank of Thailand bonds, debt instruments guaranteed by the Ministry of Finance and debentures which have coupon rates of 1.85% - 8.63% per annum (2004 : 1.85% - 9.50% per annum) and yields of 2.02% - 7.55% per annum (2004 : 1.65% - 6.65% per annum).

4. Accounts receivable and accrued income, net

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Accounts receivable	59,539	53,183	51,434	59,137
Less Allowances for doubtful accounts	(20,229)	(22,043)	(9,519)	(10,413)
	39,310	31,140	41,915	48,724
Add Accrued income	81,664	79,084	64,549	55,148
	120,974	**110,224**	**106,464**	**103,872**

Outstanding accounts receivable can be analyzed as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Less than 3 months	39,310	29,597	41,914	47,996
3 - 6 months	49	267	-	267
6 - 12 months	36	-	-	-
Over 12 months	20,144	23,319	9,520	10,874
	59,539	53,183	51,434	59,137
Less Allowance for doubtful accounts	(20,229)	(22,043)	(9,519)	(10,413)
	39,310	**31,140**	**41,915**	**48,724**

As at 31 December 2005, the SET had 5 listed companies which had overdue accrued listing fees of 3 - 6 months and over 12 months of Baht 1.54 million and Baht 2.95 million, respectively. Thailand Securities Depository Co., Ltd., a subsidiary, had 5 accounts receivable which had overdue accrued stock registrar fees of 6 - 12 months and over 12 months of Baht 0.82 million and Baht 6.10 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 53.00% 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. Other current assets

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Cash guarantee under the lease obligation (Note 18)	68,946	-	68,946	-
VAT receivable	35,686	204	34,264	-
Loans to employees	32,356	30,439	24,018	23,309
Prepaid expenses	22,316	12,837	46,225	13,076
Others	32,572	17,210	16,536	9,235
	191,876	**60,690**	**189,989**	**45,620**

6. Investments in subsidiaries and associate

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Opening net book amount	144,866	142,659	796,123	655,993
Add Share of net profit	2,664	2,207	66,289	83,130
Investment in Thailand Futures Exchange Public Co., Ltd.	-	-	-	100,000
Less Share of dividends	-	-	-	(43,000)
Closing net book amount	**147,530**	**144,866**	**862,412**	**796,123**

The principal subsidiaries and associate are:

i) Subsidiaries directly held by the SET

	Business	Country of incorporation	% Ownership interest 2005	% Ownership interest 2004
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
Family Know-how Co., Ltd.	Provision of advisory services and edutainment production and services on finance and investment knowledge through medias	Thailand	99.99	99.99
Thailand Futures Exchange Public Co., Ltd.	Future exchange center	Thailand	99.99	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 2005	% Ownership interest 2004
Thailand Clearing House Co., Ltd.	Clearing house and related services for futures	Thailand	99.99	99.99

iii) Associate

	Business	Country of incorporation	% Ownership interest 2005	% Ownership interest 2004
Clearing Fund	Fund	Thailand	29.18	33.77

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 one-time payment of Baht 100 million as an initial contribution from the SET. The percentage of ownership interest will be reduced according to further contributions made 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 2005				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Clearing Fund	**496,680**	**29.18**	**100,000**	**147,530**	**-**

(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**	**144,866**	**-**

(Unit : Thousand Baht)

	SET 2005				
	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	336,882	-
SETTRADE.COM Co., Ltd.	80,000	99.99	80,000	96,992	-
Family Know-how Co., Ltd.	50,000	99.99	50,000	51,312	-
Thailand Futures Exchange Public Co., Ltd.	100,000	99.99	100,000	100,252	-
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	107,619	-
Thai NVDR Co., Ltd.	10,000	99.99	10,000	11,471	-
Siam DR Co., Ltd.	10,000	99.99	10,000	10,354	-
Clearing Fund	496,680	29.18	100,000	147,530	-
			650,000	**862,412**	**-**

(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	285,938	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	144,866	-
			650,000	**796,123**	**43,000**

7. Long-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
General investments				
Fixed deposit	130,000	50,000	130,000	50,000
Cash at banks under commitments	3,015	3,000	-	-
Cash at banks by M.O.U	235,085	172,454	235,085	172,454
Investments in matching funds	-	2,500,000	-	2,500,000
Investment in specific-purpose fund	200,000	-	200,000	-
Equity securities	62,336	62,336	62,336	62,336
	630,436	2,787,790	627,421	2,784,790
Investments in mutual funds				
General mutual funds	5,711,109	2,164,833	5,711,109	2,164,833
Property funds	109,200	-	109,200	-
Foreign investment funds	94,051	-	94,051	-
Money market funds	19,462	-	9,731	-
	5,933,822	2,164,833	5,924,091	2,164,833
Debt securities held to maturity	1,323,150	891,152	1,258,205	891,152
	7,887,408	**5,843,775**	**7,809,717**	**5,840,775**

Fixed deposit represent fixed deposit at banks which have maturity over than 1 year and interest rates of 4.25% per annum (2004 : 0.50% - 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.

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 an appropriate risk. Both mutual fund have certain redemption restrictions in which the redemption of investment units is not allowed during the first 3 years (2002 - 2004). After the restriction period, there was an approval from all unit holders to change the status of such investments to be open-ended funds. Therefore in 2005, the SET has reclassified investments in trading securities and presented as general mutual funds.

Investment in specific-purpose fund represents investment in a venture capital fund established by the government to strengthen and recover the businesses that are suffered from the Tsunami disaster. The specific-purpose fund has a policy to invest in securities of businesses involved in the tourism industry and have been affected by the Tsunami in the six southern provinces. The fund has automatic redemption since the sixth year (2011) unless there is an approval from the investment committee to be redeemed before the redemption restriction term. This investment is carried at cost under generally accepted accounting principles due to the redemption restriction during the first 5 years.

The fair value and unrealized gain from investments in specific-purpose fund are as follows:

(Unit : Thousand Baht)

	Consolidated and SET 2005			
	Amount of Fund	Fair value	Cost	Unrealized gain
Investment unit in specific - purpose fund	**1**	**201,561**	**200,000**	**1,561**

(Unit : Thousand Baht)

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

Equity securities comprise:

(Unit : Thousand Baht)

	Paid-up capital	% Ownership interest		Consolidated and SET	
		2005	2004	2005	2004
Equity securities (other companies)					
Thai Rating & Information Service Ltd.	100,000	13.34	13.34	12,336	12,336
TSFC Securities Limited	1,000,000	5.00	5.00	50,000	50,000
				62,336	**62,336**

Investments in mutual funds represent investments in 42 open-ended equity funds (2004 : 38 funds) which have the policy to emphasize the investments in equity securities of listed companies.

Investments in property funds represent 4 closed-end mutual funds. Those funds are established for acquiring or leasing of income-generating properties. All those 4 property funds' units are listed and traded in the Stock Exchange of Thailand.

Investments in foreign investment funds represent investments in 3 open-ended funds which the Feeder Fund has the policy to emphasize the investments in foreign equity securities.

Investments in money market funds represent investments in one open-ended fund which has investment period of 3 years. The fund has a policy to emphasize the investments in debt securities and/or the other financial securities of both government and private entities where there are stability and a good return. The automatic redemption of the investment units is twice a year.

Debt securities represent government, state enterprise, Bank of Thailand, Foreign financial institution bonds and debentures which have maturity within 2 - 7 years, coupon rates of 2.43% - 6.10% per annum (2004: 4.20% - 8.00% per annum) and yields of 4.65% - 6.65% per annum (2004: 3.58% - 6.10% per annum). The aggregated market value at 31 December 2005 was Baht 1,285 million (2004: Baht 907 million).

