ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Annual Report 2007

Capital Market Beyond Frontiers

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The Stock Exchange of Thailand

Vision

"Be a prestigious and trustworthy marketplace, with a competent team, by promoting innovative products and services, with a pool of liquidity to meet stakeholders' expectations."

Corporate Information

Office : The Stock Exchange of Thailand Building
62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (66) 2229-2000, 2654-5656
Facsimile : (66) 2229-2030-32, 2654-5649
Website : www.set.or.th

Mission

To be a prime choice for capital raising and investment management by offering integrated financial products and services through trustworthy and accessible platforms.

Operations

The Stock Exchange of Thailand (SET) is a juristic entity established under the Securities Exchange of Thailand Act, B.E. 2517 (1974). Its mandate is to be a market for the trading of listed securities, a promoter of personal financial planning and a center for long-term fundraising, contributing to Thailand's financial and economic stability. The Exchange encourages the general public to become shareholders in a variety of companies and industries, conducts market surveillance to ensure liquidity, and protects the benefits of shareholders and investors. SET began operations on April 30, 1975 and operates under the legal framework set down in the Securities and Exchange Act, B.E. 2535 (1992).

Personnel

The total number of staff of SET and its subsidiaries was 963
(as of December 31, 2007).

International Memberships

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

Auditor

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

MESSAGE FROM THE CHAIRMAN

For the past 33 years, the Thai capital market has been a major contributor to the development of the Thai economy, by acting as a source of funds for all business sectors and providing an alternative destination for domestic and international investment. In 2007, businesses raised THB 89.52 billion (USD 2.59 billion) through The Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai). Trading turnover on SET and mai totaled THB 4.27 trillion (USD 123.54 billion).

Globalization poses immense challenges for the finance industry, as technology allows accelerated transactions in and between international markets. Many capital markets are now connected and benefiting from coordinated business and infrastructure. Demutualization has enhanced their operational flexibility and effectiveness, reduced their operating costs and made them more competitive in attracting investment and accommodating massive tides of capital.

Amidst all these changes, the Thai capital market needs to develop its potential to be a regional market leader. The market can be outstanding and appealing, a beneficiary of globalized capital and the main pillar of the nation's economy, provided it increases its product variety and the number of listed companies, offers more investment alternatives, develops its infrastructure and expands its links with regional capital markets. Furthermore, the capital market must continue to build confidence by monitoring securities trading to ensure transparency and fairness.

To become one of the most attractive capital markets in the region, SET is implementing the Thai Capital Market Master Plan II (2006-2010) and the Strategies Plan (2007-2009). These blueprints propose increasing the number of securities and offering more investment alternatives in each market. In line with these aims, the bourse has amended its securities listing rules to make the process more flexible and efficient. This has included offering tax privileges for firms listing on SET and mai.

The Exchange believes that, with a variety of attractive securities made available, investment demand will grow. Nevertheless, SET continues to work actively to expand its investor base, domestically and internationally. The Thai bourse, in collaboration with other organizations, holds marketing activities in Thailand and overseas to promote knowledge and understanding of securities investment and promote innovative financial instruments. The Exchange's mission includes nurturing an investment culture, by facilitating understanding and appreciation of personal finance among children, youth and the general public to produce prudent future Thai investors.

Because of the importance of investor protection, SET disseminates timely and accurate data to investors to ensure that they have enough information for effective decision-making. The Exchange, in cooperation with other organizations, has acted to lift listed companies' corporate governance to international standard and build confidence in the Thai capital market.

SET has developed an integrated and comprehensive trading, clearing and settlement system that is effective and cost efficient. In 2007, the Exchange launched Post Trade Integration (PTI) to support the anticipated flows of foreign capital. SET is currently seeking opportunities to share the existing infrastructure with other organizations to reduce cost and increase effectiveness. In 2008, the bourse and its subsidiaries, acting as SET Group, will restructure to increase competitiveness, flexibility and regional linkages, and thus become a leading regional capital market.

In conclusion, I would like to thank the Board of Governors, senior executives, employees and all related parties for their continuing support and cooperation. In the future, SET Group will enhance its business competitiveness to proactively deal with the global capital market. I would like to ask for your support in developing the Thai capital market to become a major driver of Thailand's sustainable economic growth and be more competitive -- regionally and globally.

(Pakorn Malakul Na Ayudhya)
Chairman

MESSAGE FROM THE PRESIDENT

In 2007, The Stock Exchange of Thailand (SET) delivered another year of strong growth amid the challenges of globalized financial markets and free-flowing capital worldwide. International exchanges faced a turbulent financial landscape as they competed to attract transactions to their countries and markets. SET experienced uncertain local political conditions which dampened investor confidence. Investors in the Thai market employed a patient strategy, awaiting clearer economic policies and investment guidelines from government. This was particularly so in regard to regulations and their enforcement and other measures governing investment, such as the Foreign Business Act and the Bank of Thailand's reserve requirement on short-term capital inflows. Additional factors hindering investment included the subprime mortgage crisis in the United States and global oil price increases, which negatively affected listed companies with a dependence on oil for their production.

The Exchange, in collaboration with related parties in the Thai capital market, undertook numerous investment promotions and proactively tackled problems and obstacles to investment. The SET Index jumped 26%, to 858.10 points at end-2007 from 679.84 points at end-2006. Meanwhile, the mai Index leapt 41%, to 272.37 points at end-2007 from 193.43 points at end-2006. The year's combined total turnover was THB 4.27 trillion (approx. USD 123.54 billion), an increase of 7% from THB 3.98 trillion (USD 104.93 billion) in the previous year. Total market capitalization climbed 31% to 6.67 trillion (USD 192.98 billion) in 2007, up from THB 5.10 trillion (USD 134.46 billion) in 2006. Gratifyingly, SET and its subsidiaries, or SET Group, performed well in 2007 amid tough market conditions and major global challenges.

