



ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Becoming an International Market and Integrated Investment Hub

Annual Report
2006

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Corporate Information



ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Vision

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

Location

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

Missions

- Expand the market’s investor base, emphasizing 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.

Operations

- The Stock Exchange of Thailand (SET) is a juristic entity set up under the Securities Exchange of Thailand Act, B.E. 2517 (1974), and began 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 of related services, as a not-for-profit organization.
- SET encourages the general public to become shareholders in a variety of local companies.
- 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, information disclosure, trading, market surveillance, member supervision, international capital market networking, information dissemination and investor education.

Personnel

The total number of staff of SET and its subsidiaries was 950 (as of December 31, 2006).

International Memberships

- Asian and Oceania Stock Exchanges Federation (AOSEF)
- International Organization of Securities Commissions (IOSCO) – affiliate member
- World Federation of Exchanges (WFE)

Auditor

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

Message from the Chairman



This year, 2006, The Stock Exchange of Thailand (SET) began operating under the Thai Capital Market Master Plan II (2006-2010). Under it, SET will expand the investor base and boost the number of companies listing on the Exchange. According to recent research, Thailand has approximately nine million people investing in the capital market, directly or indirectly. SET seeks to increase the quantity and quality of investors, by nurturing a sophisticated understanding of saving and investment amongst the public and those involved in the capital market. This increased level of comprehension of the market is essential for its long-term development.

In addition, the Exchange will offer a greater range of choices to investors and corporate fundraisers by increasing the number of listed firms and providing a greater diversity of financial instruments and risk management tools. In regard to corporate governance standards, SET will ensure transparency to protect investors, strengthen competitiveness among public companies, and facilitate the long-term development of the Thai capital market.

Even though the country has faced political uncertainty, higher oil prices and interest rates, unrest in the South, flooding in the North, and currency appreciation (resulting in the Bank of Thailand establishing the 30% foreign currency reserve rule), it is expected that gross domestic product (GDP) growth in 2006 will be around 5%. In 2007, we are confident that interest rates will decrease, oil prices stabilize, and Thailand will keep pace with global economic growth.

In 2007, the Exchange is determined to emerge as an integrated market with comprehensive, diverse, high-quality investment products, and so assume its place as an important and attractive regional market. SET will continue to be an enduring driver of Thailand's sustainable economic growth.

To achieve its objectives, the bourse's strategies include a range of innovative products, such as exchange-traded funds (ETFs). Thailand Futures Exchange (TFEX) will launch SET50 Index Options, while Bond Electronic Exchange (BEX) plans to support securitization. Meanwhile, Market for Alternative Investment (mai) will support venture capital business models to attract new entrepreneurs, and raise that market's profile.

Furthermore, SET will increase the efficiency of its infrastructure to the level required of an integrated market. This will entail bringing the securities trading, clearing and settlement backup systems up to international standards, and development of an information technology system able to provide accurate information more rapidly to investors and related parties. The Exchange aims to be the center of investment knowledge and, through its website, provide comprehensive domestic and international market information to investors. In addition, SET will initiate a number of business alliances, such as those with banks and brokerage firms, to provide additional securities and trading services channels.

The Exchange will continue supporting marketing activities which expand the number of direct and indirect investors, while educating about personal finance, the economy, savings and investment. These marketing and educational programs, embracing both the general public and specific groups such as students from all levels and institutions, create a financially healthy society able to deliver both wise investors and stable capital markets.

SET will be a center for savings, investment and long-term fundraising at the heart of Thailand's financial and economic stability. I would like to take this opportunity to sincerely thank our board members, executive team, employees of SET and its subsidiaries, and all stakeholders for their confidence in, and contributions to, the Exchange. I reaffirm that we will undertake our duties with transparency and treat all parties equitably.



(Mr. Vijit Supinit)
Chairman

Message from the President



Over three decades, The Stock Exchange of Thailand (SET) has energetically and pro-actively fulfilled its corporate goal – to be a key pillar of Thailand's economic development – by undertaking a wide variety of programs and activities. SET holds stability and reliability as its highest national economic priorities. The Exchange provides a range of investment choices yielding good returns, and encourages the general public to become shareholders in Thai businesses. Importantly, SET serves as a role model of good corporate citizenship and social responsibility.

In 2006, as SET pursued its mission in collaboration with other parties, the Thai capital market reached a milestone in its progress towards becoming an integrated and diversified investment hub. On April 28, Thailand Futures Exchange (TFEX), a SET subsidiary, launched SET50 Index Futures, Thailand's first derivatives product. Then, only four months later, another SET subsidiary, Settrade.com, offered investors online futures trading services through Settrade OneClick. This program enables investors to quickly and conveniently access comprehensive data, study market movements and trade derivatives. TFEX performed impressively during its eight months of operation, smashing its trading turnover and account establishment targets. This success reflected the high degree of investor interest in derivatives products, and their appreciation of them as an investment alternative and an effective risk management tool. An important consequence of derivatives market growth has been increased efficiency and liquidity in the stock market overall.

SET and Market for Alternative Investment (mai) serve as major fundraising sources for the business sector. Eighteen companies joined the exchanges in 2006, bringing the total number of SET- and mai-listed companies to 518. Total market capitalization and funds mobilized by listed companies amounted to THB 5.10 trillion (approx).

USD 134.46 billion) and THB 136.01 billion (USD 3.59 billion), respectively. Dividend yields from investment in SET rose from 3.37% in 2005 to 4.23% in 2006, while those in mai stood at 3.91%. To reinforce investor and stakeholder confidence, the Exchange brought its 15 Good Corporate Governance (CG) Guidelines for listed firms into line with the best practices outlined by Organisation for Economic Co-operation and Development (OECD) and the World Bank, thus ensuring that Thai CG principles meet international standards.

The bond market, another pillar of the Thai financial system, met a huge demand for fundraising from the public and private sectors, and provided investors with an ever-increasing diversity of products. The value of bonds on Bond Electronic Exchange (BEX), a SET subsidiary, leapt 668% year-on-year (y-o-y), with the bond market accepting 578 government and corporate bonds issues by year's end. The outstanding value of bonds on BEX at end-2006 was THB 3.14 trillion (USD 82.79 billion), a 408% rise y-o-y. Investors were able to trade bond products using the quote-driven Fixed Income and Related Securities Trading System (Firsts) from March 2006. To enable dealers and institutional investors to trade fixed-income securities more conveniently, quickly and cheaply, the bond exchange will link with the clearing and settlement system operated by SET subsidiary Thailand Securities Depository in 2007. In addition, BEX continues to assess the introduction of financial innovations, such as debt securities, to meet fundraising and investment demand.

SET is committed to the development, promotion and understanding of investment and the inculcation of an investment culture in Thai society, to enhance the quality of life of all Thais and bolster the sustainable development of society as a whole. Consequently, the Exchange continues to plant the seeds of financial knowledge and promote the benefits of saving and investing amongst a diverse population, ranging from the public in general to specific groups, such as students at pre-schools, schools, vocational colleges and universities. The Bourse's Thailand Securities Institute and Family Know-how have developed many learning programs using various media and communication channels, e.g. educational curricula, television, radio, publications, electronic media, competitions, and seminars. The multiplicity of activities includes the annual Money Expo financial fair, the monthly Thai Investors' Day, Money Channel road shows held nationwide, international road shows and symposia.

As a good corporate citizen, SET undertook numerous socially beneficial programs through The Stock Exchange of Thailand Foundation. To help transform Thailand into a learning society, the Exchange continued to support and promote education, sports, music, arts, culture and vocational endeavors.

Looking to the future, SET stands on the brink of becoming an integrated, high-profile regional market, offering a complete range of quality investment products, and a significant international strategic partner, as envisaged in the Thai Capital Market Master Plan II. The Exchange will continue to strengthen the capital market as a robust and reliable driving force of Thailand's sustainable economic growth.



(Ms. Patareeya Benjapolchai)

President



98	985	985	u	05	98	985	985	u
476	478	476	u	24	476	478	476	u
318	320	320	u	4	318	320	320	u
270	274	274	u	8	270	274	274	u
70	705	705	u	2	70	705	705	u
4375	44	44	u	15	4375	44	44	u
99	995	995	u	25	99	995	995	u
620	624	620	u	0	620	624	620	u
138	139	138	u	1	138	139	138	u
555	565	565	u	2	555	565	565	u
119	120	119	u	4	119	120	119	u
65	655	65	n	05	65	655	65	n
785	81	79	n	15	785	81	79	n
-107	115	118	-	107	115	118	-	107
113	121	120	05	113	121	120	05	113
212	216	214	u	212	216	214	u	212

Virtual Portfolio

What...

Options Back

back

Let you try your theories and ideas by picking stock you want and see if you are right.



Becoming an integrated secondary market,



ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

mai

The Stock Exchange
BEX
Bond Electronic Exchange

Tfex Thailand
Futures
Exchange

offering a comprehensive range of high-quality financial innovations responsive to investment demand, while being a major driver of sustainable economic growth

SET Board of Governors



Mr. Vijit Supinit

Chairman

Mr. Kampanart Lohacharoenvanich

Vice Chairman

Ms. Pattera Dilokrunghthirapop

Governor

Ms. Asvini Tailanga

Governor

Assoc.Prof. Niputh Jitprasonk

Governor



Mr. Suraphol Kulsiri
Governor

Dr. Pichit Akrathit
Governor

Asst.Prof. Sauwanee Thairungroj, Ph.D.
Governor

Dr. Vallobh Vimolvanich
Governor

Ms. Patareeya Benjapolchai
President

Khunying Jada Wattanasiritham
Governor

Background of Governors

Mr. Vijit Supinit	Chairman
Education <ul style="list-style-type: none"> National Defence College (Class 31) M.A. Yale University, U.S.A. B.A. (Economics) (Hons.) Manchester University, England Southend College of Technology, England Chulalongkorn University, Faculty of Engineering 	Current Positions <ul style="list-style-type: none"> Chairman, Thailand Securities Depository Co., Ltd. Chairman, Settrade.com Co., Ltd. Chairman, Family Know-how Co., Ltd. Chairman, Thailand Futures Exchange PCL Chairman, Asset Management Corporation, Ministry of Finance Chairman, G Steel PCL Specialist, Bangkok Commercial Asset Management Co., Ltd. Consultant and Lecturer, MBA Graduate School, Siam University, Bangkok
	Past Experience <ul style="list-style-type: none"> Governor and Chairman of the Court of Directors, Bank of Thailand Chairman, Export-Import Bank of Thailand Chairman, Foundation for Thailand Rural Reconstruction Movement under Royal Patronage Chairman, Advisory Council, SET Director, Airport Authority of Thailand Commission Member, Securities and Exchange Commission, Thailand Alternate Executive Director, International Monetary Fund, Washington D.C. Executive Director, Board of Directors, Siam City Bank Senator, Parliament of Thailand (Secretary, Finance, Banking and Financial Institution Committee)

Mr. Kampanart Lohacharoenvanich	Vice Chairman
Education <ul style="list-style-type: none"> M.S. Econ, Pittsburg State University, Kansas, U.S.A. B.A. Econ, Thammasat University 	Current Positions <ul style="list-style-type: none"> President, Trinity Securities Co., Ltd. Director, Trinity Wattana PCL Chairman, Disciplinary Committee, SET Member, Executive Committee, SET Member, Remuneration Committee, SET Chairman, Association of Securities Companies Vice Chairman, Federation of Thai Capital Market Organizations Director, Thailand Futures Exchange PCL Chairman, Audit Committee, Inoue Rubber (Thailand) PCL
	Past Experience <ul style="list-style-type: none"> Managing Director, KGI Securities PCL Deputy Managing Director, Thai Financial Trust Co., Ltd. President, Association of Members of SET and the Association of Finance Companies President, Thai Finance and Securities Association Vice President, Operation Department, SET Division Chief, Computer Center, Krung Thai Bank PCL Economist, Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

Assoc.Prof. Niputh Jitprasonk	
Education	Governor
<ul style="list-style-type: none"> • M.B.A. (International Trade & Finance), Gothenburg School of Economics and Business Administration, Sweden • B.A. (Hons., First Class), 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 <ul style="list-style-type: none"> • Chairman, Audit Committee, Bangkok Commercial Asset Management Co., Ltd. • 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, Securities Investor Protection Fund Committee, SET • Chairman, Audit Committee, SET • Director, Thailand Futures Exchange PCL Past Experience <ul style="list-style-type: none"> • Dean, Faculty of Commerce and Accountancy, Thammasat University • Director, Executive Master of Business Administration Program, Thammasat University • Director, The University Council, Thammasat University

Ms. Asvini Tailanga	
Education	Governor
<ul style="list-style-type: none"> • B.A., Faculty of Commerce and Accountancy, Chulalongkorn University 	Current Positions <ul style="list-style-type: none"> • Managing Director, Thanachart Securities PCL • Chairman, Bond Electronic Exchange Development Committee, SET • Member, Audit Committee, SET • Member, Technology Development Committee, SET • Member, Securities Investor Protection Fund Committee, SET • Member, Executive Board, Association of Securities Companies Past Experience <ul style="list-style-type: none"> • Managing Director, Tisco Securities Co., Ltd. • Director, The Thai Bond Dealing Centre

Ms. Pattera Dilokrunthirapop	
Education	Governor
<ul style="list-style-type: none"> • Master of Engineering Science, University of Queensland, Brisbane, Australia • Bachelor of Engineering (Hons.) Monash University, Melbourne, Australia 	Current Positions <ul style="list-style-type: none"> • Chief Executive Officer, DBS Vickers Securities (Thailand) Co., Ltd. • Executive Director, Association of Securities Companies • Director, Thailand Securities Depository Co., Ltd. • Director, Settrade.com Co., Ltd. • Member, Disciplinary Committee, Thailand Futures Exchange PCL • Member, Securities Investor Protection Fund Committee, SET • Chairman, Futures Industry Club Past Experience <ul style="list-style-type: none"> • Managing Director, SG Asia Credit Securities Co., Ltd. • Executive Director, Asia Credit Finance PCL • Thailand Representative, SG Securities Research Co., Ltd., Thailand Representative Office • Head of Research, Socgen-Crosby Research Co., Ltd.

Mr. Suraphol Kulsiri	Governor
Education	Current Positions
<ul style="list-style-type: none"> Bachelor of Business Administration, Bangkok University 	<ul style="list-style-type: none"> Chief Executive Officer, Kiatnakin Securities Co., Ltd. Director, Kiatnakin Bank PCL Chairman, Technology Development Committee, SET Director, Settrade.com Co., Ltd.
	Past Experience
	<ul style="list-style-type: none"> Assistant Managing Director, Kiatnakin Finance and Securities PCL

Asst. Prof. Sauwane Thairungroj, Ph.D.	Governor
Education	Current Positions
<ul style="list-style-type: none"> Ph.D. (Economics), Washington State University, U.S.A. (Fulbright Scholar) M.A. (Economics), National Institute of Development Administration B.A. (Economics), Thammasat University 	<ul style="list-style-type: none"> Vice President for Research, University of the Thai Chamber of Commerce Director of Master in Business Economics Program, University of the Thai Chamber of Commerce Board of Directors, The Economics Society of Thailand Member of Economic Committee, The Thai Chamber of Commerce Director, Family Know-how Co., Ltd. Member, Audit Committee, SET
	Past Experience
	<ul style="list-style-type: none"> Dean, School of Economics, University of the Thai Chamber of Commerce Director, University of Chicago-University of the Thai Chamber of Commerce Research Center Member, Judging Committee for the Best Commerce Association, Ministry of Commerce Member of Innovation and Evaluation Fund, National Innovation Agency, Ministry of Science and Technology Academic Article Review Committee, The Office of Industrial Economics, Ministry of Industry

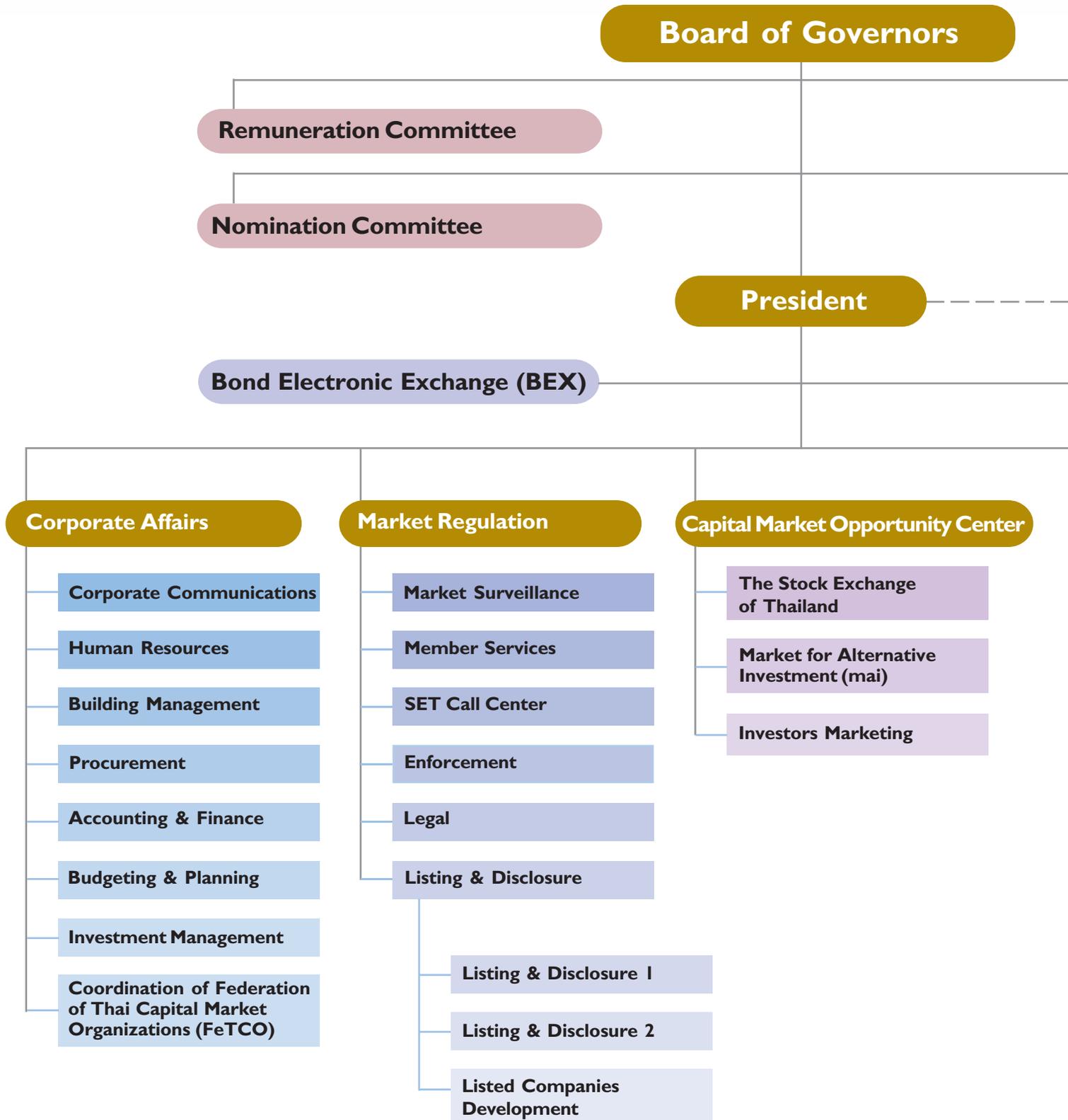
Dr. Pichit Akrathit	Governor
Education	Current Positions
<ul style="list-style-type: none"> Ph.D. (Economics), The University of Texas at Austin, U.S.A. M.B.A., Thammasat University B.A. (Economics), Thammasat University 	<ul style="list-style-type: none"> Director and Executive Director, Export-Import Bank of Thailand Director and Chairman, Executive Committee, Small Business Credit Guarantee Corporation Director, The Energy Fund Administration Institute (Public Organization), Ministry of Energy Member, Disciplinary Committee on Economics, The National Research Council Member, Board of Directors, College of Innovative Education, Thammasat University Director, Thailand Securities Depository Co., Ltd.
	Past Experience
	<ul style="list-style-type: none"> Director, Office of Capital Market Research and Development, Securities and Exchange Commission, Thailand