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

(Unit : Thousand Baht)

	Consolidated 2005		
	Fair value	Amortized cost - net	Unrealized gain (loss)
Government bonds	969,368	996,416	(27,048)
State enterprise bonds	46,625	46,649	(24)
Bank of Thailand bonds	148,923	148,583	340
Foreign financial institution bonds	41,596	45,000	(3,404)
Debentures	304,392	312,834	(8,442)
Less Current portion	(225,837)	(226,332)	495
	1,285,067	**1,323,150**	**(38,083)**

(Unit : Thousand Baht)

	Consolidated 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)

	SET 2005		
	Fair value	Amortized cost - net	Unrealized gain (loss)
Government bonds	957,247	983,971	(26,724)
State enterprise bonds	46,625	46,649	(24)
Bank of Thailand bonds	148,923	148,583	340
Foreign financial institution bonds	23,109	25,000	(1,891)
Debentures	273,450	280,334	(6,884)
Less Current portion	(225,837)	(226,332)	495
	1,223,517	**1,258,205**	**(34,688)**

(Unit : Thousand Baht)

	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**

8. 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 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**
Year ended 31 December 2005						
Opening net book amount	94,1121	72,640	433,917	196,023	4,814	901,506
Additions	-	8,561	468,232	318,770	6,740	802,303
Disposals	-	-	-	(1,285)	(870)	(2,155)
Depreciation charge	-	-	(46,704)	(84,288)	(1,966)	(132,958)
Adjustments and transfers	-	(156,464)	147,371	8,964	-	(129)
Reversal of allowance for impairment	4,941	-	-	-	-	4,941
Closing net book amount	**99,053**	**24,737**	**1,002,816**	**438,184**	**8,718**	**1,573,508**
As at 31 December 2005						
Cost	99,053	24,737	1,200,354	1,412,444	9,904	2,746,492
Less Accumulated depreciation	-	-	(197,538)	(974,260)	(1,186)	(1,172,984)
Net book amount	**99,053**	**24,737**	**1,002,816**	**438,184**	**8,718**	**1,573,508**

(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**
Year ended 31 December 2005						
Opening net book amount	94,112	171,020	431,177	150,503	4,814	851,626
Additions	-	8,561	468,145	275,661	6,740	759,107
Disposals	-	-	-	(16)	(870)	(886)
Depreciation charge	-	-	(46,376)	(64,869)	(1,966)	(113,211)
Adjustments and transfers	-	(154,844)	147,371	7,344	-	(129)
Reversal of allowance for impairment	4,941	-	-	-	-	4,941
Closing net book amount	**99,053**	**24,737**	**1,000,317**	**368,623**	**8,718**	**1,501,448**
As at 31 December 2005						
Cost	99,053	24,737	1,197,052	1,232,426	9,904	2,563,172
Less Accumulated depreciation	-	-	(196,735)	(863,803)	(1,186)	(1,061,724)
Net book amount	**99,053**	**24,737**	**1,000,317**	**368,623**	**8,718**	**1,501,448**

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 18 : Long-term land lease contingency.

9. Intangible assets, net

(Unit : Thousand Baht)

	Consolidated			
	Work in process	Software	Patent and operating rights	Total
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**
Year ended 31 December 2005				
Opening net book amount	41,806	67,512	2,000	111,318
Additions	215,239	56,895	14,231	286,365
Adjustments and transfers	(17,517)	17,397	-	(120)
Amortization charge	-	(34,566)	(576)	(35,142)
Closing net book amount	**239,528**	**107,238**	**15,655**	**362,421**
As at 31 December 2005				
Cost	239,528	320,300	16,231	576,059
Less Accumulated amortization	-	(213,062)	(576)	(213,638)
Net book amount	**239,528**	**107,238**	**15,655**	**362,421**

(Unit : Thousand Baht)

	SET			
	Work in process	Software	Patent and operating rights	Total
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**
Year ended 31 December 2005				
Opening net book amount	41,393	59,185	-	100,578
Additions	201,902	41,217	14,231	257,350
Adjustments and transfers	(17,517)	17,397	-	(120)
Amortization charge	-	(26,290)	(376)	(26,666)
Closing net book amount	**225,778**	**91,509**	**13,855**	**331,142**
As at 31 December 2005				
Cost	225,778	246,559	14,231	486,568
Less Accumulated amortization	-	(155,050)	(376)	(155,426)
Net book amount	**225,778**	**91,509**	**13,855**	**331,142**

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

10. Fund balances

Fund balances comprise :

10.1 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.

10.2 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.

10.3 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.

10.4 SET Building Construction 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.

10.5 Staff Welfare Fund

In 1997 and 2004 the Board of Governors approved an appropriation of general fund of Baht 75 million as the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

10.6 Securities Investor Protection 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).

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 2005, the number of SIPF members was 33 (2004 : 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 that 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 sheets as at 31 December comprise:

(Unit : Thousand Baht)

	2005	2004
Assets		
Current Assets		
Cash and cash equivalents	5,921	622
Short-term investments	164,189	299,781
Contributions due from members	2,472	-
Accrued interest receivables	2,679	962
Total Current Assets	175,261	301,365
Non-Current Asset		
Long-term investments	168,126	-
Total Assets	**343,387**	**301,365**
Liabilities and Fund Balances		
Non-Current Liabilities		
Contributions from members	34,261	-
Benefits on Contributions from members	435	-
Total Non-Current Liabilities	34,696	-
Fund Balances		
Initial fund	300,000	300,000
Fund Balances (excess of revenues over expenses)	8,691	1,365
Total Fund Balances	308,691	301,365
Total Liabilities and Fund Balances	**343,387**	**301,365**

SIPF statements of revenues and expenses for the year ended 31 December 2005 and the period from 1 October 2005 (Date of fund establishment) to 31 December 2005 is presented in Note 11 : Results of funds operation

10.7 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.

11. Results of fund 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)	The SET's 30th Anniversary charity Fund	General Fund	Total
For the year ended 31 December 2005					
REVENUES					
Fees and service revenues	-	-	-	1,483,315	1,483,315
Investment income	1,451	7,374	-	1,100,937	1,109,762
Other revenues	-	-	-	441,494	441,494
Total Revenues	1,451	7,374	-	3,025,746	3,034,571
EXPENSES					
Operating expenses	-	48	-	2,203,130	2,203,178
Donation and social contribution	-	-	72,110	148,876	220,986
Income tax	-	-	-	27,536	27,536
Total Expenses		48	72,110	2,379,542	2,451,700
Excess (under) of revenues over expenses	**1,451**	**7,326**	**(72,110)**	**646,204**	**582,871**

For the year ended 31 December 2004 and for the period from 1 October 2004 (Date of fund establishment) to 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**

(Unit : Thousand Baht)

	SET				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	The SET's 30th Anniversary charity Fund	General Fund	Total
Year ended 31 December 2005					
REVENUES					
Fees and service revenues	-	-	-	1,210,425	1,210,425
Income from investments	1,451	7,374	-	1,086,335	1,095,160
Other revenues	-	-	-	241,382	241,382
Total Revenues	1,451	7,374	-	2,538,142	2,546,967
EXPENSES					
Operating expenses		48	-	1,761,038	1,761,086
Donation and social contribution	-	-	72,110	130,900	203,010
Total Expenses	-	48	72,110	1,891,938	1,964,096
Excess (under) of revenues over expenses	**1,451**	**7,326**	**(72,110)**	**646,204**	**582,871**

For the year ended 31 December 2004 and for the period from 1 October 2004 (Date of fund establishment) to 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**

12. Other revenues

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Share clearing, transfer and deposit fees and others	107,315	97,192	-	-
Service and advertising revenues	79,246	50,645	-	-
Information service revenues	64,878	66,691	59,332	57,773
Revenues from Thailand Securities Institute	43,537	25,951	43,537	25,951
Securities Biz Service Bureau revenues	24,510	24,289	-	-
Clearing and settlement default fines	22,931	15,921	-	-
Member fines	18,820	24,700	18,820	24,700
Publication & media revenues	12,354	16,271	12,354	16,271
Reversal of an impairment loss of land	4,941	-	4,941	-
Other revenues	60,297	49,142	36,108	32,749
	438,829	**370,802**	**175,092**	**157,444**

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

The Securities and Exchange Act B.E. 2535 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.