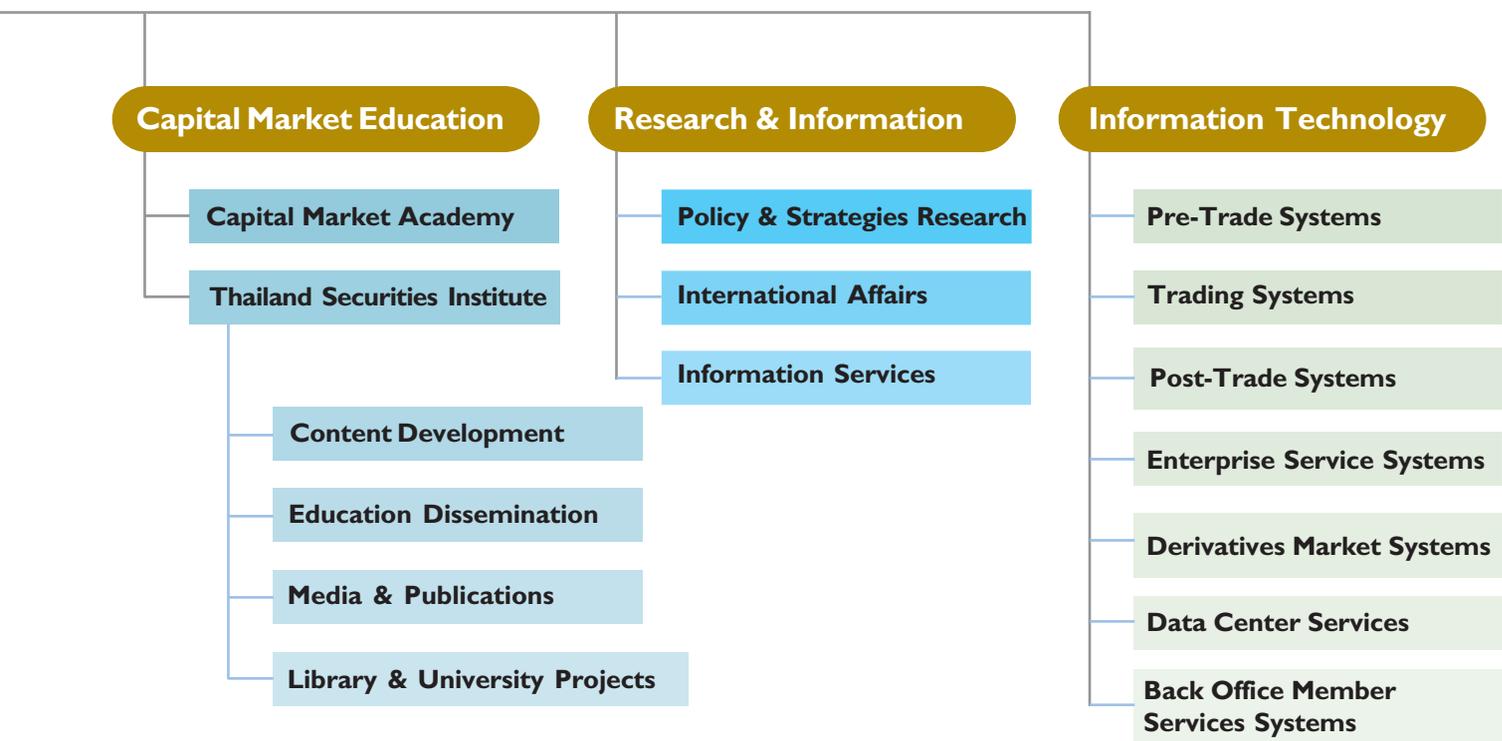
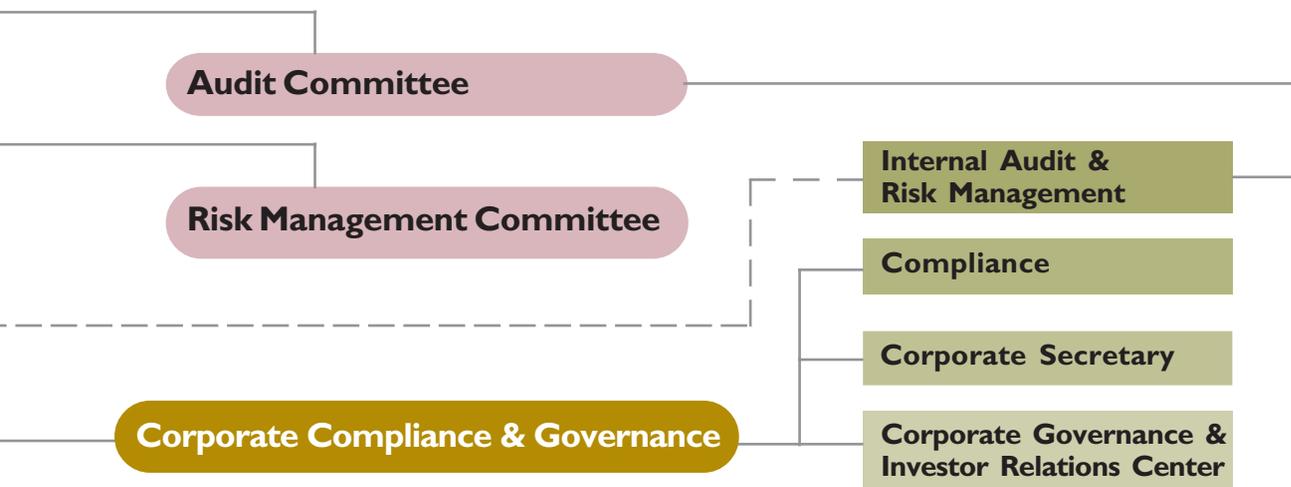
Dr. Vallobh Vimolvanich	Governor
Education	Current Positions
<ul style="list-style-type: none"> • Ph.D. (Electrical Engineering), University of California • M.S. (Electrical Engineering), University of California • B.Eng. (Hons.) (Electrical Engineering), Chulalongkorn University 	<ul style="list-style-type: none"> • Advisor, Charoen Pokphand Group Co., Ltd. • Director, True Move Co., Ltd. • Director, Bangkok Inter Teletech Co., Ltd. • Director, Pantavanij Co., Ltd. • Director, Kenet Inc., Woburn, Massachusetts, U.S.A.
	Past Experience
	<ul style="list-style-type: none"> • Associate Professor, George Washington University • Special Consultant, RCA Service Company and NASA Goddard Space Flight Centre • Director, Office of Computer Development and Operation, Bank of Thailand • Member of the National Computer Committee • President, Telecom Holding Co., Ltd. • Member, Board of Directors, Siam City Bank PCL

Khuning Jada Wattanasiritham	Governor
Education	Current Positions
<ul style="list-style-type: none"> • M.A. (Economic Development), Willams College, Massachusetts • M.A. (Economics), Cambridge University • B.A. (Economics), Cambridge University 	<ul style="list-style-type: none"> • Director and Executive Director, The Siam Commercial Bank PCL • Board of Trustees, Asian Institute of Technology • Member, The National Legislative Assembly, Thailand • Director, King Rama VI Memorial Foundation (under Royal Patronage) • Executive Director, Siam Piwat Co., Ltd. • Director, Thailand Securities Depository Co., Ltd. • Director, Settrade.com Co., Ltd.
	Past Experience
	<ul style="list-style-type: none"> • Senior Executive Vice President, The Siam Commercial Bank PCL • Economic Research Department, Bank of Thailand • Chairman, Siam Commercial New York Life Insurance

Ms. Patareeya Benjapolchai	President
Education	Current Positions
<ul style="list-style-type: none"> • B.A. (Accountancy), Chulalongkorn University • Master of Business and Administration, Thammasat University • Cert. In Advanced Accounting and Auditing, Chulalongkorn University • Cert. In The Executive Program, University of Michigan 	<ul style="list-style-type: none"> • Member, The National Legislative Assembly, Thailand • Member, Committee on Finance, Banking and Financial Institutions • Director and Board Secretary, Federation of Thai Capital Market Organizations • Director, The Professor Sangvian Indaravijaya Foundation • Director, Thai Institute of Directors Association • Council Member, Thailand Management Association • Board of Directors, TRIS Rating Co., Ltd. • Board of Directors, Thai Rating and Information Co., Ltd.
	Past Experience
	<ul style="list-style-type: none"> • Advisor, The Institute of Internal Auditors of Thailand • Honorary Advisor, The Senate Standing Committee on Economics, Commerce and Industry • Director, Ethics Committee, Federation of Accounting Professions • Director, TRIS Rating Committee • Member, Board of Institute of Certificated Accountants and Auditors of Thailand

SET Organization Structure





As of February 28, 2007

SET Executives



Mr. Suthichai Chitvanich

Executive Vice President
Corporate Compliance &
Governance Division

Ms. Patchara Wongnimitkul

Vice President
Compliance Department

Ms. Wipha Leethakulnumchai

Vice President
Internal Audit & Risk Management
Department

Dr. Naree Boontharawara

Senior Vice President
Corporate Affairs Division

Mr. Kraitas Sirikanchana

Vice President
Procurement Department

Ms. Patchara Thanattrai

Vice President
Human Resources Department

Mr. Sittha Siripanich

Vice President
Human Resources Department

Ms. Nongram Wongwanich

Executive Vice President
Corporate Affairs Division

Ms. Ladawan Kantawong

Vice President
Corporate Communications
Department

Ms. Ratvalee Anantanant

Vice President
Coordination of Federation
of Thai Capital Market
Organizations Department

Ms. Sudarat Tangsoontornkij

Vice President
Accounting & Finance Department

Ms. Patareeya Benjapolchai

President

Mr. Paisan Puratjaroenchai

Vice President
Building Management Department

Ms. Salinee Nana

Vice President
Investment Management
Department

Corporate Compliance & Governance Division

Our mission and responsibilities are to advise, supervise and support the operations of The Stock Exchange of Thailand (SET) and its subsidiaries to ensure that all activities are in compliance with the laws, regulations and resolutions of the SET Board of Governors and its Audit Committee, and with the principles of good corporate governance (CG). We also act as Corporate Secretary. In addition, we encourage all listed companies to implement the principles of good CG compatible with international best practice and to develop their investor relations to become more attractive to shareholders.

Corporate Affairs Division

Our mission and responsibilities are to devise strategic plans and allocate SET's corporate budget in line with the policies and directions of the Exchange's Board of Governors. We raise public awareness and the profile of the SET group through effective public relations and use of media. We also administer, manage and develop the bourse's human resources, finances and assets as well as procure products and services to optimize the operations of SET and its subsidiaries. We function as the secretariat for the Federation of Thai Capital Market Organizations (FeTCO).



Dr. Santi Kiranand

Chief Executive Officer
Bond Electronic Exchange

Mr. Supakit Jirapraditkul

Senior Vice President
Market Regulation Division

Mr. Sakkarin Ruamrangsri

Senior Vice President
Market Regulation Division

Mr. Chaiyoot Chamnanlerkit

Executive Vice President
Information Technology Division

Mr. Sornkawe Puranachoti

Senior Vice President
Information Technology Division

Ms. Paveena Sriphothong

Vice President
Listing & Disclosure
Department I

Ms. Somsri Nittayasakd

Vice President
Market Surveillance
Department

Mr. Kosol Songsermmongkol

Vice President
Data Center Services Department

Mr. Kowin Kulruchakorn

Vice President
Pre-Trade Systems Department

Mr. Suchat Sitawarin

Vice President
Member Services Department

Ms. Sumalee Lertthanaporn

Vice President
Enforcement Department

Mr. Suraphol Eittimeteevut

Vice President
Trading Systems Department

Mr. Surapong Vongsopanagul

Vice President
Post-Trade Systems Department

Ms. Suwannee Tantirojanawong

Vice President
Back Office Member Services Systems
Department

Ms. Varaporn Nana

Vice President
Enterprise Service Systems
Department

Bond Electronic Exchange

Our mission is to be an efficient secondary bond market. We develop and establish bond market trading infrastructure meeting international standards by using state-of-the-art technology. We serve both retail and institutional investors. We also continually promote bond investment and education to those investors and other market participants.

Market Regulation Division

Our mission 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 SET's rules and regulations. We are responsible for recommending and enforcing all punishments on parties whose practices have violated those regulations. Our work objectives are to be efficient, timely and transparent. Our aim is to protect general investors' rights and benefits and retain their confidence in the Exchange's trading processes.

Information Technology Division

Our mission and responsibilities are to operate and develop trading, post-trading and information systems for all financial instruments to support the entire Thai capital market's operations, based on connected infrastructure for the industry emphasizing efficiency, accuracy and reliability. In addition, we create commitment between players in the securities industry as a whole in order to maintain the stability of all IT systems involved. We develop work improvement programs to increase efficiency by applying standard work procedures and risk-aware project management. We promote a culture of transparency.



Dr. Sethaput Suthiwart-Narueput
Senior Vice President
Research & Information Division



Mr. Punsak Vejanurug
Chairman
Capital Market Education

Ms. Jiraporn Koosuwan
Executive Director
Thailand Securities Institute

Dr. Krisada Sektrakul
Vice President
Content Development
Department

Ms. Nuchanard Santivarakum
Vice President
Education Dissemination
Department

Ms. Phanit Kirdchockchai
Vice President
Media & Publications
Department

Mr. Sarana Chaiprasert
Vice President
Library & University
Projects Department

Mr. Yothin Koo-Smith
Executive Director
Capital Market Academy

Research & Information Division

Our mission is to become the recognized information and knowledge center of the Thai capital market, providing timely, high-quality information and analysis to support the investment decision-making of all major stakeholders.

Capital Market Education Division

Our mission and responsibilities are to create content and organize activities to promote greater knowledge and understanding of finance and investment among Thailand's youth, investors and the general public. This will enable them to understand more about investment alternatives and better manage their personal finances, ultimately enhancing Thailand's sustainable economic prosperity. We 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 enable high-quality capital market executives to gain greater insight into the market and develop vision, ethical leadership and competence.



Mr. Vichate Tantiwanich

Executive Vice President
Capital Market Opportunity Center

Mr. Chanitr Charnchainarong

President
Market for Alternative Investment (mai)

Mr. Kengkla Ruckphaopunt

Senior Vice President
Capital Market
Opportunity Center

Mr. Sarayuth Booncharoen

Senior Vice President
Capital Market
Opportunity Center

Ms. Nantaporn Damrongpong

Vice President
Investors Marketing Department

Ms. Pannavadee Ladavalaya Na Ayudhya

Vice President
Investors Marketing Department

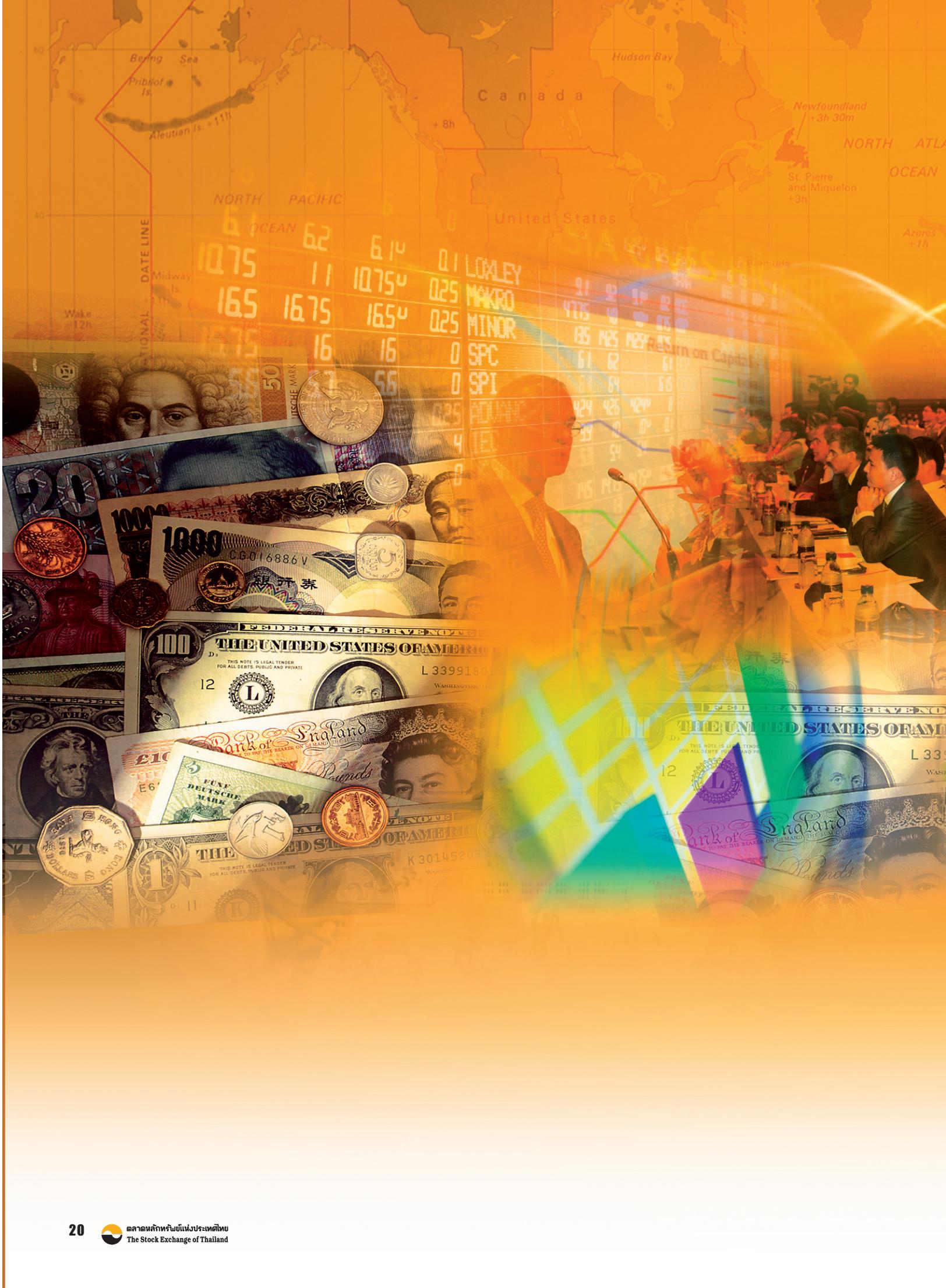
Mr. Prapan Charoenprawatt

Vice President
Market for Alternative Investment (mai)

Capital Market Opportunity Center

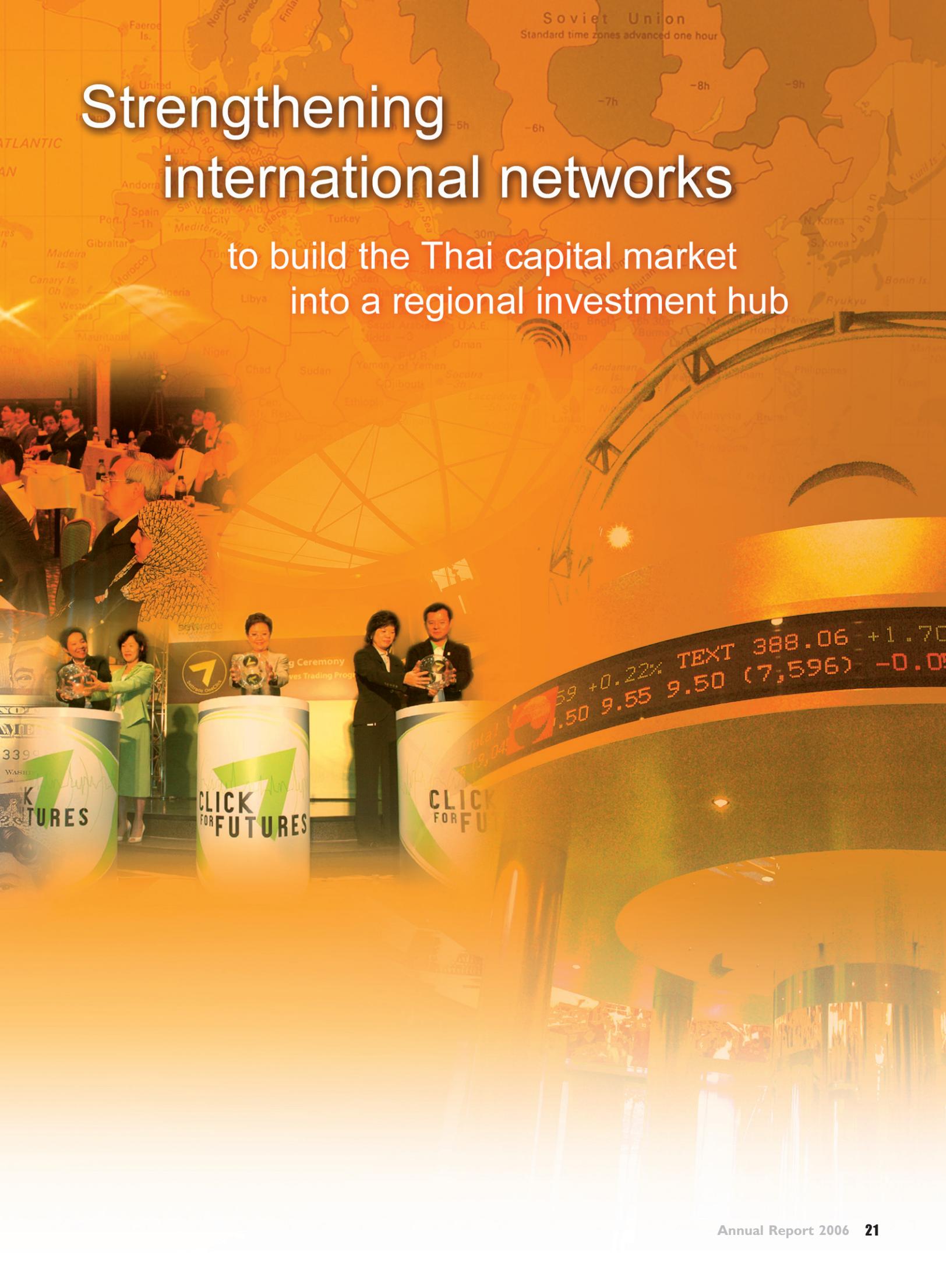
Our mission and responsibilities are to promote long-term investment in the private sector, ensuring that funds and other sources of capital are appropriately matched with targeted industries, while increasing the number of listed companies by identifying and promoting firms with the potential to list 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 companies' financial standing and corporate governance practices, bringing them up to international standard.

As of February 28, 2007



Strengthening international networks

to build the Thai capital market into a regional investment hub



Overview of The Stock Exchange of Thailand and Thai Capital Market in 2006

In 2006, The Stock Exchange of Thailand (SET) became an integrated investment hub, offering a complete range of quality investment products, ranging from equities, debt instruments and derivatives through SET, Market for Alternative Investment (mai), Bond Electronic Exchange (BEX) and Thailand Futures Exchange (TFEX). To maintain its role as a robust and reliable driver of the country's economic growth, the Exchange continued to pursue its vision – to be a highly liquid secondary market for fundraising and earn the confidence of investors and other stakeholders. SET continues to be a long-term source of capital for the private sector, to promote long-term saving by encouraging the public to become shareholders in companies, and to be a role model displaying its social responsibility through numerous activities directed at raising Thais' quality of life.

Even though the political situation, higher oil prices, flooding in agricultural areas, and unrest in the southern provinces affected the capital market, their overall impact was relatively limited compared to the dramatic effect of the Bank of Thailand (BOT)'s announcement on December 18, 2006 of a reserve requirement on short-term capital inflows. However, BOT's subsequent exemption of equities investment led to a partial recovery of the SET Index, which finished the year at 679.84 points, a year-on-year (y-o-y) decrease of 5% from 713.73 points at end-2005. The mai Index closed at 193.45 points at end-2006, a heady 22% increase from the 158.23 points at end-2005.

Total market capitalization of SET and mai amounted to THB 5.10 trillion (approx. USD 134.46 billion) in 2006. The main bourse's total turnover in 2006 was THB 3.9 trillion (USD 102.82 billion), down from the THB 4 trillion (USD 99.33 billion) in 2005, with an average daily turnover of THB 16,281 million (USD 429.25 million). mai's total turnover in 2006 was THB 27,414 million (USD 722.77 million), down from THB 27,414 million (USD 722.77 million) y-o-y.

Diversifying high-quality investment products

To increase the variety of choices for investors and risk management for businesses, the Exchange continued to develop a comprehensive range of quality investment products, including equities, debt instruments and derivatives.

Equities market

SET and mai actively encouraged potential companies to use the market as a key long-term fundraising source for both working capital and business expansion. In collaboration with others in the capital market, SET and mai organized several marketing activities, e.g. Smart IPO and Clinic IA forums, which provided insights into the benefits of listing to over 230 local companies in the country's strategic industries. This formed part of SET's drive to strengthen the kingdom's economic fundamentals.

Eighteen newly-listed companies joined the exchanges in 2006: twelve on SET and six on mai. By end-2006, the total number of listed companies on the main bourse had risen to 476, and the total on mai had jumped to 42, bringing the complete number of Thai listed firms to 518. In addition, a further four property funds listed on SET, bringing the sum of these listed funds to 12.

In total, 129 listed companies raised THB 136.01 billion (USD 3.59 billion) through issuances of a variety of financial instruments.

Bond market

In 2006, Thailand's bond market underwent significant development, in terms of both quantity and variety of products. BEX had a total of 578 bond issues and unit trust listings, and the value of debt securities listed during the year gone by rose by 668% y-o-y. The full value of BEX-listed bonds at end-2006 was THB 3.14 trillion (USD 82.79 billion), a 408% leap y-o-y. This amount consisted of THB 2.80 trillion (USD 73.82 billion) in 490 issues of government bonds, THB 5.40 billion (USD 142.37 billion) in 87 corporate bonds and one unit trust.

To meet demand, BEX continued to diversify the investment tools available. BEX is assessing other financial innovations, such as securitization, and has collaborated with relevant parties in promoting the private repo market in Thailand.

Derivatives market

Thailand's derivatives market debuted on April 28, 2006, with SET50 Index Futures as its first product. Over eight months of impressive performance, the market exceeded its trading turnover and accounts targets. SET50 Index Futures' trading volume was 198,373 contracts, equivalent to THB 97.90 billion (USD 2.58 billion). The daily average turnover was 1,204 contracts, or THB 593 million (USD 15.63 million), and there were 4,426 derivatives trading accounts established.

All TFEX's derivatives contracts were executed electronically through a state-of-the-art trading system, developed by OMX Technology, with Thailand Clearing House Co., Ltd. providing clearing and settlement services. There were 23 TFEX brokers, and two market makers, KGI Securities (Thailand) and Phatra Securities, who will both continue in that role in 2007.



Thailand's derivatives market commenced trading on April 28, 2006.

Expanding the investor base

SET, in collaboration with the Federation of Thai Capital Market Organizations (FeTCO) and other parties in the public and private sectors, organized numerous domestic and overseas events to promote retail and institutional investor base expansion.

The Exchange sought to create an understanding of investment and positive investor attitudes in Thai society, through collaborative programs such as Money Expo, Money Channel road shows, Thai Investors' Days and Company Visits. To provide investors with sound decision-making information, SET and mai, together with 15 leading securities companies, conducted securities analyses and reports, published on www.mai.or.th and delivered to investors via the e-newsletter at the end of every trading day.



Frequent provincial road shows provided investors and the general public with up-to-date investment information.



All parties in the Thai capital market collaborated to encourage long-term savings and investment among the general public.

The "Let's activate your LTF" campaign was a SET public promotion of long-term saving and investment, and is a likely reason for the massive 77.64% increase in equity mutual funds' net asset value (NAV) to more than THB 25.19 billion (USD 664.12 million) in 2006, a THB 11.01 billion (USD 290.28 million) rise y-o-y. The quarterly Opportunity Day enabled listed companies' executives to share corporate information with investors and analysts, with over 10,000 investors and other interested people receiving up-to-date news on approximately 200 listed companies.

To attract foreign investment, the Exchange, together with other organizations in the private and public sectors, held domestic and overseas road shows presenting in-depth investment and economic policy information to foreign fund managers and a variety of top-executives. Representatives from ten of Thailand's leading listed companies created a great deal of interest from foreign investors at the "Thai Equity 2006: Investor Forum", and over 150 analysts and foreign fund managers participated in the domestic "Open House with Economic Ministers" forum.



BEX Competition 2006 promoted bond investment among university students.

To supply the latest information about bond investment to investors, bond dealers and the general public, BEX held several investment fairs and workshops, e.g. "Bonds for the People", "BEX & The Buddy Club". In addition, the Exchange hosted "BEX Competition" to inform university students about bond investment.

Gaining stakeholder confidence and promoting good corporate governance

Raising Thai listed companies' corporate governance (CG) standards

To promote best CG practices among listed companies and other organizations, SET, in 2006, revised its 15 Good Corporate Governance Guidelines for listed firms to reflect those of the Organisation for Economic Co-operation and Development (OECD) and the World Bank's Corporate Governance Report on the Observance of Standards and Codes (CG ROSC) on the Thai capital market. The revised guidelines covered five main areas: rights of shareholders, equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and board responsibilities. These are to be fully implemented by listed firms beginning in 2007. To ensure that the new guidelines are clearly understood, SET published and distributed over 10,000 copies of a CG handbook to public companies and related organizations.

In 2006, the SET Corporate Governance Center advised and otherwise assisted over 50 public firms on improving internal operations, and consulted with companies wishing to list about the requirements and best practices needed before entering the Exchange. In addition, SET encouraged over 500 members of listed firms' boards of directors to participate in the Directors Accreditation Program (DAP). Partly due to these efforts, Thai public firms showed progress in CG, scoring an average of 71 (on a 100-point scale), up from 69 in 2005, according to the latest "Corporate Governance Report of Thai Listed Companies 2006", conducted by Thai Institute of Directors (Thai IOD).



Several seminars and workshops were held to advance best corporate governance (CG) practices among Thai listed firms.

Developing transparency and fairness in securities trading and relevant transactions

Measures to prohibit trading irregularities

- The Exchange published and promoted a handbook among public companies on information disclosure, and closely monitored their compliance, finding 101 irregularities. Throughout 2006, SET posted "H" (trading halt) on 19 cases and "SP" (trading suspension) on nine cases.
- The Exchange prohibited member companies from providing net settlement and margin loans trading 15 times, to protect investors and reduce market volatility arising from price manipulation and irregular securities trading orders.

Supervision of trading irregularities

- SET investigated and discovered several cases of irregular securities trading practices suspected of violating the Securities and Exchange Act, B.E. 2535 (1992). The Exchange uncovered six cases of insider information and 13 of price manipulation, which were forwarded to the Securities and Exchange Commission (SEC) for their deliberation.
- SET investigated 24 cases of price manipulation and inappropriate securities trading orders and punished the relevant companies and officers.

Supervising listed companies

1) Monitoring timely and proper information disclosure: SET has been developing the Regulatory Information Service Center (RISC) to support its supervision of listed firms. The Center is expected to start operations in 2007.

2) Revising rules and measures for listed companies in the Rehabco (Rehabilitation) sector: SET will post an "NC" (non-compliance) sign on the securities of listed firms in the Rehabco sector to warn investors that these firms remain under rehabilitation. Also, an "SP" (suspension) sign will be posted and the securities suspended from trading, as the relevant firms are required to be successfully rehabilitated and returned to their normal sectors within two years. If they fail to be successfully rehabilitated within the two years, their shares will be removed from trading boards and included in the 'non-performing group', with their trading symbols and related data being deleted from trading and other systems.

3) Upgrading accounting standards to meet the Extensible Business Reporting Language (XBRL): SET continued to support the development of Thai accounting standards to both reduce costs in formulating financial statements, and to promote transparency and efficiency in the disclosure of information by listed companies.

Promoting financial literacy and investment

In 2006, SET continued to promote saving and investment among specific groups including students at all levels, securities professionals and the public, using different learning approaches such as independent learning and seminars, to suit each individual's situation.

Youth, students and general public

Television and radio

Money Channel concentrated on the capital market and economics, broadcasting economic and investment programs, to an audience of almost five million, using both TV and radio. SET installed satellite dishes for the

channel at Serm Panya Library, Bangkok, and 14 universities nationwide under the University Networking program to provide access for students and faculty.

To enable further public access to investment information, SET authorized the broadcasting of "Kao Tan 5 Talad Thun" and "Smart Money" on the Royal Thai Army Radio and Television Channel 5 in 2007.



Money Channel's television programs helped nurture a national investment culture by reaching out to people across Thailand.

Publications and electronic media

SET provided knowledge development in financial literacy, savings and investment through a variety of publications, e.g., text books, pocket books and magazines. In addition, to promote independent learning, the Exchange developed e-learning programs on www.tsi-thailand.org and in collaboration with institutes, corporate and public organizations, e.g. Government Pension Fund, Social Security Office, and Bank of Thailand. SET distributed the e-learning CD "Ngern-Thong-Khong-Mee-Ka" (or "Personal Finance for Youth") to more than 4,000 schools nationwide and developed e-books as new learning media.



A variety of learning media was used to reach investors and the general public.



Numerous public seminars were held, delivering a comprehensive understanding of finance and investment.

Training and seminars

In 2006, SET organized numerous workshops and seminars to promote personal finance and investment to specific groups. The Exchange initiated the "Ngern-Thong-Khong-Mee-Ka School Model" and organized training for teachers, educational supervisors, students and parents, as well as model activities for schools to use. SET targeted this project at provinces with high savings rates, using public workshops and seminars to deepen knowledge and understanding of savings and investment. Approximately 1.7 million people participated.

Competitions

The Exchange held numerous competitions promoting financial literacy, investment and entrepreneurship, e.g. Money Management Award 2006, Ngern-Thong-Khong-Mee-Ka: The Champion 2006, Sasin Asian Moot Corp 2006, Young Researcher Competition 2006. In addition, the Exchange organized a contest project featuring the "Rookeb-Roochai" (or "Smart Financial Planning for a Happier Tomorrow") concept to produce new savings and investment learning tools for young people.



The Young Researcher Competition promoted securities analysis among university students.

Networking

In 2006, SET signed a Memorandum of Understanding with eight educational institutes under the University Networking program, namely Mae Fah Luang, Payap, Sripatum, Bangkok, Dhurakij Pundit, Naresuan, and Ubon Rajathanee Universities, plus University of the Thai Chamber of Commerce. Therefore, at end-2006, there were a total of 19 universities under such MOUs. In addition, SET has opened SET information centers and trading simulation rooms at the Faculty of Management and Information Sciences, Naresuan University and Prince of Songkla University, and also installed SET Corners in another 70 educational institutions, making the total of 127 SET Corners nationwide.

Securities Professionals

During 2006, SET emphasized the development of courses, training, and examinations for practitioners in securities business. SET has developed new courses on different financial instruments to improve professionals in securities business in order to serve the investors professionally and ethically. The courses include CISA (Certified Investment and Securities Analyst Program) for analysts and fund managers, licensing programs for marketing representatives, analysts, derivatives fund managers and trader ID, Certified Financial Planner, Futures in Practice Workshops and Simulations, and other tools that will facilitate the learning processes, e.g., futures and options simulation.



Participants in the Capital Market Academy Leadership program attended the opening of CMA's new campus in Buriram province.

Senior Executives

Capital Market Academy (CMA) was established to develop high-quality senior executives working in capital market, economic, and social organizations to acquire well-developed professional abilities and dynamic visionary talents. CMA conducted a specifically-designed executive program entitled the "Capital Market Academy Leadership Program", and took its second and third intakes in 2006, with a total of 114 senior executives finishing the course. CMA will accept the Program's fourth intake and implement a capital market knowledge base, which will be published on www.cma.in.th.

International cooperation

To create strong global networks and knowledge exchange, the Exchange participated in a number of activities with international organizations, e.g. World Federation of Exchanges (WFE) Investor Education Workshop, focusing on international efforts in investor education, signing MOUs with the Jakarta Stock Exchange, Inc. (JSX) and Korea Exchange, Inc. (KRX), facilitating information-sharing and cooperation. These initiatives benefit both the Thai capital market and the national economy.



SET, WFE, and International Forum for Investor Education co-hosted the WFE Investor Education Workshop.

Infrastructure development

SET has updated its capital market infrastructure to more efficiently support the full range of innovative financial instruments, including equity, debt and derivatives products. These developments cover trading activities and supporting systems, e.g. automatic order-matching and reserves systems, post-trade integration (PTI) and broker operation service bureau (BSB), securities borrowing and lending service and private repurchase.

BEX's new electronic trading platform "Fixed Income and Related Securities Trading System" (Firsts) was launched on March 1, 2006, and is a "quote-driven" system, integrated with BEX's other systems. In 2007, BEX plans to link with TSD's clearing and settlement service system to provide a quicker, easier and cheaper service to bond traders and institutional investors.

TFEX's electronic trading system, Settrade OneClick, launched on August 28, 2006, helped investors monitor trading activities more conveniently and readily.

To improve the computer system's reliability and manage risks, SET upgraded the main and back-up sites' network systems by modernizing the technology supporting current and future transactions. This initiative should maintain investors' confidence in the system.

Research and IT

SET and various universities collaborated in Market Microstructure Research Center to provide in-depth study of the capital market. Additional research-related activities included awards, a study of investors, statistical reports, provision of information on the Exchange and its subsidiaries, and the development of www.set.or.th/setresearch and other sites.

SET developed a tool to reflect total return from capital market investment, the Total Return Index (TRI), encompassing TRIs from SET, SET50, SET100 and the industrial groups.

Social activities

SET has always been committed to social responsibility and providing a role model of good corporate citizenship for other organizations. The Exchange continued to contribute to Thailand's social well-being and, in 2006, established The Stock Exchange of Thailand Foundation to undertake social and community development in education, sport and music.

Education

SET's "Capital Markets for Students" project entered its third year, offering 5,000 students summer internships in capital market organizations and participation in related social activities.

The Exchange supported the project "One Amphur, One Dream School" in Yala, Narathiwat and Pattani by providing educational equipment and innovative teaching tools. SET and the FeTCO contributed financially to the Duang Prateep Foundation's construction of the Baan Tharn Namchai in Pang-nga province – a child center and orphanage, equipped with creative learning facilities, for those children who lost their homes and families in the tsunami.

Additionally, SET provided financial assistance to the English Skill Development for Universities project, which delivers on-line and interactive English language self-directed learning.

Considerable effort was devoted to improving the quality of Thai education through the Thailand Securities Institute (TSI), in nationwide collaboration with educational institutes, e.g., the Mae Fah Luang project, a model teacher program to lift teaching standards and develop students, using innovative teaching tools.

As part of its mission to provide knowledge for communities by developing local libraries, SET contributed financially to the renovation of the library at Soon Ruam Namjai school, serving youth and the general public in 10,000 households in Klongtoey, Bangkok. The library is open daily, fully equipped with modern technology and a variety of books. Serm Panya library is also open every day serving youth and community groups in the Klongchan district of Bangkok.



Baan Tharn Namchai was established to help young tsunami victims.

Sport

SET and FeTCO supported the construction of a football field for Chalerm Phrakiet Border Patrol Police School, Yala province as part of Her Royal Highness Maha Chakri Sirindhorn's Projects. In addition, to improve skills and promote sportsmanship, the Exchange organized sporting activities for youth in the South, provided a football training program for young players and coaches, and supported Yala Youth League.

SET Foundation assisted the 24th Summer World University Games to be held in 2007, hosted by Thailand for the first time, and with more than 8,500 university students from 170 countries participating.



SET sponsored many sporting activities for young people.



SET sponsored a performance and recording of Thai songs by Thailand Philharmonic Orchestra.

Music

To promote Thai culture and help develop classical music in Thailand to international standard, the Exchange sponsored the recording of Thai songs and a concert performed by Thailand Philharmonic Orchestra.

Social development

SET Foundation is committed to backing and highlighting those who make outstanding contributions to society. In 2007, the Exchange will choose from foundations and social organizations in six areas: education, urban development, rural development, library development, music and sports development. The nominated organizations will be asked to select a person who has made a significant social contribution to receive an award in recognition of their achievements.

Because all people have the right to happiness, SET encourages its employees and those of its subsidiaries to participate in social activities and cultivate the concept of sharing. The Exchange is committed to supporting the quality of life and happiness of all sectors of Thai society.

Statistical Highlights (2004-2006)

Data from securities trading and listed companies

The Stock Exchange of Thailand (SET)	2006	2005	2004
Turnover			
• Volume (million units)	747,790.95	639,678.15	550,423.60
• Value (THB million)	3,956,262.03	4,031,240.02	5,024,399.25
• Daily average (THB million)	16,280.91	16,454.04	20,507.75
• No. of transactions	28,513,652	27,922,274	31,703,029
• Turnover ratio (%)	152.67	146.76	176.39
Listed companies			
• No. of listed companies	476	468	440
• No. of listed mutual funds	7	8	9
• No. of newly-listed companies	12	36	36
• No. of newly-listed mutual funds	-	-	1
• No. of delisted companies	4	9	7
• No. of redeemed mutual funds	1	1	1
Listed securities			
• Total listed securities	584	576	541
- common stocks ^{1/}	488	476	442
- unit trusts	7	8	9
- warrants	79	82	79
- others	10	10	11
Total market capitalization (THB billion)	5,078.70	5,105.11	4,521.89
Capital mobilized by listed companies (THB billion)	135.71	119.85	77.58
SET Index			
• End of year	679.84	713.73	668.10
• Highest (date/month)	785.38 (09/05)	741.55 (28/02)	794.01 (12/01)
• Lowest (date/month)	622.14 (19/12)	638.31 (07/07)	581.61 (17/05)
Average dividend yield (%)	4.23	3.37	2.75
Average price/earnings ratio (P/E)	8.10	9.40	9.40
Market for Alternative Investment (mai)			
Turnover			
• Volume (million units)	9,388.70	9,870.59	4,875.10
• Value (THB million)	27,413.75	35,940.95	34,220.73
• Daily average (THB million)	112.81	146.70	139.68
• No. of transactions	728,843	743,625	599,377
Listed companies			
• No. of listed companies	42	36	24 ^{2/}
• No. of newly-listed companies	6	14	14
Listed securities			
Total listed securities	44	38	27
- common stocks	42	36	24
- unit trusts	2	2	3
Total market capitalization (THB billion)	21.81	14.31	11.70
mai Index			
• End of year	193.43	158.23	188.07
• Highest (date/month)	206.02 (12/12)	214.00 (16/02)	371.45 (16/01)
• Lowest (date/month)	152.79 (18/07)	154.05 (02/12)	178.08 (01/11)

Bond Electronic Exchange (BEX)^{3/}		2006	2005	2004
Turnover^{4/}				
• Volume	(units)	277,370	334,200	635,000
• Value	(THB million)	256.10	335.25	642.82
Listed issues				
• No. of listed issues				
- corporate bonds		87	73	39
- government bonds		490	19	-
- unit trusts of bond-related funds ^{5/}		1	-	-
• No. of newly-listed issues				
- corporate bonds		16	37	21
- government bonds ^{6/}		148	19	-
- unit trusts of bond-related funds		1	-	-
• No. of redeemed issues				
- corporate bonds		6	3	4
- government bonds		158	-	-
Total outstanding value				
	(THB million)			
• corporate bonds		337,179.07	281,686.23	194,854.35
• government bonds		2,799,384.65	488,777.90	-
• unit trusts of bond-related funds		5,401.39	-	-
Thailand Futures Exchange (TFEX)^{7/}				
Turnover				
• Volume	(contracts)	198,737	-	-
• Value	(THB million)	97,898.96	-	-

^{1/} Including property funds

^{2/} Three listed firms resumed trading on SET on January 1, 2004.

^{3/} BEX started trading on November 26, 2003.

^{4/} Including only retail investment

^{5/} Unit trusts of bond-related funds started trading on April 27, 2006.

^{6/} Government bonds started trading on June 1, 2005.

^{7/} TFEX started trading on April 28, 2006.

Financial Highlights

Consolidated Financial Statements		2006	2005	2004
Total revenues		2,797	3,034	2,716
• Investment income		989	1,102	478
• Surplus (deficit) for the year		(262)	583	939
Capital expenditure		1,764	1,089	332
Total assets		17,480	17,355	14,750
• Current assets		7,065	7,374	7,742
• Long-term investments		6,813	7,887	5,844
• Other assets		3,602	2,094	1,164
Total liabilities		1,904	844	444
• Current liabilities		1,602	809	444
• Non-current liabilities		302	35	-
Total funds		15,576	16,511	14,306
• Return on total assets	(%)	(1.5)	3.4	6.4
• Current ratio	(times)	4.4	9.1	17.4
• Debt to funds ratio	(%)	12.2	5.1	3.1



Developing and promoting good corporate governance

that meets international standards
and wins stakeholders' confidence



SET Index	Vol/Day (Shrs)	Val/Day (Mil Baht)	# Deals (per Day)	P/E	P/BV	Dvd Yield (%)	Mkt Cap (Bil Baht)
1538.97	473,003,881	16,781.18	8	15.5	1.63	5.45	2,642.11
464.77	31,906,074	1,228.20	11	15.5	1.63	3.39	1,430.45
511.55	33,301,046	1,228.20	12	15.5	1.63	4.50	1,370.35
511.55	1,957,900	4,719.40	32,203	10.6	1.63	4.11	1,370.35

Thailand's Capital Market: A Foundation for Sustainable Economic Growth

It is easy to underestimate the critical role that The Stock Exchange of Thailand (SET) plays in the Thai economy. Critics point to the relatively small number of active companies and investors as evidence that the Exchange is only a minor influence in the national economy. SET, these commentators allege, is a playground for a handful of wealthy speculators, with little relevance for the majority of the population.

Yet the evidence suggests otherwise. Since its inception in 1975, SET has stood at the heart of the country's capital market and economic development. As the Thai economy has grown, so has the Exchange, benefiting millions of investors across the country. Hundreds of Thai companies, representing a broad range of industries from agriculture to manufacturing to technology to services, have come to depend on SET's role as an intermediary to raise the funds necessary for growth. The Exchange has provided national leadership in advancing corporate governance, investor protection and accounting practice to meet the highest international standards.

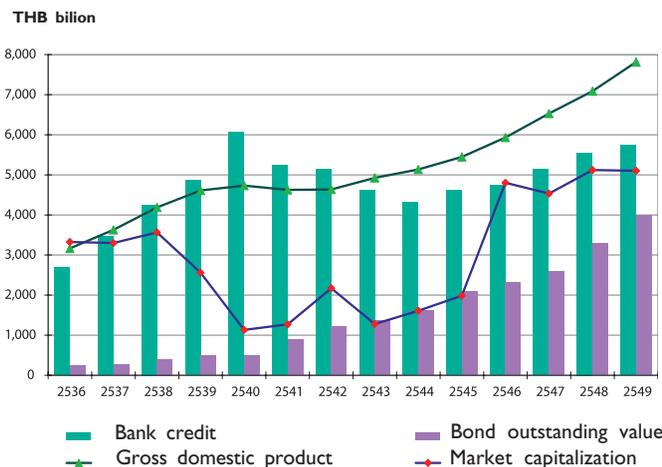
The Thai capital market and economy

Established financial theory holds that stock indices are a forward economic indicator, as stock prices are set based on investor expectations of future performance. Thus, information from the Thai Exchange offers important insights into the economy as a whole, particular sectors, and even individual companies.