14. Other expenses

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Service and advertising production cost	193,848	76,306	-	-
Communication expenses	147,900	119,507	24,511	17,602
Fees to external parties	76,736	68,615	124,233	98,626
Office building expenses	74,600	53,048	72,507	52,280
Contribution to institutions	57,939	22,828	64,441	28,318
Repair and maintenance expenses	40,788	29,364	38,558	26,940
Stationery and registrar forms	31,345	28,961	7,187	5,426
Commercial training & seminar of capital market education	23,323	3,601	23,556	3,601
Other expenses	105,974	74,978	69,917	53,288
	752,453	**477,208**	**424,910**	**286,081**

15. Contingent liabilities

As at 31 December 2005, the SET had letters of guarantee issued by banks of Baht 3.34 million (2004: 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 (2004: 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 2005, the overdraft credit line had not yet been drawn down.

In addition, the SET and its subsidiaries are defendants in various pending legal cases from normal operation. In the opinion of the management, after taking appropriate legal advice, the anticipated outcome of such legal cases will not give rise to any significant losses.

16. Commitments

The future minimum lease payment commitments under non-cancellable operating leases of motor vehicle, are as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2005	2004	2005	2004
Up to 1 year	12,900	10,793	9,684	8,374
1 - 3 years	9,619	13,450	6,924	10,026
3 - 5 years	7,413	1,041	6,924	900
	29,932	**25,284**	**23,532**	**19,300**

In addition, the SET had the approximate commitments of Baht 96 million in respect of consultant, design and construction of the new SET buildings and information center at North Park on Viphavadi Rangsit road, Bangkok as of 31 December 2005 (2004 : Baht 308 million).

17. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the SET, including subsidiaries and fellow subsidiaries are related parties of the SET. Associates and individuals owning, directly or indirectly, an interest in the voting power of the SET that gives them significant influence over the enterprise, key management personnel, including directors and officers of the SET and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The following significant transactions were carried out with related parties:

i) Services revenues

(Unit : Thousand Baht)

	SET	
	2005	2004
Subsidiaries		
Thailand Securities Depository Co., Ltd.	289,723	297,236
Family Know-how Co., Ltd.	9,210	9,319
SETTRADE.COM Co., Ltd.	6,946	4,334
Thai Trust Fund Management Co., Ltd.	4,800	4,800
Thailand Futures Exchange Public Co., Ltd.	2,750	-
	313,429	**315,689**

Pricing policy

The SET charges services rendered to subsidiaries according to an agreed rate according to an agreement.

ii) Purchases of services

(Unit : Thousand Baht)

	SET	
	2005	2004
Subsidiaries		
Family Know-how Co., Ltd.	96,974	59,321
SETTRADE.COM Co., Ltd.	59,326	41,576
Thai NVDR Co., Ltd.	1,500	1,500
Thailand Securities Depository Co., Ltd.	-	13
	157,800	**102,410**

Pricing Policy

The SET pays for services rendered from subsidiaries according to an agreed rate according to an agreement.

iii) Outstanding balances arising from purchases/sales of services

(Unit : Thousand Baht)

	SET	
	2005	2004
Receivables, accrued income and other assets from:		
Subsidiaries:		
Thailand Securities Depository Co., Ltd.	60,895	59,294
Family Know-how Co., Ltd.	18,055	5,358
SETTRADE.COM Co., Ltd.	16,888	405
	95,838	**65,057**
Payables, accrued expenses and other liabilities to:		
Subsidiaries:		
Family Know-how Co., Ltd.	43,136	15,739
SETTRADE.COM Co., Ltd.	12,396	4,566
Thailand Securities Depository Co., Ltd.	4,339	3,587
Thai NVDR Co., Ltd.	-	479
	59,871	**24,371**

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 2005, the outstanding balance of loans to subsidiary was Baht 5.00 million. (2004: Baht 10.00 million).

v) Contributions

In 2005, the SET contributed Baht 89.58 million to Family Know-how Co., Ltd. to support its business operation (2004: Baht 25.00 million).

vi) Directors and management's remuneration

The directors and committees' remuneration, which represented director fees, other fees of the Board of Governors and the Board of Directors of subsidiaries, and the fees received as members of sub-committees, for the year 2005 approximated Baht 23.54 million (2004: Baht 22.59 million).

The management's remuneration, which represented salary and other benefits of high level management of the SET and subsidiaries for the year 2005 approximated Baht 142.55 million (2004: Baht 129.94 million).

18. 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 253.18 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. In 2005, the company had appealed to the Appeal Court and this case is in the process of court judgement.

In 2005, the SET claimed the deposited property (cash) as guarantee under the lease obligation from the Central Office of Deposit of Property amounting to Baht 68.94 million. The deposited property (cash) was recorded as liability in the balance sheet for further discussion with such company.

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 thus no provision is recognized at the date of these financial statements.

19. 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, therefore, has a policy to diversify its investments and deposits to high credit financial institutions according to the SET's regulations.

Investment policies of the years 2005 and 2004 are summarized 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 or NCD at commercial banks and promissory notes of finance company or financial institutions incorporated by specific laws	Not exceed 15% per institution
- Debentures or warrants of debentures and bills of exchange	Not exceed 5% per issuer
- Investment units or warrants of investment units in mutual funds those invested in debt securities	Not exceed 10% per that mutual fund

2. Investments in equity securities

Type of investments	Proportion to total investments in debt securities
- Investment units or warrants of investment units in mutual funds which emphasize equity securities	Not exceed 10% per mutual fund

During 2005, the Board of Governors approved two more types of investments which were property funds, in which should not exceed 10% of that fund size per that mutual fund and foreign investment funds, in which should not exceed 10% of approved amount by the Board of Governors per that mutual fund.

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

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 7 respectively.

20. Post balance sheet event

The Board of Governors held on 22 February 2006 approved the budget of Baht 1,000 million for investment in venture capital fund. The fund has a policy to invest in companies having a potential to list in the Market for Alternative Investment (mai).

Market for Alternative Investment

Mr. Vichate Tantiwanich
Chairman
mai Advisory Committee

Mr. Chanitr Charnchainarong
Chief Executive Officer
Market for Alternative Investment

Mr. Prapan Charoenprawatt
Vice President
Market for Alternative Investment

Thai economic development policy aims to increase the sustainable growth of the Thai economy. To accomplish this, the capital market must emphasize strengthening those businesses with high growth potential in the international arena. These firms should primarily come from technology-, knowledge-, and/or innovation-based sectors of the economy, thereby enabling the private sector to better cater to the needs of Thailand's growing population and to the country's ever-changing domestic and international markets.

Market for Alternative Investment (mai) sees the importance in supporting businesses with the aforementioned characteristics, and seeks to enable them to efficiently and expediently reach the sources of capital they need to fuel the long-term expansion of key areas of the economy. This particular group of businesses is distinct from those that tend to list on The Stock Exchange of Thailand (SET). Firms that list on the mai have a "STAR" character and possess the potential to grow along with, or out-pace, the expected growth of the Thai economy. Investors looking more deeply into each mai-listed company will find that each business is knowledge-based in nature, e.g., is engaged in software programming, designing or event organizing, and are innovators. Businesses that possess these characteristics are of the new generation and possess the potential to yield leaping growths in annual revenues and profits.

The role of mai in 2005, therefore, involved improving the quality of products being offered to investors as well as expanding the variety of products with relation to their size, the industry in which they belonged and the types of businesses. When considering each mai listing candidate, evaluation is based strongly on the company's ability to disclose accurate, clear and adequate information, with transparency standards equivalent to those of SET. mai's management helps in executing each company's work plans and cooperates with all relevant government departments to assist in preparing small- and medium-sized enterprises to join the capital market. Furthermore, promoting amicable relationships between mai and companies has provided both sides with rewarding experiences and incentives for the companies to list on mai.

2005 Business Outcome

Since its first trading day on September 17, 2001, mai has attracted many qualified businesses to list and claim their place in the stock market. 42 companies have listed to date, of which 6 have already raised their capital level to at least THB200 million and successfully listed on SET.

In 2005, 14 companies joined mai, significantly lower than the target of 40. Such a humble figure is partly due to several candidates' inability to process their filings promptly with SEC. Another cause for these poor results was the declining sentiment of the general market environment which, at the time, yielded price levels that failed to reflect the true value of stocks. This induced candidates to hold off their listing until 2006, which they forecasted would have a more favorable market environment.