The market capitalization of SET and Market for Alternative Investment (mai) at THB 5.1 trillion (approx. USD 134.4 billion) at the end of 2006, has increased by 3.5 times over the past decade, well outpacing the rate of Thailand's overall economic growth. This size enables the nation's combined equity and debt markets to compete favorably with the country's bank credit as a source of capital for the corporate sector. The total size of Thailand's

capital market, defined as being the market capitalization of SET and mai, plus the outstanding value of the debt markets, is THB 9 trillion (USD 237.3 billion) thus exceeding the THB 5.7 trillion (USD 150.2 billion) outstanding from local banks and the THB 7.8 trillion (USD 205.6 billion) in gross domestic product.

Market capitalization, bond outstanding value, bank credit and gross domestic product (1993-2006)



Poor lending practices and ineffective risk management helped precipitate the 1997 crisis and highlighted the dangers of Thailand's overdependence on the banking system. At the height of the crisis, non-performing loans soared to nearly half of total outstanding credit, eventually leading regulators to intervene and close dozens of finance companies and commercial banks – at a cost to taxpayers of over THB 1.4 trillion (USD 36.9 billion).

From 1998 to 2000, net bank credit contracted by THB 806.2 billion (USD 21.3 billion), while capital raised through SET exceeded THB 830 billion (USD 21.8 billion). Consequently, listed companies have reacted to reduce their exposure to the banking sector and restructure their balance sheets (debt-to-equity ratios fell from five times in 1998 to just 1.2 times at end-2006, while interest coverage ratios have increased from 2.2 times in 1997 to 7.1 times currently). Many would argue that Thailand's strong recovery since 1997 has been directly linked to the ability and flexibility of the capital market to serve as a cushion and source of capital for Thai companies struggling to cope with turbulence in the banking sector.

In addition, SET's supervision of and regulations on public firms' information disclosure and accounting standards enhanced the effectiveness of the government's tax collection. Listed companies showed impressive performance and accounted for a significant portion of the country's tax revenues. Although making up only 0.2% of the total number of companies operating in Thailand, listed firms paid THB 54 billion (USD 1.4 billion) and THB 71 billion (USD 1.9 billion) in taxes in the 2004 and 2005 budget years respectively, representing an average 22% of the period's total corporate taxes. Taxes collected on dividends paid by listed companies amounted to another THB 19 billion (USD 0.5 billion).

SET as a public investment choice

A widespread misconception about the Thai capital market is that it is inaccessible and irrelevant to most people. As a proportion of a population of 65.5 million people, the number of investors remains relatively small at 275,000, and the number of direct shareholders of listed firms is only 950,000.

However, it is incorrect to conclude that the market has limited public impact. Over nine million people directly invest in listed securities through provident, Social Welfare, and Government Pension funds. Overall, 13.8% of the Thai population and nearly three-quarters of the registered work force have some portion of their personal wealth involved in the capital market.

The overwhelming majority of SET investors hail not from the wealthiest segment of society, but rather from the much larger middle class. Official statistics show that average monthly salary for the civil service is THB 18,000 (USD 474.5) and for private workers THB 6,053 (USD 159.5). Both segments are indirect investors in the Exchange, due to mandatory contributions required from public and private workers to the Government Pension Fund and the Social Welfare Fund.

Government policies and tax incentives aimed at strengthening the country's social safety net have also helped boost public awareness of the capital market as an attractive long-term savings vehicle. Voluntary participation in local provident, long-term equity and retirement mutual funds has risen strongly in recent years, due partly to efforts by SET and other market participants to educate the public about the importance of long-term savings. Assets under management by local provident funds now exceed THB 386 billion (USD 10.2 billion), or four times the amount of a decade ago. At end-2006, over 1.8 million employees from 7,892 companies nationwide were members of a provident fund.

Current market development plans include the further expansion of the Thai investor base. For several years, SET and related capital market organizations have devoted hundreds of millions of baht to investor education programs covering the basic principles of personal financial management, the importance of asset diversification and the benefits of investment in the equities market. Across the country, investor fairs, road shows and seminar programs hosted by the Exchange, local brokers, asset management companies and financial institutions regularly attract millions of visitors each year, reflecting the strong public interest in learning about wealth management strategies and the opportunities offered by the capital market.

For corporations and institutional investors, SET has been steadily introducing innovations and products, including the launch in 2006 of the Thailand Futures Exchange and the expansion of products available on Bond Electronic Exchange.

Historically, SET has been a sound and attractive choice for investors. Over the 30 years of its existence, stocks outperformed all asset classes, with a compound real rate of return of 5% per year, compared with 4% for bonds, 2% for cash and zero percent for gold. In recent years (2002 to 2006), the differences have been even more stark, with equity offering annual real returns of 17%, compared with zero percent returns for bonds, -1% for cash and 10% for gold.

Leading the way towards best practice

An efficient securities market depends upon timely and accurate information. The 1997 crisis provided an important lesson about the dangers of poor corporate governance, inaccurate or obscure financial accounts, and insufficient awareness and management of risk.

SET has led the way in improving all three areas to increase the efficiency of the secondary market and encourage public companies to act as role models for others. Listed firms in 1998 were required to appoint independent audit committees to assess the effectiveness of internal controls, co-ordinate with external auditors and ensure corporate compliance with relevant accounting and regulatory standards.

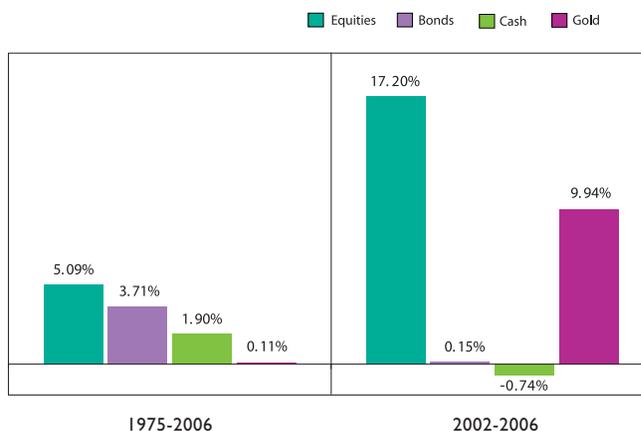
In 1999, SET initiated the adoption of a Code of Best Practice for Directors of Listed Companies to provide guidelines for directors. Corporate governance took another step forward in 2002, with the government establishing the National Corporate Governance Committee.

Since end-2002, listed companies must publicly report their compliance with 15 principles of good corporate governance, covering such matters as the role of directors, the protection of minor shareholders and the importance of prompt and accurate public disclosure of information. The SET Corporate Governance Center advises and otherwise assists listed firms on improving internal operations, and consults with companies wishing to list about the requirements and best practices needed before entering the Exchange. SET continues to actively support the corporate governance activities of other organizations, including Thai Rating and Information Services' Corporate Governance Rating Program, which provides detailed assessments of a company's practices measured against established benchmarks.

In 2006, the 15 corporate governance principles were revised to reflect best practices of Organisation for Economic Co-operation and Development and the World Bank. These are to be fully implemented by listed firms from 2007.

Thus, for over three decades, the Thai capital market has grown steadily in sophistication and diversity, moving in step with, complementing, and enabling the sustained growth of the Thai economy. SET has served investors and private companies alike, providing an efficient and comprehensive securities market whose benefits are shared by the entire Thai public.

Compound annual growth rate (CAGR) of real returns after tax



Compliance with Good Corporate Governance Principles

The Stock Exchange of Thailand (SET) Board of Governors (BoG) recognizes good corporate governance (CG) as an essential prerequisite to raising an organization's operating standards. Good CG entails transparency in performance and enhances the credibility of organizations. It also strengthens the competitiveness of businesses by increasing the confidence of investors and other parties concerned with organizational practice.

SET, as a core Thai capital market organization, continues to support the establishment of good CG by public firms. The Exchange expects all listed companies' boards and management teams will develop their systems to comply with international standards. This will support their growth, that of the Thai capital market and sustainable economic development. In 2006, the BoG updated its 15 CG core principles, promulgated in March 2002, adding to them and bringing them into line with the Principles of Corporate Governance of Organisation for Economic Co-operation and Development (OECD). This latest version includes the recommendations made by the World Bank in its Corporate Governance Report on the Observance of Standards and Codes (CG ROSC). SET received valuable input on these from listed companies and the Association of Listed Companies. These contributions have ensured that the SET principles are compatible with the Thai business environment.

The Principles are divided into five categories; each category includes principles and recommended best practice:

- 1) Rights of shareholders
- 2) Equitable treatment of shareholders
- 3) Role of stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the Board

The BoG subsequently initiated policies and practices in compliance with the Principles.

Rights and Equitable Treatment of Members (Principles 1 and 2)

SET, having neither a corporate identity nor shareholders, is a juristic entity specified under the Securities and Exchange Act. The act requires the BoG to convene an annual meeting of members to elect board members, approve a balance sheet and appoint an auditor with remuneration. The BoG's rules and procedures prescribe that a member shall nominate the persons deemed appropriate to become board members to the meeting which will vote on them. Each member is entitled to one vote.

The BoG shall call an ordinary meeting once a year within four months of the end of the fiscal year. The Board may call an extraordinary meeting whenever it deems appropriate. The notice of such meetings with the agenda shall be sent to every member not less than seven days prior to the date of the meeting. At every meeting the BoG chairman shall preside. At any meeting, three-fourths of all members shall constitute a quorum. If, at a meeting, the number of members attending is less than a quorum, the BoG shall call another meeting within 30 days from the date of the previous one. At the subsequent meeting the number of members attending shall constitute a quorum. The meeting will normally start at 17:00 hours.

The BoG shall call an extraordinary meeting when members representing no less than one-fifth of all members submit a written request to do so to the BoG. The request shall specify the purpose for which the meeting is to be

called. The extraordinary meeting must be announced within seven days of the date of receipt of the written request by the BoG, and the meeting shall be held within 30 days of the date of receipt of the written request by the Board.

In 2006, the BoG called an ordinary meeting on April 27, 2006 and five extraordinary meetings attended by an average of 90% of members. The meetings considered various matters, such as the collateral placement in accounts of debt instrument trading in cash, amendment of criteria for securities trading in cash in cases of gross settlement, guidelines for approving direct market access trading, requirements for individual customers to pay for settlement of securities by automated transfer, charging of brokerage or agent's fees for the buying or selling of listed securities at minimum rates, and revision of BoG remuneration.

Role of Stakeholders (Principle 3)

SET, as the nation's securities trading center, recognizes the reciprocal relationship it has with its stakeholders, who include listed firms, member companies, non-member securities companies, investors, trading partners, employees, government agencies and Thai society. Hence, the BoG has developed a code of ethics in regard to investors, customers, stakeholders and the general public, specifying timely and equitable service delivery, listening to their opinions and suggestions and providing accurate information, treating them equitably and respectfully, and participating in community development.

In its rules, regulations and policies SET strives to protect the rights of all stakeholders and takes great care to ensure that its practices are equitable, including:

- Considering the advantages and disadvantages of rules and amendments;
- Issuing rules that treat all members and listed companies impartially;
- Issuing rules to protect the interests of investors and establishing the Securities Investor Protection Fund;
- Consulting with stakeholders;
- Providing recommendations on CG to listed firms and advising them on implementation;
- Disseminating information to investors through various media;
- Organizing information dissemination activities for investors in Bangkok, the provinces and abroad;
- Treating strategic trading partners in a fair, consistent and transparent manner: stipulating the criteria and procedures for goods and services procurement and establishing a working committee to oversee their purchase and hiring;
- Providing remuneration to employees and management that is on parity with that of other leading organizations; specifying the scope of work of each unit, a code of conduct for performance, and offering ongoing staff development. In 2006, SET continued its staff training program under the Individual Development Plan, using seminars, knowledge and experience interchange, and other activities. Training has been aimed at improving core competencies, enhancing planning, service delivery, problem-solving, decision-making, teamwork, communication, leadership, IT, English proficiency and SET specific skills and knowledge. Training was divided into 50 modules, with a further 10 sessions on Covey's "7 Habits of Highly-Effective People";

- Given its important 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. (For details, see page 30);
- Establishing the S-E-T Call Center Unit to respond to any problems of or enquiries from members and public firms during office hours (08:00 - 18:00 hours). Additional responsibilities include providing information on the activities of SET and its subsidiaries, the SET Index, or investor rights via its 24-hour automatic telephone system, and responding to a broad variety of enquiries.

Disclosure and Transparency (Principle 4)

SET has disclosed all significant information on its website in both Thai and English. The information posted covers vision and mission, SET overview, regulatory framework and board profile, management and organizational chart, SET Group, listing services, information products, supervision of market and listed companies, enforcement, declaration of penalties as well as rules and regulations related to SET, Market for Alternative Investment (mai), Bond Electronic Exchange (BEX) and Thailand Futures Exchange (TFEX).

Furthermore, the annual report discloses significant information such as compliance with good CG, audit committee report, financial statement, statement of the BoG's responsibilities concerning the financial reports, the auditor's report, roles and responsibilities of the BoG and its committees, statistical highlights, SET's major achievements in the past year, the BoG's meetings, and remuneration of governors, committee members and most senior executives.

Responsibilities of the Board (Principle 5)

I. Board Structure

The Securities and Exchange Act requires that the SET BoG structure be as follows:

- Five experts are appointed by Securities and Exchange Commission (SEC). Each person has expert knowledge and extensive experience in one or more of the following areas: the stock exchange, securities and/or finance. There must also be at least one person who is a senior executive of a listed company. Each candidate must meet the criteria and guidelines established by the working group proposing the governor candidates' list to SEC, before being recommended for appointment as a SET governor.
- Five experts are elected from among senior officers of member companies at a SET members' meeting as per the regulations on the appointment of governors. This meeting selects candidates from a list divided into two groups (one consisting of four individual representatives of member companies who are Executive Vice President or higher, the other composed of one individual representative from other relevant parties).
- The SET President, who is an ex-officio governor, is appointed by the ten previously-appointed governors.
- The Board's chairman is one of the governors elected by the BoG. The chairman must not be the SET President, to ensure that the roles and responsibilities of Chairman are separate from those of management.

In addition, the Corporate Secretariat serves the BoG by providing legal advice, organizing the BoG's activities, and monitoring compliance with the Board's resolutions.

2. Committees

The BoG appoints Executive, Audit, Remuneration, Nomination and other Committees to assist it in carrying out its work, and for special tasks requiring expert assistance. Because the chairman and members of these committees are predominantly not SET governors or executives, the committees are relatively independent. In 2006, the composition, duties and responsibilities of 13 committees were clearly defined (see page 46).

3. Roles and Responsibilities of the Board

3.1 Vision and Mission

The BoG plays a crucial role in the development and approval of SET's vision, mission, strategies, goals, policies and business plan, and in the supervision of operations to ensure effective implementation of the plan within budget. The Board evaluates and adjusts the business plan in response to market changes. The BoG also oversees management performance and requires quarterly progress reports on operations and business outcomes.

3.2 Business Ethics and Conflicts of Interest

The BoG has established the SET Code of Ethics. SET's governors, committees, advisors and employees have signed this code, acknowledging and agreeing to accept its principles as their own. These principles affect 1) themselves, 2) investors, service users, other concerned parties and the public, and 3) the organization. The code inculcates an attitude in SET personnel that should maintain public confidence in them. Where the chance of using insider information or conflicts of interest exists, SET demands compulsory adherence to the Code of Ethics by governors, committee members, advisors and employees. This code prohibits any person connected to SET using any information obtained through the performance of their duties to seek benefit for themselves or others, from taking part in or concealing any act that may cause a conflict of interest with their duties, or performing any illegal act, or performing their duties in an inequitable manner.

To ensure that insider information acquired by employees in the performance of their duties is used only for legitimate purposes, the BoG has informed SET governors and employees of the securities trading practices that they are required to follow. These practices stipulate that the trading of securities must be done honestly, without exploitation of confidential information or misuse of authority or position. Also, employees may sell securities only after they have been held for at least 30 days. SET personnel and governors must report their securities holdings (if any) in their own account or in any accounts held by their spouse or minor children, using the required form within seven days from the date of employment (for employees) and within 30 days from the date of appointment (for governors). Any changes in securities holdings must be reported by the last business day of the week after the change in the case of employees, and by the last business day of the month following the change in the case of governors.

The BoG requires governors, committee members and advisors of SET and its subsidiaries to execute a "Letter of Independence" each time they are appointed to a new committee or special task and at the end of every calendar year, to guarantee impartiality in the performance of their duties. Where they have any direct or indirect interest in the consideration of a matter, they are required to notify the parties concerned in advance of each conflict of interest and not participate in the particular consideration. The Exchange records these declarations and reports them to the SET Audit Committee.

In addition, SET has described examples of situations in which a conflict of interest may arise and what to do in such cases. They include serving on a Board of Directors or as consultants, engaging in transactions with SET, undue influence and the use of personal finance. Employees are expected to act in SET's interest, without favor or expectation of direct or indirect personal gain. Employees must not knowingly place themselves in a position that could appear to be, or could be construed as being, in conflict with the interests of SET.

3.3 Internal Control System

The BoG, in promoting efficient internal control systems at both the management and operations level, has defined the duties, management powers, operations, finance and supervision of performance for each level of the organization. The Internal Audit and Risk Management Department is in charge of auditing the internal control system. Therefore that department is independent and performs its auditing functions fully and freely. The Board requires the department to report the results of each audit directly to the SET Audit Committee. The BoG believes that SET's overall internal control system has functioned appropriately and well.

3.4 Risk Management Policy

Important elements of internal control are risk assessment and the assurance of management of major risks to the Exchange. The BoG has appointed the Risk Management Committee to provide advice to the BoG and management to formulate risk management policy and a framework to ensure that all departments are able to manage risks affecting any relevant area of the business entity. The committee also considers the effectiveness of risk assessment methodology in dealing with major risks. The Internal Audit and Risk Management Department is to establish risk assessment criteria and risk management process guidelines to be followed by all departments and to permeate the organization. The department also supports and provides advice to other departments, develops an efficient risk management system, and creates risk awareness throughout the organization. The Department reports on the status of any risk to the BoG and to the Risk Management Committee. The BoG believes that SET has conducted significant risk management appropriately and well.

4. Board Meetings

- 4.1 Regular meetings of the BoG are scheduled on a monthly and quarterly basis one year in advance, so that governors and executives are given full notice and can attend as many meetings as possible. Special meetings may be convened as deemed appropriate.
- 4.2 Prior to each meeting of the BoG, management [comprised of the President, Executive Vice President(s) and Senior Vice President(s)] considers the proposed agenda, ensuring that all significant matters are included.
- 4.3 The Corporate Secretariat is responsible for preparing invitation letters, which must include the agenda, and distributing meeting documentation five (5) days prior to each meeting to allow the governors sufficient time to consider the details beforehand. In the case of a special meeting convened due to some emergency, the meeting documentation may be distributed less than five (5) days prior or on the day of the meeting. The department is responsible for preparing meeting minutes, including all essential information, and submitting these to the BoG for approval at its next meeting. The minutes are then stored in a manner that allows quick retrieval.

4.4 The Chairman organizes the meeting providing sufficient time for management to present issues and other matters to the Board for their full consideration. Normally, each meeting lasts half a day. Governors may table topics not on the agenda, and full and open discussion is welcome.

In 2006, the BoG held 14 regular meetings and two special meetings. The attendance of governors at these meetings was as follows:

Name	Term of office	Attendance (times)/number of meetings (times)		
		Ordinary meetings	Extraordinary meetings	Total
1. Mr. Vijit Supinit*	Aug 1, 2005 - July 31, 2007	14/14	2/2	16/16
2. Mr. Kampanart Lohacharoenvanich*	May 28, 2006 - May 27, 2008	13/14	2/2	15/16
3. Assoc.Prof. Niputh Jitprasonk*	Aug 1, 2005 - July 31, 2007	12/14	2/2	14/16
4. Ms. Asvini Tailanga*	May 28, 2006 - May 27, 2008	14/14	2/2	16/16
5. Ms. Pattera Dilokrunghthirapop	May 28, 2005 - May 27, 2007	14/14	2/2	16/16
6. Mr. Suraphol Kulsiri	May 28, 2005 - May 27, 2007	14/14	1/2	15/16
7. Asst.Prof.Dr. Sauwanee Thairungroj	Aug 11, 2006 - Aug 10, 2008	5/5	2/2	7/7
8. Dr. Vallobh Vimolvanch	Aug 11, 2006 - Aug 10, 2008	5/5	1/2	6/7
9. Dr. Pichit Akraithit	Aug 11, 2006 - Aug 10, 2008	5/5	2/2	7/7
10. Khunying Jada Wattanasiritham	Oct 3, 2006 - May 27, 2008	3/3	0/1	3/4
11. Ms. Patareeya Benjapolchai	June 1, 2006 - May 31, 2010	8/8	2/2	10/10
12. Ms. Wiwan Tharahirunchote*	Aug 11, 2004 - Aug 10, 2006	9/9	-	9/9
13. Mr. Anant Asavabhokhin	Aug 11, 2004 - Aug 10, 2006	8/9	-	8/9
14. Dr. Olarn Chairavat*	Aug 11, 2004 - Aug 10, 2006	8/9	-	8/9
15. Mr. Songdej Praditsmanont*	May 28, 2004 - May 27, 2006	6/6	-	6/6
16. Mr. Prasert Bunsumpun**	May 28, 2006 - May 27, 2008	5/5	1/1	6/6
17. Mr. Kittiratt Na-Ranong***	Sep 10, 2005 - Sep 9, 2007	4/6	-	4/6

Note : * Mr. Vijit Supinit, Mr. Kampanart Lohacharoenvanich, Assoc.Prof. Niputh Jitprasonk, Ms. Asvini Tailanga, Ms. Wiwan Tharahirunchote, Dr. Olarn Chairavat and Mr. Songdej Praditsmanont were re-elected for a 2nd term.

** Mr. Prasert Bunsumpun resigned from serving as governor on September 28, 2006.

*** Mr. Kittiratt Na-Ranong, who served as the SET President for a 2nd term, resigned on May 31, 2006.

5. Board Self Assessment

The Corporate Secretariat conducts an annual self-assessment by individual governors of the BoG as a group. In January 2007, the department delivered the results of the self-assessment for 2006, together with recommendations of the various governors and responses from management, for BoG consideration.

6. Remuneration of Governors and Senior Executives

Subject to the provisions of the Securities and Exchange Act, the Chairman and Governors of the BoG receive remuneration as specified by a meeting of member companies, to ensure that all payments are decided transparently and without the governors' involvement. Governors delegated as committee members receive additional monetary remuneration. The Board considers and may approve the remuneration of top level executives as recommended by the Remuneration Committee.

In 2006, BoG and senior executives were remunerated as follows:

- The Chairman and BoG members were remunerated monthly, which totaled THB 8,280,000 for the year (In 2005 : THB 6,900,000). Other remuneration, provided to the Chairman only, included an official vehicle, driver and vehicle expenses;
- BoG members who were also on the boards of SET's subsidiaries received additional monthly remuneration totaling THB 2,490,000 for the year (In 2005 : THB 1,540,000);
- The three members of the Executive Committee received remuneration which totaled THB 7,200,000 for the year (In 2005 : THB 6,150,000);
- The three members of the Audit Committee received remuneration totaling THB 1,875,000 for the year (In 2005 : THB 2,100,000);
- SET's 18 most senior executives – the President, 6 Executive Vice Presidents and 11 Senior Vice Presidents were remunerated a total of THB 105,453,800 for their services (In 2005: THB 102,907,300 for SET's 16 most senior executives – the President, 6 Executive Vice Presidents and 9 Senior Vice Presidents). Other remuneration given to each of these persons included an official vehicle, a driver, vehicle expenses, medical expenses and payment of life and accident insurance premiums.

7. Board and Management Training

The BoG encourages training relevant to SET's business for governors and executives to improve their performance and vision.

New governors are provided with an introduction to the Exchange, business and other plans, and an overview of SET's subsidiary companies. They receive handbooks, describing their roles and responsibilities, and the Code for Governors, covering the laws and regulations that they need to be aware of.

In 2006, the Budgeting and Planning Department presented four new governors with an overview of SET and its subsidiaries and gave them the Handbook for Governors and the Code for Governors prior to their first BoG Meeting.

SET Committees Established by the SET Board of Governors

In 2006, the SET Board of Governors, which is responsible for determining the Exchange's policies, plans and business strategies and supervising its operations, oversaw the following 13 committees:



I. Executive Committee

Support unit: Corporate Secretary Department

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

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

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kampanart	Lohacharoenvanich	Member
Ms. Patareeya	Benjapolchai	Member
Mr. Suthichai	Chitvanich	Secretary

Responsibilities of the Executive Committee are:

1. To supervise securities trading.
2. To investigate member companies.
3. To manage securities listing and information disclosure.
4. To manage human resources, procurement and outsourcing.
5. To revise and determine the Exchange's fees.

2. Audit Committee

Support unit: Internal Audit & Risk Management Department and Compliance Department

Structure: Three SET Governors who are not on the Executive Committee. One governor is appointed by Securities and Exchange Commission (SEC) and one elected by SET members who is also an executive of a member company. At least one member must be knowledgeable in accounting and finance.

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

Name		Position
Assoc.Prof. Niputh	Jitprasonk	Chairman
Ms. Asvini	Tailanga	Member
Asst.Prof. Sauwanee	Thairungroj, Ph.D.	Member
Ms. Patchara	Wongnimitkul	Secretary

Responsibilities of the Audit Committee are as stipulated in the Audit Committee Charter:

1. To review SET's financial reports before forwarding them to the Board of Governors.
2. To advise management on the appointment of SET's auditor and determine the auditor's remuneration. Coordinate with the auditor on auditing objectives, coverage, guidelines, planning, problems found during the audit, and any issues the auditors deem significant.
3. To 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.
4. To consult and review results and recommendations of the auditors and the Internal Audit Department, and follow up any operational management matters consequent on those recommendations.
5. To monitor compliance with the laws, rules and regulations issued by the SET's regulators.
6. To monitor the management of SET's principal risks.
7. To be responsible for any duties related to the Audit Committee as assigned by the Board of Governors.
8. To report all operations of the Audit Committee to the Board of Governors at least four times a year.

3. Remuneration Committee

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

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kampanart	Lohacharoenvanich	Member
Assoc.Prof. Niputh	Jitprasonk	Member
Ms. Patchara	Thanattrai	Secretary

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

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

4. Nomination Committee

The Committee will be appointed concurrently with nominations for the SET President.

5. Risk Management Committee

- Support unit:** Internal Audit & Risk Management Department
- Structure:** Eleven members including one SET Governor, experts or at least four executives of SET, with the Vice President of the Risk Management Department as Member and Secretary.
- Term:** From January 1, 2006 to December 31, 2006

Name		Position
Dr. Pichit	Akrathit	Chairman
Ms. Oranuch	Apisaksirikul	Member
Prof.Dr. Anya	Khanthavit	Member
Mr. Machima	Kunjara Na Ayudhya	Member
Asst.Prof.Dr. Niwes	Hemvachiravarakorn	Member
Mr. Suthichai	Chitvanich	Member
Ms. Nongram	Wongwanich	Member
Mr. Chaiyoot	Chamnanlertkit	Member
Ms. Sopawadee	Lertmanaschai	Member
Dr. Santi	Kiranand	Member
Ms. Wipha	Leethakulnumchai	Member and Secretary

Responsibilities of the Risk Management Committee are:

1. To advise the SET Board of Governors and management on risk management policies and frameworks to ensure the efficient management of all business risks and performance of duty-of-care.
2. To provide advice and recommendations to the Risk Management Department regarding management of all risks.
3. To review the suitability of risk assessment methodology used to ensure that all significant risks are being adequately monitored and managed.

6. Legal Committee

Support unit: Enforcement Department

Structure: Five members, including four legal experts and/or capital market 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, 2006 to December 31, 2006

Name		Position
Mr. Direk	Sunthongate	Chairman
Mr. Songdej	Praditsmanont	Member
Asst.Prof. Tithiphan	Chuerboonchai	Member
Mr. Bamrung	Tanchittiwatana	Member
Mr. Suthichai	Chitvanich	Member
Mr. Sakkarin	Ruamrangsri	Secretary

Responsibility of the Legal Committee is to provide the SET Board of Governors with advice, opinions and recommendations regarding SET's rules and regulations, and relevant laws.

7. Disciplinary Committee

Support unit: Enforcement Department

Structure: At least one governor from the Board's elected governors who is also an executive of a member company; one member knowledgeable in each of these three areas – SET, the brokerage business, and the financial business; one legal expert; and the SET President or an executive from the Senior Vice President level or above as delegated by the SET President.

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
The SET President or an executive from Senior Vice President level or above as delegated by the SET President		Member
Ms. Sumalee	Lertthanaporn	Secretary

Responsibilities of the Disciplinary Committee are:

1. To examine any wrongdoings and penalize individual(s) violating (or associating with others violating) SET's rules and regulations, and report to the SET Board of Governors – except in cases concerning:
 - (a) a securities delisting
 - (b) a temporary trading suspension of a member company
 - (c) a membership revocation
 - (d) a prohibition of specific individuals from becoming listed company executives
 - (e) other cases as deemed appropriate by the SET Board of Governors.

In the exceptions above, the Disciplinary Committee will examine relevant facts and evidence, report its findings and give its recommendations to the Board for action.

2. To examine, give explicit instructions according to SET rules and regulations, and take any other action in any case deemed necessary to determine guilt and penalties to be imposed.

8. Appeals Committee

Support unit: Enforcement Department

Structure: Three to five members, appointed by the SET Board of Governors with the approval of the SEC Board of Governors. Each member must be an expert in one of the following fields: law, finance and accounting, or the brokerage business.

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

Name		Position
Prof. 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:

1. To review any appeal made against any punishment orders laid down by SET's Board of Governors, any sub-committee, the Disciplinary Committee or the President, to determine the innocence or guilt of appellant.
2. To review any requests for suspension of execution of punishment orders, in which any conditions or collateral are stipulated or required.
3. To advise SET's Board of Governors in punishing, reducing punishments, issuing non-punishment orders, confirming punishment orders being appealed, or taking any other actions included in appeals.
4. To order the termination of any appeal which has been withdrawn or is being tried by the Appeals Committee.

9. Technology Development Committee

Support unit: Information Technology Division

Structure: At least two member-elected governors, including at least one executive of a member company.

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

Name		Position
Mr. Suraphol	Kulsiri	Chairman
Ms. Asvini	Tailanga	Member
Mr. Montree	Sornpaisarn	Member
Dr. Pichet	Durongkaverroj	Member
Dr. Pipatpong	Posayanon	Member
Ms. Yutiga	Sonthayanavin	Member
Ms. Patareeya	Benjapolchai	Member
Ms. Nongram	Wongwanich	Member
Mr. Chaiyoot	Chamnanlertkit	Member and Secretary

Responsibilities of the Technology Development Committee are:

1. To examine the model and direction of business processes which depend on technology to facilitate business growth, and encourage integration of missions within the industry.
2. To examine policies on information technology development and application in order to appropriately, efficiently, credibly and securely support SET's mission as the center of the capital market.
3. To examine the capabilities of the Information Technology Division's operations and personnel to ensure that they meet international standards.

10. Disciplinary Committee for Fee Violations

Support unit: Member Services Department

Structure: At least one representative from the Association of Securities Companies, one legal expert and the SET President or an executive from Senior Vice President level or above as delegated by the SET President.

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

Name		Position
Mr. Yothin	Ari	Chairman
Pol.Maj.Gen. Chaiya	Siriamphunkul	Member
Mr. Suthep	Peetakanont	Member
Mr. Prateep	Wongniran	Member
The SET President or an executive from Senior Vice President level or above as delegated by the SET President		Member
Mr. Supakit	Jirapraditkul	Secretary

Responsibilities of the Disciplinary Committee for Fee Violations are to examine offences committed by, and punish, any member, non-member securities company, executive or employee involved in a company's violation of the Rules and Procedures for the Charging Brokerage and Agent's Fees for the Buying and Selling of Listed Securities, and the Member's Good Corporate Governance (2004).

II. Bond Electronic Exchange Development Committee

Support unit: Bond Electronic Exchange

Structure: Eleven Members including dealers, investors, and representatives of brokerage companies, Thailand Securities Depository Company Limited (TSD) and SET.

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

Name		Position
Ms. Asvini	Tailanga	Chairman
Mr. Pracha	Brahmavira	Member
Ms. Niratchara	Siriamphunkul	Member
M.L. Kornkasiwat	Kasemsri	Member
Dr. Pichit	Akrathit	Member
Mr. Chokechai	Tanpoonsinthana	Member
Mr. Ratchakritpong	Ekrangsun	Member
Ms. Porgpen	Ruengvirayudh	Member
Ms. Nongram	Wongwanich	Member
Ms. Sopawadee	Lertmanaschai	Member
Dr. Santi	Kiranand	Member and Secretary

Responsibilities of the Bond Electronic Exchange Development Committee are to develop efficient systems and procedures for the bond market, including:

1. To develop an appropriate and high quality trading system.
2. To disseminate information internally and to investors.
3. To develop a clearing and settlement system for the bond market which increases liquidity and enhances the trading of all listed bonds, including those cross-listed with other bond exchanges.

12. Securities Investor Protection Fund Committee

Support unit: Member Services Department

Structure: Six members, including one appointed governor, one elected governor, one elected member, the Thailand Securities Finance Corporation (TSFC) President, the SET President or an executive at Senior Vice President level or above as delegated by the SET President, the TSD President, with the Executive Vice President overseeing the Member Services Department as Secretary.

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

Name		Position
Assoc.Prof. Niputh	Jitprasonk	Chairman
Ms. Asvini	Tailanga	Member
Ms. Pattera	Dilokrunghthirapop	Member
Mr. Akarat	Na-Ranong	Member
The SET President or delegated executive at Senior Vice President level or above		Member
Ms. Nongram	Wongwanich	Member
Mr. Suthichai	Chitvanich	Secretary

Responsibilities of the Securities Investor Protection Fund Committee are:

1. To determine fund management policies, including possibilities of investing in securities or other assets or by any other areas that the committee deems appropriate.
2. To examine all relevant facts and evidence concerning investor protection and report findings to the SET Board of Governors.
3. To undertake any other responsibilities and activities deemed appropriate by the SET Board of Governors.

13. Real Estate Development Committee

Support unit: Building Management Department

Structure: Five SET Governors including the SET Chairman, the SET President, with the Senior Vice President of Corporate Affairs as a Member and Secretary.

Term: From October 1, 2006 to December 31, 2007

Name		Position
Mr. Vijit	Supinit	Chairman
Mr. Kampanart	Lohacharoenvanich	Member
Dr. Vallobh	Vimolvannich	Member
Assoc.Prof. Niputh	Jitprasonk	Member
Ms. Patareeya	Benjapolchai	Member
Ms. Nongram	Wongwanich	Member and Secretary

Responsibilities of the Real Estate Development Committee are:

1. To advise on matters of land, buildings and location development policies, and master plans, including operational guidelines of SET, its subsidiaries and other related entities for the SET Board of Governors' review and determination of policies and operational framework. The Committee shall bear in mind current usage and organization, and short- and long-term development demands arising from SET's strategic plan.
2. To appoint advisors or experts on land and property development to give advice and recommendations to the Committee, and undertake any other actions as the Committee may see fit.
3. To appoint and assign members of working committees on various aspects to take any actions relating to land and property development following SET policies.

Audit Committee Report

The Audit Committee is comprised of three independent non-executive Governors of The Stock Exchange of Thailand (SET) appointed by its Board of Governors (BoG). The Committee is empowered by the BoG to perform its duties as stated on page 47.

The Committee supports SET's mission embodying ethical and transparent practice, maintaining its good image and system of checks and balances.

During 2006, the Committee held twelve meetings and reported its findings to the BoG on a quarterly basis, with additional reports when necessary. Management participated in some meetings, providing additional information when appropriate. The following is a summary of the Committee's work during 2006:

Review of corporate governance

The Committee confirmed that SET and its subsidiaries' activities complied with good corporate governance practices, the criteria stipulated by World Federation of Exchanges (WFE), and other related laws and regulations. In addition, the Committee reviewed the conflicts of interest guidelines for SET and its subsidiaries' management and staff.

Review of quarterly and annual financial reports

The Committee reviewed quarterly and annual financial reports to ensure that they were accurate and accorded with generally accepted accounting standards. The Committee discussed any observations made by the auditors and reviewed their plans without management being present for frank discussion of their observations.

Review of risk management and internal control systems

In overseeing the risk management practices of SET and its subsidiaries, the Committee received regular reports from the Risk Management Committee. The risk management and internal control systems have been evaluated using the standards advocated by the Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management (COSO-ERM). The Committee concluded that the Exchange's risk management and internal control systems were adequate and appropriate.

Supervision of internal audit

The Committee reviewed the internal audit plan and assessed internal audit performance. The internal auditor's conclusions were reviewed and recommendations made about the internal control systems and actions to be taken by SET's management. The Committee then monitored these actions.

The Committee's self-assessment

A self-assessment was conducted to ensure that the Committee's performance was efficient and fulfilled the Audit Committee's Charter.

Appointment of external auditors

The Audit Committee has recommended to the Board of Governors that Ms. Unakorn Phruithithada, Mr. Boonmee Ngotngamwong, Mr. Sudwin Panyawongkhanti of PricewaterhouseCoopers ABAS Ltd. be appointed as SET's auditors for the financial year ending on December 31, 2007. Suggested remuneration for this role was THB 900,000. Furthermore, the Audit Committee also reviewed its remuneration of THB 986,000 for the audit of SET's eight subsidiaries and the Clearing Fund for the financial year ending December 31, 2007.

In the Committee's opinion, SET's financial reports are sufficient and in accord with generally accepted accounting standards. It considers that SET has adopted and implemented appropriate risk management and internal control systems that are sufficient and conform to best governance practice.



(Assoc.Prof. Niputh Jitprasonk)

Chairman, Audit Committee

February 15, 2007

Management Discussion and Analysis

I. Operational Results in 2006

In 2006, SET and its subsidiaries' revenues exceeded expenses (excluded charity and corporate social responsibility expenses) by THB 139 million. After deduction of charity and corporate social responsibility (CSR) expenses of THB 401 million, revenues was less than expenses by THB 262 million, a 144% y-o-y drop of THB 845 million, with total revenues decreasing by THB 238 million and total expenses soaring by THB 607 million.

I.1 Analysis of Income

In 2006, SET and its subsidiaries realized THB 2,797 million in total revenues, down THB 238 million, or 8%, from 2005, as listed below:

- Broker seat admission fees decreased by THB 206 million, or 87%:
 - Broker seat admission fees of SET decreased by THB 225 million, as nine members which joined in 2002 had fully paid their admission fees.
 - Broker seat admission fees of Thailand Futures Exchange Public Co., Ltd. (TFEX), a SET subsidiary which started its trading operations on April 28, 2006, increased by THB 19 million.
- Investment income decreased by THB 114 million, or 10%, mainly because:
 - Dividend income from mutual funds fell by THB 222 million due to the decrease in investment. The redemption of investment was for acquiring of land for new offices.
 - Interest income from investment rose by THB 108 million.
- Trading fees rose by THB 20 million, or 4%, mainly consisting of:
 - Internet trading fees from Settrade.com Co., Ltd. (STT), a SET subsidiary, increased by THB 14 million (including THB 9 million from the equities market and THB 5 million from the derivatives market, which started in August 2006).
 - Trading fees from TFEX of THB 13 million.
 - Trading fees from SET fell by THB 7 million, because the average daily trading volume in 2006 dropped by THB 207 million or 1%, from THB 16,601 million per day in 2005 to THB 16,394 million per day in 2006.
- Other revenues increased by THB 50 million, or 11%, mainly consisting of:
 - Service and media production fees from Family Know-how Co., Ltd. (FKH), a SET subsidiary, rose by THB 34 million.
 - Revenues from Thailand Clearing House Co., Ltd. (TCH) went up by THB 31 million.
 - Revenues from Thailand Securities Institute decreased by THB 15 million.

I.2 Analysis of Expenses

In 2006, SET and its subsidiaries recorded THB 3,059 million in consolidated expenses, up by THB 607 million, or a 25% increase, from 2005. The major reasons were:

1.2.1 Operating expenses increased by THB 416 million y-o-y, or 19%, as follows:

- Staff costs rose by THB 178 million with 48 new staff. (2006: 950 persons, 2005: 902 persons).
- Depreciation and amortization expenses went up by THB 84 million.
- Service and media production costs from FKH rose by THB 60 million.
- Contribution to the Office of the Securities and Exchange Commission (SEC) increased by THB 13 million.
- Other expenses rose by THB 77 million, the major reasons being:
 - Repair and maintenance expenses of hardware and software were up by THB 44 million.
 - Office building expenses increased by THB 13 million.
 - Interest expenses for Security Deposit-members' portion THB 10 million.

1.2.2 Charity and CSR expenses amounted to THB 401 million, up THB 180 million y-o-y, or a 81% rise. In 2006, the major charity projects were:

- Contributions for The Stock Exchange of Thailand Foundation amounted to THB 147 million.
- Contributions for English Skill Development for Universities project amounted to THB 86 million.

1.2.3 Income tax of subsidiaries increased by THB 11 million.

2. Financial Position as of December 31, 2006

Changes in the financial status of SET and its subsidiaries in 2006 from 2005 were due to the following transactions:

2.1 Analysis of Assets

As of December 31, 2006 SET and its subsidiaries reported total assets of THB 17,480 million. The major items were:

(1) Cash and investment totaling THB 12,754 million, or 73%, as summarized as below:

- Cash and investment of SET and its subsidiaries totaling THB 12,371 million comprised of
 - Investment in mutual funds: THB 5,403 million.
 - Investment managed by SET and subsidiaries: THB 3,414 million.
 - Investment in private funds: THB 2,826 million.
 - Cash and other investments: THB 728 million.
- Investment in the Securities Investor Protection Fund (SIPF) totaled THB 383 million.

(2) The saving accounts of margins placed by member of TCH amounting to THB 675 million.

(3) Fixed assets amounting to THB 3,442 million, up by THB 1,506 million from 2005. The major reason was the land acquired for new office project amounted THB 1,438 million.

2.2 Analysis of Liabilities

At the end of 2006, SET and its subsidiaries had THB 1,904 million in total liabilities, which was 125% higher than 2005 by a rise of THB 1,060 million. The major liabilities included:

- (1) Accounts payable and accrued expenses amounted to THB 501 million, mainly comprising:
 - Accrued bonus and management remuneration: THB 109 million.
 - Accrued operating expenses of Money Channel, a financial news television channel run by FKH: THB 53 million.
 - Acquisition of hardware and software, and repair and maintenance expenses: THB 47 million.
 - Accrued expenses on English Language Development for Universities project amounted to THB 34 million.
 - Dividends payable on NVDRs totaled THB 31 million and repayment of unfulfilled subscription orders for new shares amounted to THB 23 million.
 - Donations to help tsunami victims pending disbursement: THB 27 million.
 - Consulting fees for system development: THB 20 million.
 - Accrued office expenses: THB 15 million.
- (2) The margin deposits and benefits payable of TCH amounted to THB 675 million.
- (3) Fees received in advance amounted to THB 232 million.
- (4) Other current liabilities, amounting to THB 190 million, which mainly were:
 - Guarantee deposits and retentions totaling THB 89 million.
 - Withholding taxes payable: THB 68 million.
- (5) Non-current liabilities, amounting to THB 302 million, which mainly were:
 - Security Deposit for the clearing system of derivatives market amounted to THB 115 million.
 - Contributions and benefits of Clearing Fund for derivatives market amounted to THB 118 million.
 - Members' portion of contributions and benefits of the Securities Investor Protection Fund amounted to THB 69 million.

2.3 Analysis of Funds

On December 31, 2006 SET's total funds were THB 15,576 million, down by THB 935 million y-o-y, or a 6% decrease. The major reasons for the change were:

- (1) The General Fund, valued at THB 11,400 million, fell by THB 261 million from the operational loss in 2006.
- (2) Unrealized gains from investment in mutual funds decreased y-o-y by THB 673 million.

3. Cash Flows

The cash and cash equivalents ending on December 31, 2006 were THB 358 million, a decrease of THB 126 million from 2005, mainly due to changes in cash flows from operating and investing activities as follows:

- (1) Net cash used in operating activities amounted to THB 685 million, an increase of cash usage of THB 609 million. This mainly was because expenses exceeded revenues in 2006.
- (2) Net cash from investing activities was THB 558 million, an increase of cash inflow of THB 356 million. This mainly came from redemption of deposits and mutual funds.

Financial Risk Management Policy

SET and its subsidiaries face two material financial risks: investment and counterparty credit. Policies to manage these risks are outlined below:

Investment Risks

SET and its subsidiaries' investment portfolio, which is managed by the Investment Working Committee, operates under the investment policy as approved by the SET and its subsidiaries' Board of Governors (BoG). The policy is reviewed semi-annually or whenever investments may be significantly affected. The policy aims to optimize return within acceptable risk levels, and with risk diversification by apportioning the investments over several instruments, financial institutions and issuers. Also, consideration of debt instruments is limited to investment grade. The objective is to prevent overall investment losses.

In addition, SET monitors investment risk status monthly to ensure it remains within acceptable levels.