Nevertheless, mai continued to encourage prospective businesses to list, particularly those who had put forth great effort in their filing preparations but required additional time to complete the process. The government allowed mai to extend the period during which candidates in the listing process could claim tax benefits: firms submitting applications before December 31, 2005 were still eligible to receive reductions in their corporate tax—instead of paying income tax at 30%, they were liable for only 20%, for 5 consecutive balance sheet periods. However, the candidates had to list and start trading within 2006, or else they would lose the aforementioned tax privilege.

2006 Business Plan and Objectives

In 2006, mai still forecasts the number of newly listing companies to be 40. mai will continue to differentiate the investment products being offered on its board from those found on SET, in that mai firms will be selected to have higher growth potential. mai will also further develop its alliance network and continue to support candidates to list on mai.

Targeted firms are those with growth potential, especially those in the technology, information communication technology (ICT), culture technology (CT), media, and professional service industry sectors. Within the technology sector, sub-categories such as bio-technology and nanotechnology will be focused on. Also, in the culture technology sector, tourism, fashion, and the health industry will be priority categories. In the professional service category, businesses that provide advice on specific topics, such as management or finance, will be targeted.

In addition, the SET Board of Governors has approved establishing the mai Matching Fund, valued at THB1 billion, to provide venture capital for businesses with competitive potential, in order to develop them to a state where they will be capable of listing on mai. Investments under this scheme will be done through individual partnerships with other venture capital funds.

To expand the investor base, mai will target individual investors from the new generation, who would normally have at least a bachelor's degree, if not postgraduate ones. Therefore, these investors will be financially literate, and more analytical than most when making decisions regarding risks and returns. As for institutional investors, mai will establish 2 mutual funds to invest in mai-listed businesses.

Bond Electronic Exchange (BEX)

Dr. Santi Kiranand
Chief Executive Officer
Bond Electronic Exchange

Since The Stock Exchange of Thailand officially established Bond Electronic Exchange (BEX) on November 26, 2003, BEX has continued to grow and develop. The BEX primary goal is to develop every aspect of the Thai bond market in order to achieve the same international standards as other international bond markets. Throughout 2005, BEX succeeded in attaining a significant increase in the number of both public and private sector listed bonds. This clearly reflected the substantial growth in the number and variety of bonds listed on BEX. In addition, BEX has successfully developed bond trading systems that provide more convenient and efficient trading facilities for all types of investors.

Increase variety of products on BEX

Throughout 2005, there were a total of 56 bonds listed on BEX with a total value of THB604.53 billion. These consist of 37 issues of corporate bonds valued at THB115.75 billion, 19 issues of government debt securities divided into 10 issues of government bonds valued at THB365.19 billion, 4 issues of saving bonds valued at THB90.19 billion, 2 issues of State-owned Enterprise bonds valued at THB7.0 billion, and 3 issues of State Agency bonds valued at THB26.4 billion. Currently, the total outstanding value on BEX is THB770.464 billion. This amount includes THB281.69 billion in corporate bonds (73 issues) and THB488.78 billion in government debt securities (19 issues).

The outstanding value of the bonds listed on BEX achieved a huge year-on-year increase of 295%. From an outstanding value of THB194.85 billion in 2004 the total has risen to THB770.46 billion in 2005.

In 2006, BEX expects the outstanding value in BEX to expand to THB3.25 trillion consisting of THB2.8 trillion in government bonds and THB0.45 trillion in corporate bonds.

Develop Bond Trading Systems for all type of investors

BEX separates its bond trading systems into two main independent systems, one system for retail investors and the other for institutional investors and dealers.

- **Bond Trading System for the Retail Market** is operated under the Automatic Order Matching or AOM method, which is on a price-then-time basis for trading values that do not exceed THB10 million. On the other hand, when the trading value is over THB10 million, trading is then undertaken using the Put-through method. In this trading system, Investors can trade bonds through brokers who are SET members. Currently, there are 13 active brokers trading bonds via the BEX trading system. These brokers are as follows:

- Asia Plus Securities PCL.
- BT Securities Company Limited
- Bualuang Securities Company Limited
- Credit Nomura Securities PCL.
- DBS Vickers (Thailand) Company Limited
- KGI Securities (Thailand) PCL.
- Kim Eng (Thailand) PCL.
- National Securities Company Limited
- SCB Securities Company Limited
- Sicco Securities Company Limited
- Tisco Securities Company Limited
- Trinity Securities Company Limited
- United Securities PCL.

BEX serves as a fine alternative for those people who wish to invest in bond for the efficient diversification of their portfolios.

- **Bond Trading System for the Wholesale Market (Firsts: Fixed Income and Related Securities Trading System)**

Apart from improving the liquidity in retail market by utilizing the AOM method, BEX also aims to facilitate more efficient bond trading activities among institutional investors and other market participants including banks, securities firms and asset management companies. The electronic trading platform named **Fixed Income and Related Securities Trading System (Firsts)** is operated with state-of-the-art technology, which can accommodate 150 users simultaneously and cover a maximum of 2,000 transactions per working day. In order to facilitate trading transactions among investors, **Firsts** separates a trading board between B2B (Business to Business) and B2C (Business to client).

The well-organized system of **Firsts** provides all necessary functions to support trading activities. These functions include Bid and Ask, Negotiation, as well as Central Trading Information and Analytical Tools. The system also provides a connection to the clearing and settlement system of Thailand Securities Depository Co., Ltd. (TSD).

Firsts is considered to be an essential step for the development of BEX as Thailand's bond trading center in accordance with the Bond Market Development Plan of the Bond Market Development Committee in Thailand. **Firsts** will be officially launched in early 2006 to serve all market participants, ranging from retail and institutional investors to bond issuers. In its role as Thailand's bond trading center, BEX is believed to be an important mechanism that will help stabilize and develop the Thai bond market in order to raise it up to international standards in the near future.

BEX: Trading System

Trading system for retail market (AOM method)	Trading system for institutional investors and dealers (Firsts system)
✓ Trading through brokers	✓ Trading via Electronic OTC
✓ Trading under AOM method	✓ Dealing method under 2 independent trading boards (B2B and B2C board)
✓ 100 units minimum trading, over 10,000 units utilizes Put-through method	✓ No specification of Trading size
✓ Net Settlement	✓ Gross Settlement

Support Asian Bond Market

BEX has supported the issuance of an Asian Bond Fund in order to accommodate the government's policy and enhance investment within the Asian region. BEX has prepared itself to be ready for its new mission by studying other bond markets and its own operating plans and trading systems as well as disseminating information about Asian bond investments to investors. In 2006, the ABF Thailand Bond Index Fund (ABFTH) will be launched to investors and traded on BEX in both the retail and wholesale markets.

Promote Bond trading

BEX continually promotes bond investment to and educates investors and other market participants. It uses every possible media outlet, such as TV, radio, the BEX website (www.bex.or.th) and publications such as leaflets, booklets and newspapers. Furthermore, BEX will continue to hold academic seminars to help educate all market participants and investors. In addition, BEX also supports capital gain tax exemptions for bond investments to attract more investors to the bond market.

In 2006, BEX will continue to strive for efficiency in its role as Thailand's bond trading center and will support the bond market as one of the important mechanisms of the country's financial system, which is made up of its financial institutions, including its equity including market and, of course, the bond market.

Thailand Futures Exchange PCL. (TFEX)

The Thailand Futures Exchange PCL. (TFEX), a subsidiary of The Stock Exchange of Thailand (SET), was established in 2004 as a derivatives exchange. TFEX is governed by the Derivatives Act B.E. 2546 (2003) and is supervised by the Securities and Exchange Commission (SEC). TFEX is licensed to offer various derivative products whose underlying assets include equities, fixed income instruments, interest rates, and related indices, foreign currencies and non-agricultural commodities such as gold and crude oil.

Mrs. Kesara Manchusree
Managing Director
Thailand Futures Exchange

Dr. Rinjai Chaiyasut
Vice President
Products & Services Department

Clearing and settlement are guaranteed by the Thailand Clearing House Co., Ltd. (TCH), a subsidiary of the Thailand Securities Depositories Co., Ltd. TCH guarantees all trades by acting as the counter-party for every trading transaction on the TFEX.

Mission & Commitment

TFEX's mission is to be a world-class exchange for the trading and hedging of Thai derivative products.