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

Counterparty Credit Risks (clearing and settlement-related risk)

SET and its subsidiaries are exposed to counterparty credit risks, particularly in its clearing and settlement system. As the clearing house and settlement guarantor for equity securities, debt securities, and derivatives, Thailand Securities Depository Co., Ltd. (TSD) and TCH are exposed to counterparty risks through members defaulting. To lessen risk exposure, TSD and TCH have implemented the following risk management measurements:

- (1) Each member is required to maintain its qualification and member status as stipulated by the clearing house. In addition, members' financial status and liquidity are monitored monthly to enable prevention should there be potential failure of the overall system.

- (2) Each member's settlement value in equity and debt securities is limited, reflecting its financial capability. Furthermore, risks created by member trading behavior in equity and debt securities are monitored and measured using loss probabilities. Where the settlement value or loss probability of a member exceeds an acceptable level, the member must provide TSD with adequate collateral.
- (3) Each member is required to maintain margins with TCH based on its position in the derivatives exchange in line with price change.

TSD and TCH regularly review these risk management measurements to ensure that each is appropriate for its member structure and trading conditions.

TSD's other risk management schemes include a provision for securities borrowing and lending, enforcement of buy-in, and members' contributions to TSD's clearing fund. For TCH, members are required to place security deposits in addition to their contributions to TCH's clearing fund.

To strengthen the financial resources, TSD and TCH have arranged overdraft lines of THB 2.5 billion and THB 400 million, respectively, with their settlement banks. SET has also established SET's clearing reserve funds of THB 2 billion for TSD and THB 300 million for TCH to bolster liquidity and deal with losses before using other risk management schemes.

In addition, to confirm their financial capability and meet internationally-accepted standards, TSD and TCH regularly conduct stress testing to gauge the largest possible default exposure that the clearing system might suffer.

Furthermore, TSD applies real-time gross settlement (RTGS) in the clearing and settlement system through delivery-versus-payment (DvP) for high-value transactions of equity and debt securities, as an alternative for members undertaking direct dealing. This lessens the collateral burden carried by members and reduces risks to the clearing and settlement system.

Report of the Board of Governors' Responsibility for Financial Statements

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

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

To accomplish this task, the Board of Governors has appointed an Audit Committee, which consists of non-executive governors responsible for the quality of financial statements and internal control system, whose comments on these issues are stated in the Audit Committee Report section of this annual report.

The Board of Governors is of the opinion that the SET's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to the SET and its subsidiaries' financial statements for the year ending December 31, 2006.



(Mr. Vijit Supinit)
Chairman



(Ms. Patareeya Benjapolchai)
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 2006 and 2005, and the related consolidated and entity statements 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 an 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 2006 and 2005, 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
28 February 2007

Balance Sheets

As at 31 December 2006 and 2005

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2006	2005	2006	2005
ASSETS					
Current Assets					
Cash and cash equivalents		357,553	484,325	88,536	299,539
Cash at banks for margin deposits	10	674,832	-	-	-
Short-term investments	3	5,583,535	6,533,419	4,948,534	6,058,814
Accounts receivable and accrued income-net	4	164,194	120,974	84,186	106,464
Accrued interest receivables		75,150	42,412	67,712	41,002
Other current assets	5	209,717	192,523	213,459	190,636
Total Current Assets		7,064,981	7,373,653	5,402,427	6,696,455
Non-Current Assets					
Investments in subsidiaries and associate	6	151,466	147,530	933,144	862,412
Long-term investments	7	6,812,644	7,887,408	6,766,208	7,809,717
Loans to subsidiary	18	-	-	-	5,000
Property and equipment, net	8	2,995,534	1,573,508	2,922,568	1,501,448
Intangible assets, net	9	446,091	362,421	392,222	331,142
Other assets		9,278	10,428	8,503	9,650
Total Non-Current Assets		10,415,013	9,981,295	11,022,645	10,519,369
Total Assets		17,479,994	17,354,948	16,425,072	17,215,824

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 form an integral part of these financial statements.

Balance Sheets

As at 31 December 2006 and 2005

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2006	2005	2006	2005
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable and accrued expenses		501,426	472,272	294,357	369,339
Margin deposits and benefits payable	10	675,021	-	-	-
Fees received in advance		231,888	128,377	131,335	116,812
Accrued income tax		3,217	1,639	-	-
Loans from subsidiaries	18	-	-	198,430	-
Other current liabilities		189,747	207,515	155,693	184,410
Total Current Liabilities		1,601,299	809,803	779,815	670,561
Non-Current Liabilities					
Security Deposit to the Clearing Fund of derivatives market	11.1	115,000	-	-	-
Contributions and benefits on contributions to the Clearing Fund of derivatives market	11.2	118,150	-	-	-
Contributions and benefits to the Securities Investor Protection Fund	12.6	69,309	34,696	69,309	34,696
Total Non-Current Liabilities		302,459	34,696	69,309	34,696
Total Liabilities		1,903,758	844,499	849,124	705,257
Fund Balances					
Funds	12	14,468,528	14,730,584	14,468,528	14,730,584
Unrealised gain on available-for-sale securities		1,107,706	1,779,863	1,107,420	1,779,983
Minority interest		2	2	-	-
Total Fund Balances		15,576,236	16,510,449	15,575,948	16,510,567
Total Liabilities and Fund Balances		17,479,994	17,354,948	16,425,072	17,215,824

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 form an integral part of these financial statements.

Statements of Revenues and Expenses

For the years ended 31 December 2006 and 2005

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2006	2005	2006	2005
REVENUES					
Membership fees		31,434	237,132	10,139	235,532
Trading fees		480,428	460,585	421,767	429,518
Listing fees		228,823	231,946	228,823	231,946
Registrar fees		560,415	553,652	-	-
Service fees from subsidiaries	18	-	-	330,925	313,429
Investment income		988,646	1,102,388	954,795	1,087,786
Share of profit of investments in subsidiaries and associate	6	3,936	2,664	70,732	66,289
Other revenues	14	489,266	438,829	140,246	175,092
Total Revenues		2,782,948	3,027,196	2,157,427	2,539,592
EXPENSES					
Staff costs		1,076,001	897,795	735,030	645,194
Marketing expenses		243,682	234,782	314,816	311,480
Service and advertising production cost		253,542	193,848	-	-
Communication expenses		142,262	147,900	29,077	24,511
Contributions to the Office of the SEC	15	162,687	150,000	162,687	150,000
Contributions to subsidiary	18	-	-	8,081	89,577
Depreciation and amortisation		252,528	168,100	222,266	139,877
Other expenses	16	487,927	410,705	563,121	400,399
Total Expenses		2,618,629	2,203,130	2,035,078	1,761,038
Excess of revenues over expenses from operation		164,319	824,066	122,349	778,554
NON-OPERATING ITEMS					
Net income from the Securities Investor Protection Fund	13	13,523	7,326	13,523	7,326
Donation and social contribution		400,687	220,985	397,928	203,009
Excess (under) of revenues over expenses before income tax		(222,845)	610,407	(262,056)	582,871
Income tax		39,211	27,536	-	-
Excess (under) of revenues over expenses, net		(262,056)	582,871	(262,056)	582,871

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 form an integral part of these financial statements.

Statements of Changes in Fund Balances

For the years ended 31 December 2006 and 2005

(Unit : Thousand Baht)

	Consolidated										
	Securities Clearing Reserve Fund	Clearing & Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	The SET's 30 th Anniversary Charity Fund	General Fund	Unrealise gain (loss) on available-for-sale securities	Minority interest	Total
Notes	12.1	12.2	12.3	12.4	12.5	12.6	12.7				
Beginning balance 1 January 2006	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
Unrealise loss on available-for-sale securities	-	-	-	-	-	-	-	-	(672,157)	-	(672,157)
Add Excess (under) of revenues over expenses (Note 13)	-	-	-	-	3,490	13,523	(17,829)	(261,240)	-	-	(262,056)
Ending balance 31 December 2006	2,000,000	300,000	100,000	246,328	90,290	322,214	10,061	11,399,635	1,107,706	2	15,576,236
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
Unrealise gain on available-for-sale securities	-	-	-	-	-	-	-	-	1,621,907	-	1,621,907
Add Excess (under) of revenues over expenses (Note 13)	-	-	-	-	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

(Unit : Thousand Baht)

	SET									
	Securities Clearing Reserve Fund	Clearing & Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	The SET's 30 th Anniversary Charity Fund	General Fund	Unrealise gain (loss) on available-for-sale securities	Total
Notes	12.1	12.2	12.3	12.4	12.5	12.6	12.7			
Beginning balance 1 January 2006	2,000,000	300,000	100,000	246,328	86,800	308,691	27,890	11,660,875	1,779,983	16,510,567
Unrealise loss on available-for-sale securities	-	-	-	-	-	-	-	-	(672,563)	(672,563)
Add Excess (under) of revenues over expenses (Note 13)	-	-	-	-	3,490	13,523	(17,829)	(261,240)	-	(262,056)
Ending balance 31 December 2006	2,000,000	300,000	100,000	246,328	90,290	322,214	10,061	11,399,635	1,107,420	15,575,948
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
Unrealise gain on available-for-sale securities	-	-	-	-	-	-	-	-	1,621,907	1,621,907
Add Excess (under) of revenues over expenses (Note 13)	-	-	-	-	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

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 form an integral part of these financial statements.

Statements of Cash Flows

For the years ended 31 December 2006 and 2005

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2006	2005	2006	2005
Cash flows from operating activities					
Excess (under) of revenues over expenses, net		(262,056)	582,871	(262,056)	582,871
Adjustments for:					
Doubtful debts		(72)	(2,493)	(35)	(871)
Depreciation and amortisation		252,528	168,100	222,266	139,877
(Gain) loss on disposals of fixed assets and intangible assets		4,888	(1,431)	4,881	(1,742)
Reversal of an impairment loss of land		-	(4,941)	-	(4,941)
Adjust work in process to expense		426	249	426	249
Investment income		(1,002,214)	(1,109,762)	(968,363)	(1,095,160)
Interest expenses on loans from subsidiaries	18	-	-	5,554	-
Share of profit of investments in subsidiaries and associate	6	(3,936)	(2,664)	(70,732)	(66,289)
Excess (under) of revenues over expenses before changes in operating assets and liabilities		(1,010,436)	(370,071)	(1,068,059)	(446,006)
(Increase) decrease in operating assets					
Cash at banks for margin deposits		(674,832)	-	-	-
Accounts receivable and accrued income		(43,148)	(8,257)	22,313	(1,721)
Other current assets		(17,194)	(94,453)	(22,823)	(107,636)
Other assets		1,150	(4,231)	1,147	(5,291)
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses		29,154	242,621	(74,982)	205,980
Margin deposits and benefits payable		675,021	-	-	-
Fees received in advance		103,511	8,487	14,523	1,506
Accrued income tax		1,578	753	-	-
Other current liabilities		(17,768)	114,027	(28,717)	101,351
Non-current liabilities		267,763	34,696	34,613	34,696
Net cash (used in) operating activities		(685,201)	(76,428)	(1,121,985)	(217,121)

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 form an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

For the years ended 31 December 2006 and 2005

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2006	2005	2006	2005
Net cash (used in) operating activities		(685,201)	(76,428)	(1,121,985)	(217,121)
Cash flows from investing activities					
Cash at banks by M.O.U.		(30,229)	(62,632)	(30,229)	(62,632)
Investment income		954,044	1,180,166	924,181	1,165,625
Cash received from short-term investments		12,579,520	16,898,500	10,699,893	15,494,242
Cash received from long-term investments		18,550	-	-	-
Purchases of short-term investments		(5,555,393)	(5,472,733)	(3,526,441)	(4,458,160)
Purchases of long-term investments		(86,000)	-	(86,000)	-
Purchases of bonds		(3,563,417)	(8,828,730)	(3,563,417)	(8,427,935)
Purchases of debentures		(869,224)	(312,667)	(869,224)	(280,000)
Purchases of investment units in mutual funds		(1,140,406)	(2,122,003)	(1,140,406)	(2,112,152)
Proceeds of loans from subsidiaries	18	-	-	198,430	-
Repayment of loans to subsidiary	18	-	-	5,000	5,000
Interest expenses on loans from subsidiaries	18	-	-	(5,554)	-
Purchases of fixed assets	8	(1,615,788)	(802,303)	(1,591,631)	(759,107)
Purchases of intangible assets	9	(148,428)	(286,365)	(118,770)	(257,350)
Proceeds from sales of fixed assets		678	3,586	628	2,628
Benefits from Staff Welfare Fund		2,949	1,447	2,949	1,447
Benefits from Securities Investor Protection Fund		11,573	6,199	11,573	6,199
Net cash from investing activities		558,429	202,465	910,982	317,805
Net increase (decrease) in cash and cash equivalents		(126,772)	126,037	(211,003)	100,684
Cash and cash equivalents at the beginning of the year		484,325	358,288	299,539	198,855
Cash and cash equivalents at the end of the year		357,553	484,325	88,536	299,539
Supplementary information for cash flows:					
Cash paid during the year					
Income tax paid		41,567	29,866	-	-
Interest expenses		749	-	5,554	-

The notes to the consolidated and The Stock Exchange of Thailand's financial statements on pages 71 to 99 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 2006 and 2005

I. 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 Rachadaphisek Road, Klongtoey, Bangkok 10110.

The principal business operations of the SET and its subsidiaries are summarised 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 post trade 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 2006, The Stock Exchange of Thailand and its subsidiaries employed 950 employees (2005: 902 employees).

These consolidated and the SET's financial statements have been approved by the Board of Governors on 28 February 2007.

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.

The preparation of consolidated and the SET's financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect 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. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

An English version of consolidated and the SET's financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Amendment to publish standard effective for annual period beginning on 1 January 2007

TAS 44 (amendment 2006) - Consolidated Financial Statements and Accounting for Investment in Subsidiaries and TAS 45 (amendment 2006) - Accounting for Investments in Associates, are mandatory for the SET and its subsidiaries' accounting period beginning on or after 1 January 2007. This amendment requires for investments in subsidiaries and associates to be accounted for at cost (previously equity method) in the separate financial statements. Under the cost basis, income from the investment will be recorded when dividends are declared. Furthermore the SET and its subsidiaries applies similar basis relating to investment in jointly control entities in the separate financial statements. The SET and its subsidiaries will be implementing the new basis from 1 January 2007.

2.3 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 unrealised 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.

2.4 Investments in subsidiaries and associate

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

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

2.5 Foreign currency translation

Items included in the consolidated and the SET's financial statements are measured using Thai Baht.

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 recognised in the statement of revenues and expenses.

2.6 Cash and cash equivalents

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

2.7 Accounts receivable and accrued income

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

2.8 Investments

Debt securities and marketable equity securities classified as available-for-sale securities are carried at fair value. Fair value of debt securities is calculated by reference to risk-free yield curve adjusted by appropriate risk premium. Fair value of marketable equity securities is calculated by reference to 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 unrealised 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 realised 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 amortised 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 higher 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 of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holdings of the investments.

2.9 Property and equipment

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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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 are determined by comparing proceeds with carrying amount and are included in statement of revenues and expenses.

2.10 Intangible assets

2.10.1 Computer software

Generally, costs associated with developing or maintaining computer software programs are recognised 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 recognised 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 recognised as intangible assets. Computer software development costs recognised as assets are amortised using the straight line method over their useful life, generally over 5 years.

2.10.2 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 recognised as intangible assets and amortised using the straight line method over their expected useful life, generally over 10 years.

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 recognised if the carrying amount of the assets exceeds its recoverable amount.

2.11 Accounting for leases - where the entity is the lessee

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

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

2.12 Revenue recognition

Service revenues are recognised upon performance of services. 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 and registrar fees collection more than 3 months, the SET considers the collectibility of the receivables as doubtful and ceases revenue recognition from fees of related companies immediately.

Membership fees comprise of initial fees and annual fees. The initial fees are recognised as revenues on the straight line basis of 5 years started from the first day of service rendered and annual fees are recognised upon performance of services.

Investment income and other revenues are recognised 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 subsidiaries.
- 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.

2.13 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.

2.14 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.

2.15 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	
	2006	2005	2006	2005
Investments managed by the SET				
General investments				
Savings accounts	185,875	199,691	183,498	198,570
Fixed deposit accounts	984,434	407,289	853,417	407,288
Promissory notes	129,852	643,000	104,539	582,550
	1,300,161	1,249,980	1,141,454	1,188,408
Investments in money market funds	405,223	410,241	405,223	410,241
Debt securities due within one year	1,051,725	2,097,691	1,019,095	1,787,845
Total investments managed by the SET	2,757,109	3,757,912	2,565,772	3,386,494
Investments managed by private funds				
General investments				
Savings accounts	25,256	42,251	22,676	41,953
Fixed deposit accounts	122,500	79,000	122,500	78,000
Other debt instruments	775,746	980,680	720,560	932,272
	923,502	1,101,931	865,736	1,052,225
Trading securities	1,902,924	1,673,576	1,517,026	1,620,095
Total investments managed by private funds	2,826,426	2,775,507	2,382,762	2,672,320
Total short-term investments	5,583,535	6,533,419	4,948,534	6,058,814

Investments managed by the SET

Savings accounts bear interest rate of 0.75% - 2.75% per annum (2005: 1.00% - 2.00% per annum).

Fixed deposit represent fixed deposit at banks which have maturity within 3 - 12 months and interest rates of 1.50% - 5.50% per annum (2005: 0.50% - 3.75% per annum).

Promissory notes represent the promissory notes at financial institutions which have maturity within 3 - 12 months and interest rates of 3.50% - 5.55% per annum (2005: 2.50% - 4.00% per annum).

Investments in money market funds represent investments in 1 open-ended fund (2005: 3 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 which have yields of 4.78% - 5.44% per annum (2005: 3.00% - 4.50% per annum). The aggregated market value as at 31 December 2006 was Baht 1,049 million (2005: Baht 2,094 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 20 - 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 exchange of financial institutions which have coupon rates of 0.43% - 5.88% per annum (2005: 0.50% - 5.03% per annum) and yields of 2.50% - 6.04% per annum (2005: 1.00% - 12.00% per annum).

Trading securities consist of treasury bills, government bonds, Bank of Thailand bonds, debt instruments guaranteed by the Ministry of Finance, Unit Trust in equity instruments and debentures which have coupon rates of 1.85% - 8.00% per annum (2005: 1.85% - 8.63% per annum) and yields of 2.02% - 8.26% per annum (2005: 2.02% - 7.55% per annum).

4. Accounts receivable and accrued income, net

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Accounts receivable	66,179	59,539	17,202	51,434
<u>Less</u> Allowances for doubtful accounts	(20,157)	(20,229)	(9,484)	(9,519)
	46,022	39,310	7,718	41,915
<u>Add</u> Accrued income	118,172	81,664	76,468	64,549
	164,194	120,974	84,186	106,464

Outstanding accounts receivable can be analysed as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Less than 3 months	44,913	39,310	7,718	41,914
3 - 6 months	804	49	5	-
6 - 12 months	281	36	-	-
Over 12 months	20,181	20,144	9,479	9,520
	66,179	59,539	17,202	51,434
<u>Less</u> Allowance for doubtful accounts	(20,157)	(20,229)	(9,484)	(9,519)
	46,022	39,310	7,718	41,915

As at 31 December 2006, the SET ceased for revenue recognition of 6 accounts receivable with the overdue listing fees of Baht 4.61 million and Thailand Securities Depository Co., Ltd., a subsidiary, ceased for revenue recognition of 4 accounts receivable with the overdue registrar fees of Baht 7.21 million. These receivables were not included in the above outstanding accounts receivable.

The SET has no significant concentrations of credit risks other than receivables from related account receivable, which represents 6.31% 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	
	2006	2005	2006	2005
Cash guarantee under the lease obligation (Note 19)	68,946	68,946	68,946	68,946
Prepaid expenses	59,844	22,316	80,875	46,225
VAT receivable	31,171	35,686	30,855	34,264
Loans to employees	30,231	32,356	20,068	24,018
Others	19,525	33,219	12,715	17,183
	209,717	192,523	213,459	190,636

6. Investments in subsidiaries and associate

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Opening net book amount	147,530	144,866	862,412	796,123
Add Share of net profit	3,936	2,664	70,732	66,289
Closing net book amount	151,466	147,530	933,144	862,412

The principal subsidiaries and associate are:

i) Subsidiaries directly held by the SET

	Business	Country of incorporation	% Ownership interest	
			2006	2005
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	
			2006	2005
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	
			2006	2005
Clearing Fund	Fund	Thailand	25.94	29.18

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 2006				
	Paid-up capital	% Ownership interest	Book value at cost	Book value under equity method	Dividends
Clearing Fund	568,771	25.94	100,000	151,466	-

(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)

	SET 2006				
	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	388,811	-
SETTRADE.COM Co., Ltd.	80,000	99.99	80,000	109,639	-
Family Know-how Co., Ltd.	50,000	99.99	50,000	61,048	-
Thailand Futures Exchange Public Co., Ltd.	100,000	99.99	100,000	89,530	-
Thai Trust Fund Management Co., Ltd.	100,000	99.99	100,000	109,734	-
Thai NVDR Co., Ltd.	10,000	99.99	10,000	12,246	-
Siam DR Co., Ltd.	10,000	99.99	10,000	10,670	-
Clearing Fund	568,771	25.94	100,000	151,466	-
			650,000	933,144	-

(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	-

7. Long-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
General investments				
Fixed deposit	82,000	130,000	76,000	130,000
Other debt instruments	146,000	-	146,000	-
Cash at banks under commitments	-	3,015	-	-
Cash at banks by M.O.U	265,314	235,085	265,314	235,085
Investment in specific-purpose fund	200,000	200,000	200,000	200,000
Equity securities	62,336	62,336	62,336	62,336
	755,650	630,436	749,650	627,421
Investments in mutual funds				
General mutual funds	4,253,237	5,711,109	4,253,237	5,711,109
Property funds	221,424	109,200	221,424	109,200
Foreign investment funds	303,820	94,051	303,820	94,051
Money market funds	19,870	19,462	9,935	9,731
	4,798,351	5,933,822	4,788,416	5,924,091
Debt securities held to maturity	1,258,643	1,323,150	1,228,142	1,258,205
	6,812,644	7,887,408	6,766,208	7,809,717

Fixed deposit represent fixed deposit at banks which have maturity over than 1 year and interest rates of 5.25% - 5.50% per annum (2005: 4.25% per annum).

Other debt instruments represent promissory notes and bills of exchange issued by financial institution which have maturity within 2 - 7 years and interest rates of 5.50% per annum (2005: none).

Cash at banks under commitments is used as security for credit facilities granted from banks.

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

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 unrealised gain from investments in specific-purpose fund are as follows:

(Unit : Thousand Baht)

	Consolidated and SET 2006			
	Amount of fund	Fair value	Cost	Unrealised gain
Investment unit in specific purpose fund	1	204,399	200,000	4,399

(Unit : Thousand Baht)

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

Equity securities comprise:

(Unit : Thousand Baht)

	Paid-up capital	% Ownership interest		Consolidated and SET	
		2006	2005	2006	2005
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 32 open-ended equity funds (2005: 42 funds), which have the policy to emphasize the investments in equity securities of listed companies.

Investments in property funds represent 6 closed-end mutual funds (2005: 4 funds). Those funds are established for acquiring or leasing of income-generating properties. All those 6 property funds' units are listed and traded in The Stock Exchange of Thailand.

Investments in foreign investment funds represent investments in 8 open-ended funds (2005: 3 funds), which the Feeder Fund has the policy to emphasize the investments in foreign equity securities.

Investments in money market fund represent investments in one open-ended fund (2005: 1 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 - 6 years, coupon rates of 2.43% - 6.30% per annum (2005: 2.43% - 6.10% per annum) and yields of 4.94% - 5.78% per annum (2005: 4.65% - 6.65% per annum). The aggregated market value at 31 December 2006 was Baht 1,285 million (2005: Baht 1,285 million).

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

(Unit : Thousand Baht)

	Consolidated 2006		
	Fair value	Amortised cost - net	Unrealised gain (loss)
Government bonds	905,792	877,939	27,853
State enterprise bonds	98,425	98,227	198
Bank of Thailand bonds	400,359	399,605	754
Foreign financial institution bonds	42,931	45,000	(2,069)
Debentures	275,284	278,001	(2,717)
<u>Less</u> Current portion	(437,781)	(440,129)	2,348
	1,285,010	1,258,643	26,367

(Unit : Thousand Baht)

	Consolidated 2005		
	Fair value	Amortised cost - net	Unrealised 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)
<u>Less</u> Current portion	(225,837)	(226,332)	495
	1,285,067	1,323,150	(38,083)

(Unit : Thousand Baht)

	SET 2006		
	Fair value	Amortised cost - net	Unrealised gain (loss)
Government bonds	893,753	865,785	27,968
State enterprise bonds	98,425	98,227	198
Bank of Thailand bonds	400,359	399,605	754
Foreign financial institution bonds	33,391	35,000	(1,609)
Debentures	254,249	256,500	(2,251)
<u>Less</u> Current portion	(424,757)	(426,975)	2,218
	1,255,420	1,228,142	27,278

(Unit : Thousand Baht)

	SET 2005		
	Fair value	Amortised cost - net	Unrealised 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)
<u>Less</u> Current portion	(225,837)	(226,332)	495
	1,223,517	1,258,205	(34,688)

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 2005						
Cost	99,053	24,737	1,200,354	1,412,444	9,904	2,746,492
<u>Less</u> 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
Year ended 31 December 2006						
Opening net book amount	99,053	24,737	1,002,816	438,184	8,718	1,573,508
Additions	1,437,653	2,052	58,736	110,829	6,518	1,615,788
Adjustments	-	(24,737)	18,850	5,887	-	-
Disposals	-	-	(5,059)	(76)	(428)	(5,563)
Depreciation charge	-	-	(54,487)	(131,092)	(2,620)	(188,199)
Closing net book amount	1,536,706	2,052	1,020,856	423,732	12,188	2,995,534
As at 31 December 2006						
Cost	1,536,706	2,052	1,264,839	1,521,888	15,994	4,341,479
<u>Less</u> Accumulated depreciation	-	-	(243,983)	(1,098,156)	(3,806)	(1,345,945)
Net book amount	1,536,706	2,052	1,020,856	423,732	12,188	2,995,534

At 31 December 2006, the gross carrying amount of fully depreciated property and equipment that are still in use amounting to Baht 729.75 million (2005: Baht 671.82 million).

(Unit : Thousand Baht)

	SET					
	Land	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2005						
Cost	99,053	24,737	1,197,052	1,232,426	9,904	2,563,172
<u>Less</u> 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
Year ended 31 December 2006						
Opening net book amount	99,053	24,737	1,000,317	368,623	8,718	1,501,448
Additions	1,437,653	2,052	58,460	86,948	6,518	1,591,631
Adjustments	-	(24,737)	18,850	5,887	-	-
Disposals	-	-	(5,059)	(22)	(428)	(5,509)
Depreciation charge	-	-	(54,136)	(108,246)	(2,620)	(165,002)
Closing net book amount	1,536,706	2,052	1,018,432	353,190	12,188	2,922,568
As at 31 December 2006						
Cost	1,536,706	2,052	1,261,261	1,319,304	15,994	4,135,317
<u>Less</u> Accumulated depreciation	-	-	(242,829)	(966,114)	(3,806)	(1,212,749)
Net book amount	1,536,706	2,052	1,018,432	353,190	12,188	2,922,568

At 31 December 2006, the gross carrying amount of fully depreciated property and equipment that are still in use amounting to Baht 603.35 million (2005: Baht 547.14 million).

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 19: 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 2005				
Cost	239,528	320,300	16,231	576,059
Less Accumulated amortisation	-	(213,062)	(576)	(213,638)
Net book amount	239,528	107,238	15,655	362,421
Year ended 31 December 2006				
Opening net book amount	239,528	107,238	15,655	362,421
Additions	69,908	78,520	-	148,428
Adjustments	(159,029)	158,603	-	(426)
Disposals	-	(3)	-	(3)
Amortisation charge	-	(62,706)	(1,623)	(64,329)
Closing net book amount	150,407	281,652	14,032	446,091
As at 31 December 2006				
Cost	150,407	542,142	16,231	708,780
Less Accumulated amortisation	-	(260,490)	(2,199)	(262,689)
Net book amount	150,407	281,652	14,032	446,091

(Unit : Thousand Baht)

	SET			
	Work in process	Software	Patent and operating rights	Total
As at 31 December 2005				
Cost	225,778	246,559	14,231	486,568
Less Accumulated amortisation	-	(155,050)	(376)	(155,426)
Net book amount	225,778	91,509	13,855	331,142
Year ended 31 December 2006				
Opening net book amount	225,778	91,509	13,855	331,142
Additions	69,108	49,662	-	118,770
Adjustments	(145,280)	144,854	-	(426)
Amortisation charge	-	(55,841)	(1,423)	(57,264)
Closing net book amount	149,606	230,184	12,432	392,222
As at 31 December 2006				
Cost	149,606	428,371	14,231	592,208
Less Accumulated amortisation	-	(198,187)	(1,799)	(199,986)
Net book amount	149,606	230,184	12,432	392,222

Work in process principally comprise expenditure that is directly related to ongoing derivatives market, trading system, and clearing and settlement system development projects.

10. Margin placement of derivatives market

Members of Thailand Clearing House Company Limited (TCH - the clearing house for derivatives market), who have outstanding positions, are obliged to place the required margins as the guarantee for their trading transactions according to rate or amount called by TCH. TCH may invest the proceeds of margins in securities or other assets according to a specified term and condition. The benefits, after deducting management fees, shall be distributed to members at the announced rate and procedures.

As at 31 December 2006, the margins placed by members amounting to Baht 674.83 million were deposited in saving accounts for margins in which the accrued benefits on the margins were Baht 0.19 million. Therefore, the margin deposits and benefits payable were totally Baht 675.02 million.

11. Assets for the clearing system protection of derivatives market

The assets for the clearing system protection are established to secure the clearing system of Thailand Clearing House Company Limited (TCH) against any damage caused by members defaults or other incidents.

Assets for the clearing system protection comprised:

11.1 Security Deposit

Members of TCH are required to deposit assets as Security Deposit as announced by TCH (currently Security Deposit are amounting to Baht 5 million per member). TCH shall invest the proceeds of Security Deposit and then proportionally allocated benefits from investment, after deducting management fee, to members at the stated rate and method. Security Deposit will be refunded to members when membership is terminated.

As at 31 December 2006, Security Deposit was Baht 115.00 million.

11.2 Clearing Fund

The resources of the Clearing Fund comprise contributions from:

- 1) Thailand Securities Depository Company Limited (TSD), TCH's parent company, amounting to Baht 100 million.
- 2) Individual members of Thailand Clearing House Company Limited (TCH):
 - Initial contribution (currently initial contribution are amounting to Baht 5 million per member)
 - Monthly contribution at the rates according to the level of risk of default

Contributions and benefits on contributions are the right of the payers according to the proportions of their contributions. When the membership is terminated, that member will be refunded all of contributions and benefits on contributions.

As at 31 December 2006, the members' portion of contributions was Baht 115.17 million and the benefits on contributions was Baht 2.98 million. Altogether, members' portion of contributions and benefits to the Clearing Fund of derivatives market was totally Baht 118.15 million.

The benefits from assets for the clearing system protection, which TCH received and paid to the contributors, are recognised as investment income and interest expenses in statements of revenues and expenses. In 2006, the investment income and interest expenses on members' portion were Baht 13.90 million.

12. Fund balances

Fund balances comprise:

12.1 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.

12.2 Clearing and Settlement of Derivatives Market Reserve Fund

In 2004, the Board of Governors approved an appropriation of general fund of Baht 300 million as the Clearing and Settlement of Derivatives Market 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.

12.3 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.

12.4 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.

12.5 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.

12.6 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 2006, the number of SIPF members was 33 (2005: 33).

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)

	2006	2005
Assets		
Current Assets		
Cash and investments	266,414	170,110
Contributions due from members	2,719	2,472
Accrued interest receivables	5,233	2,679
Total Current Assets	274,366	175,261
Non-Current Asset		
Long-term investments	117,157	168,126
Total Assets	391,523	343,387
Liabilities and Fund Balances		
Non-Current Liabilities		
Contributions from members	66,693	34,261
Benefits on contributions from members	2,616	435
Total Non-Current Liabilities	69,309	34,696
Fund Balances		
Initial fund	300,000	300,000
Fund balances	22,214	8,691
Total Fund Balances	322,214	308,691
Total Liabilities and Fund Balances	391,523	343,387

SIPF statements of revenues and expenses for the year ended 31 December 2006 and 2005 are presented in Note 13: Results of funds operation.

12.7 The SET's 30th Anniversary Charity Fund

In 2004, the Board of Governors approved an appropriation of Baht 100 million 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.

13. Results of funds operation

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

(Unit : Thousand Baht)

	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	The SET's 30 th Anniversary Charity Fund	General Fund	Total
For the year ended 31 December 2006					
REVENUES					
Fees and service revenues	-	-	-	1,301,100	1,301,100
Investment income	3,490	13,568	-	985,156	1,002,214
Other revenues	-	-	-	493,202	493,202
Total Revenues	3,490	13,568	-	2,779,458	2,796,516
EXPENSES					
Operating expenses	-	45	-	2,618,629	2,618,674
Donation and social contribution	-	-	17,829	382,858	400,687
Income tax	-	-	-	39,211	39,211
Total Expenses	-	45	17,829	3,040,698	3,058,572
Excess (under) of revenues over expenses	3,490	13,523	(17,829)	(261,240)	(262,056)

(Unit : Thousand Baht)

	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	The SET's 30 th 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

(Unit : Thousand Baht)

	SET				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	The SET's 30 th Anniversary Charity Fund	General Fund	Total
For the year ended 31 December 2006					
REVENUES					
Fees and service revenues	-	-	-	991,654	991,654
Investment income	3,490	13,568	-	951,305	968,363
Other revenues	-	-	-	210,978	210,978
Total Revenues	3,490	13,568	-	2,153,937	2,170,995
EXPENSES					
Operating expenses	-	45	-	2,035,078	2,035,123
Donation and social contribution	-	-	17,829	380,099	397,928
Total Expenses	-	45	17,829	2,415,177	2,433,051
Excess (under) of revenues over expenses	3,490	13,523	(17,829)	(261,240)	(262,056)

(Unit : Thousand Baht)

	SET				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	The SET's 30 th Anniversary Charity Fund	General Fund	Total
For the year ended 31 December 2005					
REVENUES					
Fees and service revenues	-	-	-	1,210,425	1,210,425
Investment income	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

14. Other revenues

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Revenues from Clearing House	138,295	107,315	-	-
Service and advertising production revenues	113,113	79,246	-	-
Information service revenues	72,577	66,866	61,410	59,332
Revenues from Thailand Securities Institute	42,159	56,825	42,159	56,825
Broker operation services revenues	34,650	24,510	-	-
Clearing and settlement default fines	22,118	22,931	-	-
Member fines	18,645	18,820	18,645	18,820
Customisation fee	14,812	9,786	-	-
Other revenues	32,897	52,530	18,032	40,115
	489,266	438,829	140,246	175,092

15. 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.

During 2003 to 2005, the Board of the SEC required the SET to contribute to the SEC at the rate of 0.002% of trading volume of prior year, but the amount was subject to the minimum requirement of Baht 90 million and the maximum requirement of Baht 150 million.

From 2006 to 2008, the Board of the SEC has required the contributions at the rate of 0.002% of trading volume of prior year and cancelled the minimum and maximum requirement. The contribution criteria is required to review at every three years.

16. Other expenses

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Office building expenses	87,476	74,600	85,441	72,507
Repair and maintenance expenses	85,431	40,788	88,881	38,558
Fees to external parties	69,729	76,736	211,688	124,233
Contribution to capital market institutions	31,891	57,939	42,369	64,441
Stationery and registrar forms	29,642	31,345	7,713	7,187
Commercial training & seminar of capital market education	24,976	23,323	26,107	23,556
Other expenses	158,782	105,974	100,922	69,917
	487,927	410,705	563,121	400,399

17. Contingent liabilities and commitments

17.1 Contingent liabilities

As at 31 December 2006 and 2005, the SET had letters of guarantee issued by banks of Baht 3.34 million (2005: Baht 3.34 million) in respect of electricity usage in the ordinary course of business from which management 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 1,500 million (2005: 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 2006, the overdraft credit line had not yet been drawn down.

In 2006, Thailand Securities Depository Co., Ltd. (TSD), a subsidiary has issued the letter of comfort to a bank in respect of an overdraft credit line granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary of TSD, of Baht 200 million (2005: none). Under the terms of the letter of comfort, TSD is required to maintain 99.99% of share capital in TCH as long as TCH has liabilities with the bank. As at 31 December 2006, 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.

17.2 Operating lease

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

(Unit : Thousand Baht)

	Consolidated		SET	
	2006	2005	2006	2005
Up to 1 year	12,022	12,900	9,732	9,684
1 - 3 years	17,293	9,619	15,589	6,924
3 - 5 years	4,503	7,413	4,503	6,924
	33,818	29,932	29,824	23,532

In addition, the SET and its subsidiaries had the approximate commitments of Baht 180 million (2005: Baht 96 million) in respect of systems development projects, consultancy, design and construction of the SET building and the new information center at North Park on Viphavadi Rangsit road, Bangkok.

17.3 Bank guarantees

As at December 2006, the SET and its subsidiaries obtain letters of bank guarantees of approximately Baht 150 million (2005: Baht 152 million) according to the agreements with third parties in respect of consultancy, design and construction of the SET building and the new information center at North Park on Viphavadi Rangsit road, Bangkok.

18. 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	
	2006	2005
Subsidiaries		
Thailand Securities Depository Co., Ltd.	312,915	289,723
SETTRADE.COM Co., Ltd.	6,602	6,946
Family Know-how Co., Ltd.	5,587	9,210
Thai Trust Fund Management Co., Ltd.	5,500	4,800
Thailand Futures Exchange Public Co., Ltd.	321	2,750
	330,925	313,429

Pricing policy

The SET charges services rendered to subsidiaries according to agreed rates.

ii) Purchases of services

(Unit : Thousand Baht)

	SET	
	2006	2005
Subsidiaries		
Family Know-how Co., Ltd.	224,158	96,974
SETTRADE.COM Co., Ltd.	54,530	59,326
Thai NVDR Co., Ltd.	1,500	1,500
Thailand Securities Depository Co., Ltd.	44	-
	280,232	157,800

Pricing policy

The SET pays for services rendered from subsidiaries according to agreed rates.

iii) Outstanding balances arising from purchases/sales of services

(Unit : Thousand Baht)

	SET	
	2006	2005
Receivables, accrued income and other assets from:		
Subsidiaries:		
Thailand Securities Depository Co., Ltd.	40,965	60,895
Family Know-how Co., Ltd.	12,681	18,055
SETTRADE.COM Co., Ltd.	11,398	16,888
Thailand Futures Exchange Public Co., Ltd.	127	-
	65,171	95,838
Payables, accrued expenses and other liabilities to:		
Subsidiaries:		
Family Know-how Co., Ltd.	22,156	43,136
SETTRADE.COM Co., Ltd.	7,000	12,396
Thailand Securities Depository Co., Ltd.	5,737	4,339
	34,893	59,871

iv) Loans from subsidiaries and interest expenses

In 2006, the SET and its subsidiaries have a policy to centralise the investments of the Group and managed by the SET in order to increase the efficiency and enhance the overall returns. The SET will borrow from its subsidiaries in the form of promissory notes which have maturity within 1 year and interest rate of 3.25% - 4.50% per annum. The interest rate may be reviewed, where appropriate. SET records interest expenses as part of other expenses in statement of revenues and expenses.

Loans from subsidiaries and interest expenses are as follows:

(Unit : Thousand Baht)

	SET	
	2006	2005
Loans from subsidiaries		
Thai Trust Fund Management Co., Ltd.	93,450	-
Thailand Futures Exchange Public Co., Ltd.	87,000	-
Thai NVDR Co., Ltd.	9,180	-
Siam DR Co., Ltd.	8,800	-
	198,430	-
Interest expenses		
Thai Trust Fund Management Co., Ltd.	2,903	-
Thailand Futures Exchange Public Co., Ltd.	2,101	-
Thai NVDR Co., Ltd.	277	-
Siam DR Co., Ltd.	273	-
	5,554	-

v) Loans to subsidiary

In 2002, the SET granted an interest-free loan of Baht 15.00 million to Family Know-how Co., Ltd. (FKH) 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 FKH at least 3 months in advance.

As at 31 December 2006, the loans was fully repaid (2005: outstanding balance of loan to subsidiary was Baht 5.00 million).

vi) Contributions to subsidiary

In 2006, the SET contributed Baht 8.08 million to Family Know-how Co., Ltd. to support its business operation (2005: Baht 89.58 million).

vii) 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 2006 approximated Baht 28.27 million (2005: Baht 23.54 million).

The management's remuneration, which represented salary and other benefits of high level management of the SET and subsidiaries for the year 2006 approximated Baht 152.16 million (2005: Baht 142.55 million).

19. Long-term land lease contingency

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 lease terms, a company who had the right to lease the land agreed to be responsible for all lease payments on behalf of the SET to the lessor. In the event of default on lease payments, the lessor is required to proceed for collection directly from such company until the final judgement has been obtained before the lessor is permitted to claim 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 283.63 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 as at 31 December 2006, these cases are in the process of court judgement.

In 2006, the SET and such company have been sued by the lessor for the unpaid lease amount for the year 1994 to 2005 and related interest amounting to Baht 344.00 million. In addition, the SET has been sued by the lessor to move out the assets placed on area beyond lease contract and requested for the compensation amounting to Baht 220.00 million. As at 31 December 2006, these cases are in the process of court judgements.

The SET has assessed the present status of litigation and the status and intention of the group of such company. The cases are still pending and it will take considerable more time before the final judgement is known. Therefore, the final litigation outcome is still remote and is unable to reliably estimated at the present and thus no provision is recognised at the date of these financial statements.

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.

20. 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 2006 and 2005 are summarised 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 equity securities
- Investment units or warrants of investment units in mutual funds which emphasize equity securities	Not exceed 10% per mutual fund

During 2006, the Board of Governors approved two more types of investments which were property funds and foreign investment funds are as follow:

3. Investments in property funds should not exceed 10% of project value in amounting not exceed Baht 500 million or not exceed 3.5% of total investments.

4. Investments in foreign investment funds should not exceed 10% of approved amount by the Board of Governors in amounting not exceed Baht 400 million or not exceed 3.0% of total investments.

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 Notes 3 and 7 respectively.



Mr. Chanitr Charnchainarong
President

Location

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62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2222
Facsimile: (66) 2654-5596
E-mail: info@mai.or.th
Website: www.mai.or.th

Vision

The Market for Alternative Investment (mai) is a dynamic stock exchange, featuring the high-growth potential of new age businesses, where entrepreneurs and investors can come together for mutual gain.

Missions

- Manage and operate mai to become well-accepted and regarded by entrepreneurs and investors.
- Assist in the efficient, accurate and complete disclosure of company information, and improve the level of investment understanding of all relevant parties through the use of clear and easily-comprehended educational activities.
- Provide a mechanism for venture capital to establish a pool of companies with the potential to list on the market, thus increasing eventual listings.
- Increase the business competence of listed companies by developing networks between them, prospective listed companies and related organizations.
- Support good business principles and corporate governance to enhance the competence and credibility of listed firms.

mai Advisory Committee

Name		Position
Mr. Vichate	Tantiwanich	Chairman
Mr. Ong-ard	Prapakamol	Member
Mr. Prin	Chirathivat	Member
Mr. Somchai	Cheewasutthanon	Member
Ms. Wiwan	Tharahirunchote	Member
Mr. Sara	Lamsam	Member
Mr. Vicha	Poolvaraluck	Member
Mr. Thiraphong	Chansiri	Member
Dr. Suvit	Maesincee	Member
Dr. Nipon	Surapongrukchareon	Member



Dr. Santi Kiranand
 Chief Executive Officer

Location

5th floor, The Stock Exchange of Thailand Building
 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
 Telephone: (66) 2229-2782-91
 Facsimile: (66) 2654-5762
 E-mail: bex@set.or.th
 Website: www.bex.or.th

Missions

- To be an efficient secondary bond trading market in terms of quantity, quality and governance.
- To develop and establish innovative bond market-trading infrastructure meeting international standards.
- To continually promote bond investment and education to investors and market participants.

Operations

Bond Electronic Exchange (BEX) operates as the secondary market for bond trading in Thailand, using state-of-the-art technology and a transparent transaction system. BEX continually develops innovative bond market infrastructure and provides bond investment education for investors and market participants through seminars, exhibitions and print and electronic media.