To ensure the success of the market's development, TFEX is committed to establishing an efficient infrastructure which will accommodate all market participants. TFEX's ideals center on the concept of fast and easy access at a competitive cost, while striving to maintain a fair, orderly and transparent market.

TFEX values its customers and is dedicated to providing unsurpassed services and innovative products. To help enable sustainable growth, TFEX will continue to create and promote a knowledge-based environment, and encourage investors to understand the nature of derivatives products and the risks involved prior to making investment decisions.

Shareholder and Paid-up Capital

TFEX has THB100 million (approx. USD2.5 million) in paid-up capital. SET is a 99.99% stakeholder.

Board of Directors

TFEX's Board consists of 11 directors, including experts and representatives from various organizations. The term of office is one year, and directors may be re-elected.

Director's Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kittiratt	Na-Ranong	Vice Chairman
Assoc. Prof. Niputh	Jitprasonk	Director
Mrs.Patareeya	Benjapolchai	Director
Mrs. Nongram	Wongwanich	Director
Prof. Anya	Khanthavit, Ph.D.	Director
Asst. Prof. Patcharawalai	Jayapani, DBA.	Director
Mr. Adisorn	Sermchaiwong	Director
Mr. Charamporn	Jotikasthira	Director
Mr. Kampanart	Lohacharoenvanich	Director
Mrs. Kesara	Manchusree	Managing Director

TFEX Achievements in 2005

Throughout 2005, TFEX has prepared its systems for its market launch, scheduled for 2006. TFEX has made progress in many areas, including participant involvement, training, public relations, and investors' education.

- **Participant Readiness**

In 2005, TFEX admitted its first group of members, consisting of 20 brokerage firms. Regarding its technical infrastructure, TFEX has successfully implemented its trading and related systems adopted from OMX technology. Furthermore, TFEX's network connections with its members have been installed and tested on a system-wide basis. To better prepare its workforce, TFEX has provided training programs for brokers' marketing representatives and technical staff to equip them with the required skills.

- **Public Relations and Investor Base Development**

Since derivatives are new to Thailand, TFEX anticipated the need for aggressive public relations and investor base development, and made these duties part of our core activities. Various marketing and educational activities have been undertaken to boost the interest of both institutional and retail investors. For instance, the TFEX Futures Camp was held for students from universities nationwide, to teach them more about derivatives and so they could compete in a futures trading simulation game. Investor seminars related to derivatives and SET50 Index Futures were organized throughout the year.

In addition, to attract international investors, TFEX joined the Futures and Options World Exhibition, which is a well-known international derivatives event organized annually.

TFEX's Plan for 2006

After launching the SET50 index futures, TFEX will cover a greater product range, which will suit all market participants' needs and constraints. Government bond futures and short-term interest futures are targeted to be the next products.

TFEX is dedicated to successfully creating a liquid derivatives market. TFEX maintains its vision of establishing a solid derivatives market infrastructure in Thailand. In 2006 and beyond, TFEX will continue to demonstrate the benefit of derivative products to all market participants, which will eventually result in a fundamentally sound and a sustainable derivatives market over the long run.

Thailand Securities Depository Co., Ltd.

❶ **Mrs. Nongram Wongwanich**
President

❷ **Mrs. Kongkeaw Piamduaytham**
Senior Vice President
Depository & Clearing Division

❸ **Mrs. Pannaporn Sapsomboon**
Senior Vice President
Business Support Division

❹ **Mrs. Udomwara Dechsongjarus**
Senior Vice President
Registration & Services Division

❺ **Ms. Busaba Viruchagool**
Vice President
Fund Operation Services Department

The Thailand Securities Depository Co., Ltd. (TSD) is a subsidiary of The Stock Exchange of Thailand (SET). TSD 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 (2006)

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

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

6 **Mr. Somchai Oksue**
Vice President
Registration Services Department

7 **Ms. Nantirat Chavalitlekha**
Vice President
Clearing House Department

8 **Ms. Pataravasee Suvarnsorn**
Vice President
Clearing House Department

9 **Ms. Yupawan Sirichainarumitr**
Vice President
Business Solutions Department

10 **Mr. Kanate Wangpaichitr**
Vice President
Business Development Department

11 **Mr. Pongpiti Ektheinchai**
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 all other issuing companies.
- Fund Registration: acts as a registrar of mutual funds, retirement mutual funds (RMFs), long-term equity funds (LTFs) and provident funds for asset management companies.
- Broker's Back Office Service Bureau: provides securities post-trading operations and acts as the center for operation system development.

Registered Capital and Organization Structure

- TSD has THB200 million in registered capital. SET holds 99.99% of the registered capital.
- TSD organization is comprised of 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	Member
Ms. Orajit	Singkalavanich	Member
Mr. Jaroong	Nookhwun	Member
Mr. Pradit	Sawattananond	Member
Mr. Bandid	Nijathaworn	Member
Mrs. Pattera	Dilokrungthirapop	Member
Mr. Boontuck	Wungcharoen	Member
Mrs. Patareeya	Benjapolchai	Member
Mrs. Nongram	Wongwanich	President

2005 Business Operational Review

Significant business operations for 2005 were:

- In this year, TSD devised a pro-active marketing strategy and launched extensive public relations to promote its e-Dividend service whereby (interest and dividend payments are instantly transferred to the shareholders bank accounts on the payment date) among small investors. As of December 31, 2005, the total interest and dividend paid through this service added up to more than 766,829 transactions or 57% of all transactions. (2004: 17%)

- TSD opened the "TSD Counter Service" on the first floor of The Stock Exchange of Thailand Building on April 29, 2005. This service is geared toward assisting small investors in doing business with TSD. Investors can come to this one-stop counter to correct their records, transfer their shares, request the issuance of new checks or share certificates, pay for TSI's courses, etc. Thus far, more than 8,000 people have already utilized the TSD Counter Service.

- TSD has expanded its clearing house division to support the derivatives market by developing its system along with establishing the relevant rules and regulations that have already received approval by the SEC. The Clearing House for derivatives will begin operations when the derivatives market opens this year.

- TSD, in coordination with the Bank of Thailand, has developed the Real-time DVP Linkage (RDL) to support the Real Time Gross Settlement (RTGS) Process, which has been in operation since July 15, 2005. Members can choose to use the Gross Settlement method for stocks in the Put-Through system or for government bonds in the AOM system.

- TSD has developed a communication channel between itself and issuers (Issuer Portal), which was launched in September 2005. Issuers can download important information, e.g., reports issued by TSD or names of their major shareholders.

- As a member of the Asia-Pacific Central Securities Depository Group (ACG), TSD was a convener of the Settlement Risk Management Task Force to help gather and analyze information assembled by ACG members concerning risk management by the securities clearing and settlement systems of each country for the greater benefit of all ACG members. The information was presented at "The 9th General Meeting of the Asia - Pacific CSD Group" on November 10-11, 2005 in Japan.

- In accordance with the Ministry of Finance's appointment, TSD has prepared to become a central depository and clearing house for both corporate and government bonds in Thailand by expanding and upgrading its depository and clearing house system. The centralized securities depository project is scheduled to be complete and offer its services sometime during the first quarter of 2006.

- TSD is currently developing its system to support Securities Borrowing and Lending (SBL) and the Repurchase Agreement (Repo) services with the assistance and consultation regarding its business model from the Korea Securities Depository (KSD). The system is scheduled to be launched in the second quarter of 2006.

Plans

To strengthen the standardization of its services and resolutely face the challenges of today's world capital markets, TSD has set out the following strategic plans for 2006:

- To develop and improve its working processes and post-trading systems by employing advanced technology in order to enable better operations in line with international standards.

- As a result of the Centralized Securities Depository Project for bonds, TSD will become a center for the depositing and clearing and settlement of both stocks and bonds in Thailand. Therefore, TSD is developing a superior collateral management system to support bond trading, including guidelines for managing collateral to yieid the highest possible benefits.

- To support transactions that will soon occur in the derivatives market, TSD will consider ways to allow a Third Party Clearing Member to operate as a choice for clearing house members to transfer their status to Third Parties who are not currently securities trading members. Also, TSD is prepared to provide clearing house services for trading derivatives with other instruments as underlying assets.

- TSD will continue to expand its securities borrowing and lending as well as its collateral management services by developing a system necessary for assuming its future role as an Application Service Provider (ASP).

Thai Trust Fund Management Co., Ltd.

Mrs. Kongkeaw Piamduaytham
Managing Director

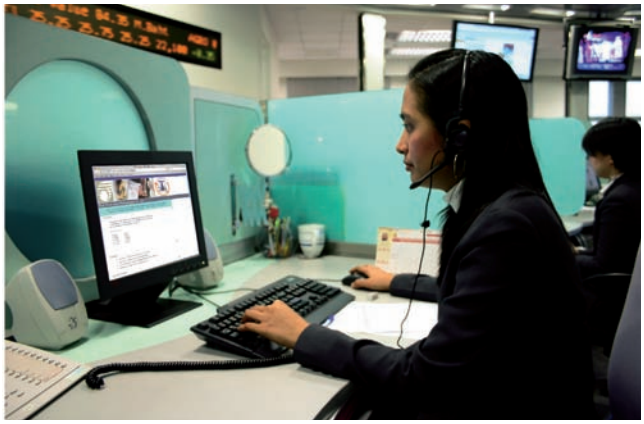
Thai Trust Fund Management Co., Ltd. (TTF) was established on December 17, 1996 by The Stock Exchange of Thailand (SET) to promote foreign investment in the Thai stock market by providing foreigners with another channel for investing in Thai listed shares through mutual funds.

Business Operations

TTF was licensed by the Securities and Exchange Commission (SEC) and is managed by SET and Thailand Securities Depository Co., Ltd. (TSD). TTF is a passive management arrangement. When an investor places a bid through a broker, TTF will place a corresponding order to buy the underlying shares and then will issue units to the investor. TTF will not exercise its voting rights except on motions to delist the underlying shares from SET. The main function of TTF is to look after the financial benefits of unit holders, e.g., dividends and right issues. TTF 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

TTF is a wholly-owned subsidiary of SET. TTF has THB100 million of registered capital, with 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

2005 Operational Review and Statistical Highlights

At the end of 2005, 14 listed companies were participating in TTF, as follows:

Company	Percentage of Holding by TTF Allowed by the Listed Company	No. of Shares Held by the Thai Trust Fund
1) Advanced Info Service PCL.	2.50	64,039,000
2) Alucon PCL.	25.00	5,507,400
3) Berli Jucker PCL.	24.00	1,828,200
4) Golden Land Property Development PCL.	20.00	0
5) Hana Microelectronics PCL.	24.00	0
6) KGI Securities (Thailand) PCL.	25.00	0
7) Laguna Resorts & Hotels PCL.	20.00	4,987,866
8) Minor International PCL.	10.00	58,454,635
9) Precious Shipping PCL.	5.00	10,000
10) Singer Thailand PCL.	10.00	14,565,300
11) Thai Reinsurance PCL.	24.00	68,728,100
12) Thoresen Thai Agencies PCL.	35.00	0
13) Tongkah Harbour PCL.	20.00	0
14) True Corporation PCL.	8.74	357,998,724

Thai NVDR Co., Ltd.

บริษัท ไทยเอ็นวีดีอาร์ จำกัด
THAI NVDR CO., LTD.

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 and eliminate foreign investment limit barriers.

Business Operation

THAI NVDR CO., LTD. is responsible for executing the purchase or sale 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 full financial benefits as if they had invested directly in the listed firms' shares themselves (e.g., dividends, rights, or warrants). However, there are no voting-rights for NVDR holders except in motions involving delisting.

Registered Capital

THAI NVDR CO., LTD. has registered capital of THB10 million, with SET holding 99.99% of the registered capital.

Board of Directors

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

2005 Operational Review and Statistical Highlights

As of December 31, 2005, investors held NVDRs based on underlying shares in 490 firms out of the total of 504 listed companies. This is equivalent to 97.22% of all the listed companies on SET. Furthermore, NVDRs accounted for 27.58% of foreign investors' total turnover.

Siam DR Co., Ltd.

บริษัท สยามดีอาร์ จำกัด
SIAM DR CO.,LTD.

Siam DR Co., Ltd. was established on October 6, 2003 by The Stock Exchange of Thailand (SET) to increase liquidity in the Thai stock market by issuing and selling depository receipts (DR) to investors.

Business Operations

Siam DR Co., Ltd. is responsible for issuing and selling DRs to investors under Securities and Exchange Commission (SEC) regulations as well as buying the underlying securities of listed companies or any other securities that are approved by the SEC. DR holders will receive the same financial benefits as received by the holders of the 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

Siam DR Co., Ltd. has a registered capital of THB10 million, with 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

Settrade.com Co., Ltd.

settrade
www.settrade.com

Mrs. Chanisa Chutipat
Chief Executive Officer

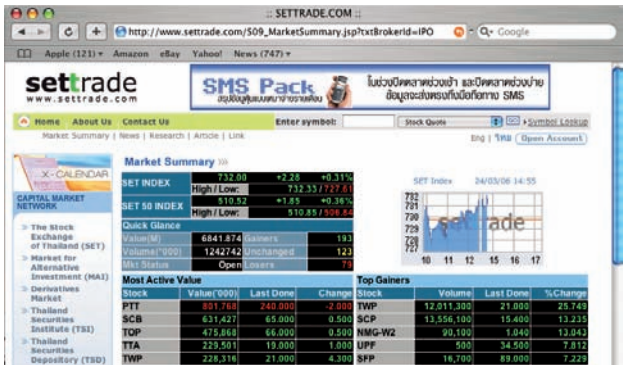
Mr. Thirapun Sanpakit
Chief Information Officer

Mr. Kirati Kosicharoen
Vice President
Marketing & Business Development Department

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 on-line information products, thus increasing the efficiency of information dissemination to investors and other market participants.

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 and Organizational Structure

Settrade was established with THB80 million of registered capital. 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
Mr. Kittiratt	Na-Ranong	Director
Mrs. Patareeya	Benjapolchai	Director
Dr. Olarn	Chaipravat	Director
Mr. Sahas	Treetipbut	Director
Mr. Chaiyoot	Chamnanlertkit	Director
Mr. Suraphol	Kulsiri	Director
Mrs. Pattera	Dilokrungthirapop	Director
Mrs. Chanisa	Chutipat	Chief Executive Officer

Major Activities in 2005

Highlights of the Settrade's activities in 2005 are as follows:

- **Sales and Services to SET Members**

  To achieve a more effective and stable Internet trading system, Settrade has improved its streaming system to better accommodate high-speed trading. This improvement includes more effective data transmission by the introduction of push and pull technology. In 2005, Settrade had 25 member brokers, an increase of 8 over the 17 members in 2004. Settrade had 39,335 on-line user accounts in 2005, an increase of 35.94% over 2004.

- **Information Services**

  Settrade provides a variety of investment information services to ensure more informed investment choices by investors. This information has been disseminated through its websites www.settrade.com and www.setsmart.com—sources of historical trading data, news, and fundamental information of all listed companies. In 2005, Settrade has added a pie chart format into the portfolio function of www.settrade.com to facilitate the investors' utilization. In addition, the new website, namely www.webhoon.com, was developed and launched to accommodate securities brokers with a real-time investment data source for their clients' decision making. Investors can acquire SET information, investment news, securities analyses, technical charts and more from various sources in one website. Investors are also able to obtain valuable investment information by viewing the Money Channel's live programs broadcast 24/7 via both www.settrade.com and www.webhoon.com.

- **Investor Education and Marketing Activities**

  Settrade regularly provides educational training and marketing activities for investors, students and the general public, with variety of themes. These include topics such as gaining fundamental knowledge of investment, data sources for effective investment, Internet trading, and securities analysis. Settrade has participated in all major events launched by SET, including the Money Expo 2005, SET in the City 2005, SET roadshows, etc., to provide information for investors.