Advisors

Name		Position
Mr. Vijit	Supinit	Advisor
Mr. Thirachai	Phuvanatanarubala	Advisor
Dr. Bandid	Nijathaworn	Advisor
Mr. Pongpanu	Svetarundra	Advisor
Ms. Pannee	Sathavrodom	Advisor
Dr. Olarn	Chaipravat	Advisor

Committee

Name		Position
Ms. Asvini	Tailanga	Chairman
Mr. Pracha	Brahmavira	Member
M.L. Kornkasiwat	Kasemsri	Member
Dr. Pichit	Akrathit	Member
Mr. Ratchakritpong	Ekrangsun	Member
Ms. Pongpen	Ruengvirayu	Member
Mr. Piti	Tantakasem	Member
Ms. Nongram	Wongwanich	Member
Ms. Sopawadee	Lertmanaschai	Member
Dr. Santi	Kiranand	Member and Secretary



Ms. Kesara Manchusree
Managing Director

Location

5th floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2758
Facsimile: (66) 2654-5213
Website: www.tfex.co.th

Missions

Thailand Futures Exchange PCL (TFEX)'s mission is to be a world-class exchange for trading and hedging Thai derivative products. TFEX is committed to:

- Offering an efficient infrastructure to market participants, with easy access and at a competitive cost.
- Maintaining a fair, orderly and transparent market.
- Valuing its customers and providing high-quality services and innovative products.
- Promoting a knowledge-based environment, encouraging investors to deepen their understanding of derivatives products and the risks involved prior to making investment decisions.

Operations

TFEX is under the supervision of the Securities and Exchange Commission (SEC). By law, TFEX is allowed to trade futures, options, and options on futures. The permitted underlying products include:

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

Board of Directors

Name		Position
Mr. Vijit	Supinit	Chairman
Ms. Patareeya	Benjapolchai	Vice Chairman
Mr. Kampanart	Lohacharoenvanich	Director
Assoc.Prof. Niputh	Jitprasonk	Director
Prof.Dr. Anya	Khanthavit	Director
Asst.Prof. Patcharawalai	Jayapani, DBA	Director
Mr. Adisorn	Sermchaiwong	Director
Mr. Charamporn	Jotikasthira	Director
Ms. Nongram	Wongwanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Ms. Kesara	Manchusree	Managing Director



Ms. Sopawadee Lertmanaschai
Chief Executive Officer

Location

4th and 7th floors, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2800
Facsimile: (66) 2359-1259
TSD Call Center: (66) 2229-2888
Website: www.tsd.co.th

Vision

To be a valued partner in the capital market offering excellent services.

Missions

- To support the Thai capital market's development into an efficient, strong and competitive regional force.
- To deliver our services efficiently, transparently and ethically.
- To develop advanced and efficient infrastructure and systems which meet international standards.
- To have a reliable risk management system to promote market confidence.
- To be a learning organization, with knowledgeable, skilful staff who undertake ongoing self-development.
- To operate in a socially responsible manner.

Operations

Thailand Securities Depository Co., Ltd. (TSD) provides five types of securities post-trading services:

- Securities depository: being a central securities depository for the Thai capital market, using an efficient scripless system.
- Securities clearing and settlement: the sole clearing house for securities trading in Thailand.
- Securities registration: a securities registrar for all listed companies and some other issuing companies.
- Fund registration: a registrar of mutual funds (MFs), retirement mutual funds (RMFs), long-term equity funds (LTFs), and provident funds (PVFs) for asset-management companies.
- Broker operation services: post-trading operations for securities companies.

Board of Directors

Name		Position
Mr. Vijit	Supinit	Chairman
Ms. Patareeya	Benjapolchai	Vice Chairman
Mr. Jaroong	Nookhwun	Director
Dr. Bandid	Nijathaworn	Director
Khunying Jada	Wattanasiritham	Director
Dr. Boonkiet	Chokwatana	Director
Dr. Pichit	Akrathit	Director
Mr. Kanissorn	Navanugraha	Director
Ms. Pattera	Dilokrunghirapop	Director
Ms. Nongram	Wongwanich	Director
Ms. Sopawadee	Lertmanaschai	Chief Executive Officer



Thai Trust Fund Management Co., Ltd.



Ms. Kongkeaw Piamduaytham
Managing Director

Location

4th floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2897-9
Facsimile: (66) 2359-1258
Website: www.tsd.co.th/ttf/thaitrustfund.html

Operations

Thai Trust Fund Management Co., Ltd. (TTF) is licensed by the Securities and Exchange Commission (SEC) and managed by The Stock Exchange of Thailand (SET) and the Thailand Securities Depository Co., Ltd. (TSD). TTF is a passive management company which invests in listed firms on behalf of foreign investors. Essentially, one mutual fund unit corresponds to one share in a listed company. TTF functions as an open-ended fund, investing in shares of individually-listed securities. Mutual funds are legally regarded as Thai juristic persons even though their investment units may be held by foreigners.

Board of Directors

Name		Position
Ms. Patareeya	Benjapolchai	Chairman
Mr. Suthichai	Chitvanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Ms. Kongkeaw	Piamduaytham	Managing Director

Location

4th floor, The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone: (66) 2229-2897-9

Facsimile: (66) 2359-1258

Website: www.set.or.th/nvdr

Operations

Thai NVDR Co., Ltd. (Thai NVDR) is responsible for issuing non-voting depository receipts (NVDRs) on securities listed with The Stock Exchange of Thailand (SET) and selling these to investors. NVDRs are automatically regarded as being securities listed on SET, and both local and foreign investors can invest in them. The company pays the same full financial benefits to NVDR holders as Thai NVDR receives from the underlying securities (i.e. dividends, rights, and warrants). However, there are no voting rights for NVDR holders except on motions involving delisting.

Board of Directors

Name		Position
Ms. Patareeya	Benjapolchai	Chairman
Ms. Nongram	Wongwanich	Director
Mr. Suthichai	Chitvanich	Director
Ms. Sopawadee	Lertmanaschai	Director
Ms. Kongkeaw	Piamduaytham	Managing Director



Thailand Clearing House Co., Ltd.

Location

4th floor, The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone: (66) 2229-2929, 2229-2993

Facsimile: (66) 2654-5027

Website: www.thaiclearing.com

Operations

Thailand Clearing House Co., Ltd. (TCH) was established in 2004 by the Thailand Securities Depository Co. Ltd. (TSD), a subsidiary of The Stock Exchange of Thailand (SET). TCH's most important role is to be the central counterparty to all derivatives traded on the Thailand Futures Exchange (TFEX). Services include the clearing and settling of all such transactions, the guaranteeing of performance of obligations and the managing of risks associated with the clearing and settlement system.

Board of Directors

Name		Position
Ms. Patareeya	Benjapolchai	Chairman
Ms. Nongram	Wongwanich	Director
Mr. Punsak	Vejanurug	Director
Ms. Sopawadee	Lertmanaschai	Director
Ms. Kesara	Manchusree	Director
Ms. Kongkeaw	Piamduaytham	Managing Director



Ms. Chanisa Chutipat
Chief Executive Officer

Location

5th floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2487-8
Facsimile: (66) 2654-5583, 2654-5609
Website: www.settrade.com

Vision

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

Operations

Settrade.com Co., Ltd. (Settrade) provides Internet trading platforms for equity and derivatives instruments, using investment-related technology, so that brokerage firms can offer a greater range of trading channels to retail investors. Settrade also develops computerized systems for the securities business. Furthermore, it is the official selling agent and central marketer of SET online information products, increasing the efficiency of information dissemination to investors and other market participants, e.g., data vendors, brokers, research houses and the press.

Board of Directors

Name		Position
Mr. Vijit	Supinit	Chairman
Ms. Patareeya	Benjapolchai	Vice Chairman
Dr. Olarn	Chaipravat	Director
Dr. Vallobh	Vimolvanich	Director
Khunying Jada	Wattanasiritham	Director
Mr. Sahas	Treetipbut	Director
Ms. Pattera	Dilokrunthirapop	Director
Mr. Suraphol	Kulsiri	Director
Ms. Nongram	Wongwanich	Director
Mr. Chaiyoot	Chamnanlertkit	Director
Ms. Chanisa	Chutipat	Chief Executive Officer



Family Know-how Co., Ltd.



Mr. Ratchapol Laovanitch
President

Location

6th floor, The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone: (66) 2229-2616-53
Facsimile: (66) 2654-5587
Website: www.moneychannel.co.th

Vision and Mission

To inculcate an investment culture in Thailand, by enhancing public awareness and providing knowledge about personal finance, money and the capital market through a range of media, educational activities and public events. To stimulate capital market players, Family Know-how reaches out to investors and the general public across the nation.

Operations

- Foster an “investment culture” in Thailand.
- Raise awareness and disseminate information about finance and investment to the Thai public in order to broaden the base of discerning investors in capital markets, as envisaged in Thai Capital Market Master Plan.
- Publicize activities and project a positive image internationally of Thai financial institutions and investment environment.
- Propagate the concept and practice of good governance.
- Use various opportunities such as Money Channel Television Station on True Visions 80, *Money & Wealth* magazine, projects, activities and media productions to achieve the company’s aims.

Board of Directors

Name		Position
Mr. Vijit	Supinit	Chairman
Ms. Patareeya	Benjapolchai	Vice Chairman
Dr. Vallobh	Vimolvanich	Director
Mr. Yuth	Vorachattarn	Director
Mr. Knit	Kounavudhi	Director
Mr. Thep	Roongtanapirom	Director
Asst.Prof. Sauwane	Thairungroj, Ph.D.	Director
Ms. Nongram	Wongwanich	Director
Mr. Punsak	Vejanurug	Director
Mr. Vichate	Tantiwanich	Director
Mr. Ratchapol	Laovanitch	President

Register of SET Member Companies

No.	Company Name	Symbol
1*	Bualuang Securities Public Company Limited 191 Silom Complex Office Building, 29/F, Silom Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2231-3777 Fax (66) 2231-3797 http://www.bualuang.co.th	BLS
2*	Tisco Securities Company Limited 48/8 Tisco Tower, 4/F, North Sathorn Road, Bangrak, Bangkok 10500 Tel (66) 2663-6999 Fax (66) 2633-6900 http://www.tiscosec.com	TSC
3	Adkinson Securities Public Company Limited 132 Sindhorn Tower I, 2/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2205-7000 Fax (66) 2205-7171 http://www.adkinsononline.com	ASL
4*	DBS Vickers Securities (Thailand) Company Limited 989 Siam Tower Building, 9, 14-15/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2657-7000 Fax (66) 2657-7777 http://www.dbsvitrade.com	DBSV
5*	SICCO Securities Public Company Limited 130-132 Sindhorn Tower 2, 1-2, 6/F, and Sindhorn Tower 3, 12/F, Wireless Road, Lumpinee, Bangkok 10330 Tel (66) 2627-3100 Fax (66) 2263-2043 http://www.ssec-online.com	SICSEC
6	Phatra Securities Public Company Limited 252/6 Muang Thai-Phatra Office Tower I, 6, 8-11/F, Rachadaphisek Road, Huaykwang, Bangkok 10310 Tel (66) 2693-2000 Fax (66) 2693-2388 http://www.phatrasecurities.com	PHATRA
7*	BT Securities Company Limited 44 Bank Thai Building, 24-26/F, Soi Lang Suan, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2657-9000 Fax (66) 2657-9333 http://www.btsecurities.com	BTSEC
8*	Asia Plus Securities Public Company Limited 175 Sathorn City Tower, 3/F, South Sathorn Road, Tungmahamaek, Sathorn, Bangkok 10120 Tel (66) 2285-1666, 2285-1777 Fax (66) 2285-1901 http://www.asiaplus.co.th	ASP
9	Credit Suisse Securities (Thailand) Limited 990 Abdulrahim Place, 27/F, Unit Number 2701, Rama 4 Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2614-6000 Fax (66) 2614-6362 http://www.credit-suisse.com	CS
10	APEX Securities Company Limited 132 Sindhorn Tower I, 2/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2256-7888 Fax (66) 2689-6234 http://www.apexsec.com	APEX
11	Kasikorn Securities Public Company Limited 400/22 Kasikornbank Building, 19/F, Phaholyothin Road, Samsaen Nai, Phayathai, Bangkok 10400 Tel (66) 2696-0000 Fax (66) 2696-0099 http://www.kasikornsecurities.com	KS
12	Siam City Securities Public Company Limited 999/9 The Offices at CentralWorld, 9/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2624-8888, 2207-2888 Fax (66) 2624-8899 http://www.scis.co.th	SCIBS
13*	KGI Securities (Thailand) Public Company Limited 323 United Center Tower, 23/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2231-1111 Fax (66) 2231-1505 http://www.kgiworld.co.th	KGI
14*	Capital Nomura Securities Public Company Limited 21/3 Thai Wah Tower, 1/F, South Sathorn Road, Tungmahamaek, Sathorn, Bangkok 10120 Tel (66) 2285-0060 Fax (66) 2285-0620 http://www.cns.co.th	CNS

No.	Company Name	Symbol
15	ACLS Securities Company Limited 999/9 The Offices at CentralWorld, 18/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2658-9000 Fax (66) 2658-9292 http://www.acls.co.th	ACLS
16*	Thanachart Securities Public Company Limited 444 MBK Tower, 14, 18-19/F, Phayathai Road, Pathumwan, Bangkok 10330 Tel (66) 2217-9595 Fax (66) 2217-9642 http://www.TNSitrade.com	TNS
18	KTBS Securities Company Limited 999/9 The Offices at CentralWorld, 16/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2264-5888 Fax (66) 2264-5891 http://www.ktbs.today.com	KTBS
19	Kiatnakin Securities Company Limited 500 Amarin Tower, 7/F, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2680-2222 Fax (66) 2256-9783 http://www.kks.co.th	KKS
21	Merchant Partners Securities Limited 87/2 CRC Tower, All Seasons Place, 40/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2263-5999 Fax (66) 2251-3755 http://www.merchant.co.th	MERCHANT
22*	Trinity Securities Company Limited 179/109-110, Bangkok City Tower, 25/F, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Tel (66) 2670-9100 Fax (66) 2286-9000 http://www.trinitythai.com	TRINITY
23*	SCB Securities Company Limited 130-132 Sindhorn Tower 3, 2, 24-26/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2686-2000 Fax (66) 2263-3811 http://www.scbsec.com	SCBS
24	Syrus Securities Public Company Limited 25 Alma Link Building, 9, 12, 15, 17/F, Soi Chidlom, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2646-9999 Fax (66) 2646-9889 http://www.syrus.co.th	SYRUS
25	Globlex Securities Company Limited 87/2 CRC Tower, All Seasons Place, 12/F, Unit Number 1-4, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2672-5999 Fax (66) 2672-5888 http://www.GloblexSecurities.com	GLOBLEX
26	UOB Kay Hian Securities (Thailand) Company Limited 130-132 Sindhorn Tower 1, 3/F, Sindhorn Tower 3, 15, 19/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2659-8000 Fax (66) 2263-2306 http://www.uobkayhian.co.th	UOBKHST
27	BFIT Securities Public Company Limited 191 Silom Complex, 14/F Room A, 16/F Room B-C, 1-4, Silom Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2200-2000 Fax (66) 2632-0191 http://www.bfitsec.com	BFITSEC
28	TMB Macquarie Securities (Thailand) Company Limited 393 Thai Danu Building, 2-3/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2694-7999 Fax (66) 2694-7878 http://www.tmbmacquarie.co.th	TMBMACQ
29	Ayudhya Securities Public Company Limited 999/9 The Offices at CentralWorld, 12/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2659-7000 Fax (66) 2646-1100 http://www.ays.co.th	AYS
30	I V Global Securities Public Company Limited 540 Mercury Building, 17-18/F, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2658-5800 Fax (66) 2658-5779 http://www.ivs.co.th	IVG
32	Far East Securities Company Limited 87/2 CRC Tower, All Seasons Place, 18, 39/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2648-1111 Fax (66) 2648-1000 http://www.fes.co.th	FES

No.	Company Name	Symbol
33	Finansa Securities Company Limited 48/22-23, Tisco Tower, 12A/F and 48/45-46, 20/F, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2697-3800 Fax (66) 2638-0301 http://www.finansa.com/securities/sec.html	FINANSA
34	Phillip Securities (Thailand) Public Company Limited 849 Vorawat Building, 15/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2268-0999 Fax (66) 2635-1615 http://www.phillip.co.th	PST
38*	United Securities Public Company Limited 1550 Dhanapoom Building, Grand Amarin Tower, 4-6/F, New Petchburi Road, Rachtavee, Bangkok 10400 Tel (66) 2207-0038 Fax (66) 2207-0505 http://www.unitedsec.com	US
41	JP Morgan Securities (Thailand) Company Limited 20 Bubphajit Building, 2-3/F, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2684-2600 Fax (66) 2684-2610 http://www.jpmorgan.com	JPM
42*	Kim Eng Securities (Thailand) Public Company Limited 999/9 The Offices at CentralWorld, 20-21/F, Rama I Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2658-6300 Fax (66) 2658-6301 http://www.kimeng.co.th	KIMENG
43	CIMB-GK Securities (Thailand) Company Limited Q.House Lumpini Building I, 35/F, Unit 3502, South Sathorn Road, Tungmahamaek, Sathorn, Bangkok 10120 Tel (66) 2687-0888 Fax (66) 2677-7538 http://www.cimb.com.my	CIMB-GK
45	CLSA Securities (Thailand) Company Limited 87 M-Thai Tower, All Seasons Place, 16/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2257-4600 Fax (66) 2253-0534 http://www.clsa.com	CLSA
47	Seamico Securities Public Company Limited 287 Liberty Square, 8-9, 15-17, 20-21/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2695-5000 Fax (66) 2631-1709 http://www.seamico.com	ZMICO
48	Prudent Siam Securities Company Limited 161/I SG Tower, 15, 19/F, Soi Mahatlek Luang 3, Rajdamri Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2684-8888 Fax (66) 2650-5477 http://www.pssec.co.th	PSS
49	UBS Securities (Thailand) Company Limited 93/I GPF Witthayu Tower A, 2/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2651-5700 Fax (66) 2651-5730 http://www.ubs.com	UBS

* Member companies that are allowed to trade securities on BEX.

As of February 28, 2007

Register of TFX Member Companies

Company Name	Symbol
<p>ACL Securities Co., Ltd. 999/9 The Offices at CentralWorld, 18/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2658-9000 Fax (66) 2658-9292 http://www.acls.co.th</p>	ACLS
<p>Asia Plus Securities Public Company Limited 175 Sathorn City Tower, 3/F, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel (66) 2285-1666 Fax (66) 2285-1901 http://www.asiaplus.co.th</p>	ASP
<p>Ayudhya Derivatives Co., Ltd. 999/9 The Offices at CentralWorld, 11/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2689-4444 Fax (66) 2646-1103 http://www.ayd.co.th</p>	AYD
<p>Bualuang Securities Public Company Limited 191 Silom Complex Tower, 29/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2231-3777 Fax (66) 2266-6971 http://www.bualuang.co.th</p>	BLS
<p>BT Securities Co., Ltd. 44 Bank Thai Tower, 24-26/F, Soi Langsuan, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2657-9000 Fax (66) 2657-9111 http://www.btsecurities.com</p>	BTSEC
<p>CLSA Securities (Thailand) Limited 87 M-Thai Tower, All Seasons Place, 16/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2257-4600 Fax (66) 2631-1709 http://www.clsa.com</p>	CLSAT
<p>Capital Nomura Securities Public Company Limited 21/3 Thai Wah Tower, 1/F, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel (66) 2285-0060 Fax (66) 2658-9292 http://www.cns.co.th</p>	CNS
<p>Credit Suisse Securities (Thailand) Limited 990 Abdulrahim Place, 27/F, Room 2701, Rama 4 Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2614-6000 Fax (66) 2614-6362 http://www.csfb.com</p>	CS
<p>DBS Vickers Securities (Thailand) Co., Ltd. 989 Siam Tower, 14/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2657-7000 Fax (66) 2657-7665 http://www.th-dbsvickers.com</p>	DBSV
<p>JP Morgan Securities (Thailand) Limited 20 Bupachit, North Sathorn Road, Silom, Bangrak, Bangkok 10120 Tel (66) 2684-2600 Fax (66) 2658-6301 http://www.jpmorgan.com</p>	JPM
<p>Kim Eng Securities (Thailand) Public Company Limited 999/9 The Offices at CentralWorld, 20/F, Rama I Road, Pathumwan, Bangkok 10330 Tel (66) 2658-6300 Fax (66) 2254-4058 http://www.kimeng.co.th</p>	KEST
<p>KGI Securities (Thailand) Public Company Limited 323 United Center Tower, 9, 23-25, 45/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2231-1111 Fax (66) 2267-8309 http://www.kgieworld.co.th</p>	KGI
<p>Kiatnakin Securities Co., Ltd. 500 Amarin Tower, 7-8/F, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2680-2222 Fax (66) 2286-9000 http://www.kks.co.th</p>	KKS
<p>Phatra Securities Public Company Limited 252/66 Muang Thai-Phatra Office Tower 1, 6, 8-11/F, Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel (66) 2305-9000 Fax (66) 2305-9535 http://www.phatrasecurities.com</p>	PHATR

Company Name	Symbol
Phillip Securities (Thailand) Public Company Limited 849 Woravat Building, 15/F, Silom Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2635-1700 Fax (66) 2635-1615 http://www.phillip.co.th	PST
SCB Securities Co., Ltd. 130-132 Sinhthorn Tower 3, 25/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2686-2000 Fax (66) 2646-9889 http://www.scbs.com	SCBS
Siam City Securities Co., Ltd. 999/9 The Offices at CentralWorld, 9/F, Rama I, Pathumwan, Pathumwan, Bangkok 10330 Tel (66) 2624-8888 Fax (66) 2624-8955 http://www.scis.co.th	SCIBS
SICCO Securities Public Company Limited 130-132 Sindhthorn Tower 2, 1-2, 6/F, Sindhthorn Tower 3, 12/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2627-3100 Fax (66) 2693-2631 http://www.ssec-online.com	SSEC
Trinity Polaris Futures Co., Ltd. 179/109-110 Bangkok City Tower, 25/F, South Sathorn Road, Thungmahamaek, Sathorn, Bangkok 10120 Tel (66) 2670-9100 Fax (66) 2263-3811 http://www.trinitythai.com	TIPOL
Thanachart Securities Public Company Limited 444 MBK Tower, 14, 18-19/F, Phayathai Road, Wangmai, Pathumwan, Bangkok 10330 Tel (66) 2217-9595 Fax (66) 2217-9642 http://www.thanachartsec.com	TNS
TISCO Securities Co., Ltd. 48/8 TISCO Tower, 4/F, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2633-6999 Fax (66) 2633-6900 http://www.tiscosec.co.th	TSC
UBS Securities (Thailand) Limited 93/1 Diethelm Tower A, 2/F, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2651-5700 Fax (66) 2651-5730 http://www.ubs.com	UBS
Seamico Securities Public Company Limited 287 Liberty Square Building, 8-9, 15-17, 20-21/F, Silom Road, Bangrak, Bangkok 10500 Tel (66) 2695-5000 Fax (66) 2631-1709 http://www.seamico.co.th	ZMICO

As of February 28, 2007



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