- **Corporate Social Responsibilities**

  Settrade has given support to a variety of social activities. Settrade's support has especially gone towards organizing music and sporting events for youth, developing our community, and educational institutions, in order to enable youngsters to spend their time in more creative and useful ways. In 2005, Settrade launched a number of such activities to achieve such objectives, including Settrade Musical Moment Concerts and the classical concert "For the Love of Art". These concerts have given the chance for those talented youth to perform their competencies and develop skills to international standard. Besides musical activities, Settrade, in collaboration with SET and the Thai Chess Club, organized an annual Thai Chess Contest to preserve Thai culture,

Business Plans for 2006

Settrade will continue to develop its Internet trading and information dissemination systems to attain international standards. This will help Settrade's systems to support every type of securities trading in the market, including equity, debt and derivatives, for both Institutional and retail investors. Settrade has cooperated with Daishin Securities, Korea's leading Internet trading developer, to implement its Internet trading system for derivatives, which will be formally launched in 2006. Settrade will also disseminate derivatives information via the Settrade's information channels, e.g., www.settrade.com or www.webhoon.com.

Settrade, in addition, will improve the stability of its Internet trading system by introducing a system back-up center for Settrade's Internet trading. This center will operate automatically anytime problems occur in the main system.

Statistical Highlights of Settrade's Internet Trading

	2005	2004
Number of clients (brokerage houses)	25	17
Number of online trading accounts	39,335	28,936
Average number of orders per month	330,277	280,757
Average number of matched orders per month	137,009	119,828
Average trading value (buy & sell) per month (THB million)	10,841	12,091
Average value per matched order (THB)	79,123	100,902
Average number of requests per day via SMS	13,796	9,683

Family Know-how Co., Ltd.

❶ **Mr. Ratchapol Laovanitch**
President

❷ **Mrs. Thidarat Sethavaravichit**
Vice President
President Office

❸ **Ms. Noppakao Sucharitakul**
Vice President
Project Development Department

❹ **Mr. Anupong Chaiyariti**
Vice President
Media & Information Management Department

❺ **Mr. Nineboon Phonvasin**
Vice President
Media Production Department

Family Know-how Co., Ltd. (FKH) is a subsidiary of The Stock Exchange of Thailand (SET). FKH was established on August 6, 2002 with THB20 million in registered capital, and SET holds 99.99% of all its outstanding shares.

Scope of the Work

- Foster an “investment culture” in Thailand.
- Raise awareness and disseminate information about finance and investment to the Thai public with a view to broadening the base of savvy investors in SET and the Market for Alternative Investment (mai) as envisaged in the Capital Market Master Plan.
- Publicise activities and project a positive image of Thai financial institutions and investment environment in the international arena.
- Propagate the concept and practice of good governance.
- Propagate the pragmatic principles of privatisation, along with updating the public on developments of state enterprises seeking to raise capital in SET.

Mission & Vision

FKH as an organisation equates its role to that of a light bulb illuminating knowledge about economics, the capital market and finance for the Thai public, so that they are empowered to plan their personal finance wisely. Those individual capacities will subsequently contribute to the formation of a national investment culture to benefit the country’s financial and societal well-being in the long run.

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. Kanit	Kounavudhi	Director
Mr. Anusorn	Tamajai	Director
Mrs. Patareeya	Benjapolchai	Director
Mr. Vichate	Tantiwanich	Director
Mr. Ratchapol	Laovanitch	President

Key Achievements in 2005

FKH accelerated public awareness campaigns focusing on two themes, namely "Personal Financial Planning" and "Investment Choices" through mass media using edutainment ("education" + "entertainment") to reach the widest possible sectors of target audiences. In 2005, public awareness has been raised by FKH via the following media:

- **Television:** The launch of the Money Channel and other programs on both free and paid TV, namely "Kao Tan Talad Thun" (or "Keeping Abreast with the Thai Capital Market"); "SET in the City" ; and "Sathon Donjadee" drama series on Channel 3.
- **Radio:** Top-of-the-hour bulletins; Money Line News features, Smart Money, and Let Your Money Grow through Mutual Funds; secured slots in nationwide

radio networks; edutainment programs; money news talk show and investment tip features.

- **Print Media:** With *Money & Wealth* magazine as its flagship publication, FKH actively sought to co-produce supplements with information on investment and capital market inserted in major newspapers. FKH also entered into editorial partnership with leading titles resulting in visibility in the print media of columns such as "Focus on Listed Companies," "Smart Money," [tips about personal finance] "Stock Shot," [glossary of capital market terminology]; Mutual Funds Society and Money Mirror

- **Activities:** FKH organised the annual Money Management Award in search of young money management ambassadors. It co-organized the SET Award, Money Expo and SET in the City. It also staged two theatrical productions aimed to encourage the habit of saving among children, titled: "Moo Ood Ead Kab Krapook Kayasit" and "Jan Eoey Jan Jao, Mai Kho Khao Kho Gang."

Furthermore, FKH disseminated information about the Thai capital market through integrated media programs,

such as the "Let Your Money Grow Through Mutual Funds" program; Thailand Futures Exchange PCL (TFEX); Bond Electronic Exchange (BEX); and Office of the State Enterprise Policy Commission.

Work Plan for 2006

FKH will continue to focus on delivering content along the concepts of "Personal Financial Planning" and "Investment Choices" through all available media to generate maximum exposure, with Money Channel as the core medium. FKH will adapt strategies in an effort to add more channels to deliver content through cross-media approach to capture more audiences.

List of Member Companies

No.	Company Name / Address	Symbol	Tel	Fax
1*	BUALUANG SECURITIES PUBLIC COMPANY LIMITED 191 SILOM COMPLEX OFFICE BUILDING, 29/F, SILOM ROAD, SILOM, BANGRAK, BANGKOK 10500 http://www.bualuang.co.th	BLS	(662) 231-3777	(662) 231-3797
2*	TISCO SECURITIES COMPANY LIMITED 48/8 TISCO TOWER, 4/F, NORTH SATHORN ROAD, BANGRAK, BANGKOK 10500 http://www.tiscosec.com	TSC	(662) 633-6999	(662) 633-6900
3	ADKINSON SECURITIES PUBLIC COMPANY LIMITED 132 SINDHORN BUILDING 1, 2/F, WIRELESS ROAD, LUMPINEE, BANGKOK 10330 http://www.adkinsononline.com	ASL	(662) 205-7000	(662) 205-7171
4*	DBS VICKERS SECURITIES (THAILAND) COMPANY LIMITED 989 SIAM TOWER BUILDING, 9, 14-15/F, RAMA I ROAD, PATUMWAN, BANGKOK 10330 http://www.dbsvitrade.com	DBSV	(662) 657-7000	(662) 657-7777
5*	SICCO SECURITIES PUBLIC COMPANY LIMITED 130-132 SINDHORN TOWER 2, 1-2, 6/F, AND SINDHON TOWER 3, 12/F, WIRELESS ROAD, LUMPINEE, PATUMWAN, BANGKOK 10330 http://www.ssec-online.com	SICSEC	(662) 627-3100	(662) 263-2043
6	PHATRA SECURITIES PUBLIC COMPANY LIMITED 252/6 MUANGTHAI-PHATRA OFFICE TOWER 6, 8-11/F, RACHADAPHISEK ROAD, HUAYKWANG, BANGKOK 10320 http://www.phatrasecurities.com	PHATRA	(662) 693-2000	(662) 693-2631
7*	BT SECURITIES COMPANY LIMITED 44 BANKTHAI BUILDING, 24-26/F, SOI LANG SUAN, PLOENCHIT ROAD, PATHUMWAN, BANGKOK 10330 http://www.btsecurities.com	BTSEC	(662) 657-9000	(662) 657-9333

No.	Company Name / Address	Symbol	Tel	Fax
8*	ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED 175 SATHORN CITY TOWER, 3/F, SOUTH SATHORN ROAD, TUNGMAHAMEK, SATHORN, BANGKOK 10120 http://www.asiaplus.co.th	ASP	(662) 285-1666, (662) 285-1777	(662) 285-1900-1
9	CREDIT SUISSE SECURITIES (THAILAND) LIMITED 990 ABDULRAHIM PLACE, 27/F UNIT NUMBER 2701, RAMA IV ROAD, KWAENG SILOM, KHET BANGRAK, BANGKOK 10500 http://www.csfb.com	CS	(662) 614-6000	(662) 614-6362
10	APEX SECURITIES COMPANY LIMITED 132 SINDHORN BUILDING 1, 1/F, WIRELESS ROAD, LUMPINEE, BANGKOK 10330 http://www.apexsec.com	APEX	(662) 256-7888	(662) 256-7899
11	KASIKORN SECURITIES PUBLIC COMPANY LIMITED 400/22 KASIKORNBANK BUILDING, 19/F, PHAHOLYOTHIN ROAD, PHAYATHAI, BANGKOK 10400 http://www.kasikornsecurities.com	KSEC	(662) 692-0000	(662) 696-0099
12	SIAM CITY SECURITIES COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 9/F, RAMA I ROAD, PATHUMWAN, PATHUMWAN, BANGKOK 10330 http://www.scis.co.th	SCIBS	(662) 624-8888 (662) 207-2888	(662) 624-8900
13*	KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 323 UNITED CENTER BUILDING, 23/F, SILOM ROAD, BANGKOK 10500 http://www.kgieworld.co.th	KGI	(662) 231-1111	(662) 231-1505
14*	CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED 21/3 THAI WAH TOWER, 1/F, SOUTH SATHORN ROAD, BANGKOK 10120 http://www.cns.co.th	CNS	(662) 285-0060	(662) 285-0620
15	ACLS SECURITIES COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 18/F, RAMA I ROAD, PATHUMWAN, BANGKOK 10330 http://www.acsec.co.th	ACLS	(662) 658-9000	(662) 658-9292

No.	Company Name / Address	Symbol	Tel	Fax
16*	NATIONAL SECURITIES PUBLIC COMPANY LIMITED 444 MBK TOWER, 14, 18, 19/F, PHAYATHAI ROAD, PATUMWAN, BANGKOK 10330 http://www.natsec.co.th	NATSEC	(662) 217-9595	(662) 217-9642
18	TSEC SECURITIES COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD, 16/F, RAMA I ROAD, PATHUMWAN, BANGKOK 10330 http://www.tsecstock.com	TSEC	(662) 264-5888	(662) 264-5889
19	KIATNAKIN SECURITIES COMPANY LIMITED 500 AMARIN TOWER, 7/F, PLOENCHIT ROAD, PATUMWAN, BANGKOK 10330 http://www.kks.co.th	KKS	(662) 680-2222	(662) 680-2233
21	MERCHANT PARTNERS SECURITIES LIMITED 87/2 CRC TOWER 40/F ALL SEASONS PLACE, WIRELESS RD., LUMPINEE, PATHUMWAN, BANGKOK 10330 http://www.merchant.co.th	MERCHANT	(662) 263-5999	(662) 251-3755
22*	TRINITY SECURITIES COMPANY LIMITED 179/109-110, 25/F, BANGKOK CITY TOWER, SOUTH SATHORN ROAD, TUNGMAHAMEK, SATHORN, BANGKOK 10120 http://www.trinitythai.com	TRINITY	(662) 670-9100	(662) 286-9000
23*	SCB SECURITIES COMPANY LIMITED 130-132 SINDHORN BLDG. TOWER 3, 24-26/F, WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 http://www.scbsec.com	SCBS	(662) 686-2000	(662) 263-3811
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 http://www.syrus.co.th	SYRUS	(662) 646-9999	(662) 646-9889
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 http://www.GloblexSecurities.com	GLOBLEX	(662) 672-5999	(662) 672-5888

No.	Company Name / Address	Symbol	Tel	Fax
26	UOB KAY HIAN SECURITIES (THAILAND) COMPANY LIMITED 130-132 SINDHORN TOWER 1&3, 3/F TOWER1, 15&19/F, TOWER 3, WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 http://www.uobkayhian.co.th	UOBKHST	(662) 659-8000	(662) 263-2306
27	BFIT SECURITIES PUBLIC COMPANY LIMITED 540 MURCURY TOWER, 14/F PLOENCHIT ROAD, LUMPINEE, PATHUMWAN, BANGKOK 10330 http://www.bfitsec.com	BFITSEC	(662) 658-5888	(662) 658-5999
28	TMB MACQUARIE SECURITIES (THAILAND) COMPANY LIMITED 2-3/F, THAI DANU BUILDING, 393 SILOM ROAD, BANGRAK BANGKOK 10500 http://www.macquarie.com	TMBMACQ	(662) 694-7999	(662) 694-7878
29	AYUDHYA SECURITIES PUBLIC COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD 12/F, RAMA I ROAD, PATHUMWAN, PATHUMWAN, BANGKOK 10330 http://www.ays.co.th	AYS	(662) 659-7000	(662) 646-1100
30	INTEL VISION SECURITIES PUBLIC COMPANY LIMITED 540 MURCURY BUILDING, 17-18/F, PLOENCHIT ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 http://www.ivs.co.th	IVS	(662) 658-5800	(662) 658-5799
32	FAR EAST SECURITIES COMPANY LIMITED 87/2 CRC TOWER 18, 38, 39/F ALL SEASONS PLACE, WIRELESS RD., LUMPINEE, PATHUMWAN, BANGKOK 10330 http://www.fes.co.th	FES	(662) 648-1111	(662) 648-1000
33	FINANSA SECURITIES COMPANY LIMITED 48/22-23, 12/F AND 48/45-46, 20/F TISCO TOWER, NORTH SATHORN RD. BANGKOK 10500 http://www.finansa.com	FINANSA	(662) 697-3800	(662) 638-0301
34	PHILLIP SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 849 VORAWAT BUILDING, 11, 14, 15/F, SILOM ROAD, BANGRAK, BANGKOK 10500 http://www.phillip.co.th	PST	(662) 268-0999	(662) 635-1615

No.	Company Name / Address	Symbol	Tel	Fax
38*	UNITED SECURITIES PUBLIC COMPANY LIMITED 1550 GRAND AMARIN TOWER, 4-6/F, NEW PETCHBURI ROAD, RACHTAVEE, BANGKOK 10400 http://www.unitedsec.com	US	(662) 207-0038	(662) 207-0505
41	JP MORGAN SECURITIES (THAILAND) COMPANY LIMITED 20 BUBPHAJIT BUILDING, 3/F, NORTH SATHORN ROAD, SILOM, BANGRAK, BANGKOK 10500 http://www.jpmorgan.com	JPM	(662) 684-2600	(662) 684-2610
42*	KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED 999/9 THE OFFICES AT CENTRALWORLD 20-21/F, RAMA I ROAD, PATHUMWAN, PATHUMWAN, BANGKOK 10330 http://www.kimeng.co.th	KIMENG	(662) 658-6300	(662) 658-6301
43	BNP PARIBAS PEREGRINE SECURITIES (THAILAND) COMPANY LIMITED 990 ABDULRAHIM PLACE, 29/F, RAMA IV ROAD, SILOM, BANGRAK, BANGKOK 10500 http://www.bnpparibas.com	BNPPP	(662) 659-8999	(662) 659-8988
45	CLSA SECURITIES (THAILAND) COMPANY LIMITED 87 M. THAI TOWER, 16/F WIRELESS ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 http://www.clsa.com	CLSA	(662) 257-4600	(662) 253-0534
47	SEAMICO SECURITIES PUBLIC COMPANY LIMITED 287 LIBERTY SQUARE, 9, 15-17, 20-21/F, SILOM ROAD, BANGRAK, BANGKOK 10500 http://www.seamico.com	ZMICO	(662) 695-5000	(662) 631-1709
48	PRUDENT SIAM SECURITIES COMPANY LIMITED 161/1 SG TOWER, 15, 19/F, SOI MAHATLEK LUANG 3, RAJDAMRI ROAD, LUMPINI, PATHUMWAN, BANGKOK 10330 http://www.pssec.co.th	PSS	(662) 684-8888	(662) 650-5477
49	UBS SECURITIES (THAILAND) COMPANY LIMITED 93/1 DIETHELM TOWER A, 2/F, WIRELESS ROAD, PATUMWAN, BANGKOK 10330 http://www.ubswarburg.com	UBS	(662) 651-5700	(662) 651-5730

*Member companies that could trade debt securities on the bourse.

As of March 2006

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