The globalization of financial markets and the consequent mergers of exchanges to attract cross-border investment will continue to impact bourses worldwide. To enable the Thai securities market to continue to stand tall and remain sustainable in an aggressive and turbulent industry, SET Group is strengthening its competitiveness. The Group's 2008 business strategies focus on building organizational strength, enhancing operating efficiency and securing the trust of all stakeholders to meet the expectations of customers, stakeholders and the nation.

Fully committed to its goal of meeting expectations of customers and other stakeholders, SET Group continues to provide an ever-widening range of investment products and offer efficient and cost-effective services.

In 2007, the Group introduced a series of innovative investment products. On September 6, SET welcomed ThaiDEX SET50 ETF, or TDEX, as Thailand's first equity exchange-traded fund (ETF). On October 29, SET's Thailand Futures Exchange launched SET50 Index Options, its second product, following SET50 Index Futures which had been introduced the previous year. In 2008, the Exchange will continue to expand the variety of products available. Among these will be equity ETFs using sectoral indices as underlying assets and more large listed companies in the county's core industries. Also, SET, in collaboration with FTSE Group, will develop FTSE SET Index Series to furnish the Thai capital market with internationally-recognized benchmark indices and thus promote creation of yet more financial instruments.

SET Group, by enhancing its efficiency, will help realize the capital market's potential as a prime investment choice for all savers, enabling them to efficiently manage their capital at acceptable levels of risk and return, especially after proclamation of the Deposit Insurance Institute Act. Concurrently, the Group will promote the capital market to public and private sector organizations and businesses as a prestigious, cost-effective and highly liquid fundraising source.

I would like to thank the SET Group's governing boards, other members of the management team and staff for their dedication and contribution throughout 2007. Despite many challenges, the Group delivered another year of impressive achievement. Also, I would like to thank Federation of Thai Capital Market Organizations (comprised of Association of Investment Management Companies, Association of Securities Companies, Listed Companies Association, Securities Analysts Association and Thai Investors Association) for their productive work in Thai capital market development. SET Group will continue, in collaboration with its allies, to further and sustainably develop the Thai capital market, in line with our intent to strengthen it as one of the principal pillars driving the nation's economic growth.

P. Benjapolchai

(Patareeya Benjapolchai)
President

THE THAI CAPITAL BECOMING A REGI PLAYER

MARKET :
ONAL

SET BOARD OF GOVERNORS

Pattera Dilokrungthirapop
Governor

Pichit Akrathit, Ph.D.
Governor

Pakorn Malakul Na Ayudhya
Chairman

Khunying Jada Wattanasiritham
Governor

Kampanart Lohacharoenvanich
Vice Chairman

Vallobh Vimolvanich, Ph.D.
Governor

Sauwanee Thairungroj, Ph.D.
Governor

Patareeya Benjapolchai
President

Wichai Poolwaraluk
Governor

Asvini Tailanga
Governor

Wiboon Perm-Arayawong
Governor

BACKGROUND OF GOVERNORS

Pakorn Malakul Na Ayudhya *Chairman*

Education

- B.Sc. (Economics), The Queen's University of Belfast, Northern Ireland
- Diploma of the Joint State-Private Sectors Course (Class 8), The National Defence College of Thailand
- Certificate, Capital Market Academy Leadership Program, Class 4

Current Positions

- Chairman, Thailand Securities Depository Co., Ltd.
- Chairman, Thailand Futures Exchange PCL
- Deputy Chairman and Member, Audit Committee, Standard Chartered Bank (Thai) PCL
- Chairman, The Thai Bond Market Association
- Expert Member, Board, Government Pension Fund
- Director, Thai Prosperity Advisory Co., Ltd.
- Chairman, Thai Cardif Life Assurance Co., Ltd.
- Director, The Agricultural Futures Trading Commission

Past Experience

- Chairman, Professional Waste Technology PCL
- Second Vice-Chairman, IRPC PCL
- Plan Administrator, Thai Petrochemical Industry PCL
- Chairman, Export-Import Bank of Thailand
- Deputy Governor, Bank of Thailand
- Secretary-General, Securities and Exchange Commission
- Member, Board of Directors, Thai Institute of Directors Association
- Member, Board of Directors, Krung Thai Bank PCL
- Assistant Governor, Bank of Thailand
- President, First Bangkok City Bank PCL

Kampanart Lohacharoenvanich *Vice Chairman*

Education

- M.S. (Economics), Pittsburg State University, Kansas, USA
- B.A. (Economics), Thammasat University
- Certificate, Capital Market Academy Leadership Program, Class 1

Current Positions

- President, Trinity Securities Co., Ltd.
- Director, Trinity Wattana PCL
- Chairman, Disciplinary Committee, The Stock Exchange of Thailand
- Member, Executive Committee, The Stock Exchange of Thailand
- Member, Remuneration Committee, The Stock Exchange of Thailand
- Chairman, Association of Securities Companies
- Vice Chairman, The Federation of Thai Capital Market Organizations
- Director, Thailand Futures Exchange PCL
- Chairman, Audit Committee, Inoue Rubber (Thailand) PCL

Past Experience

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

Asvini Tailanga — *Governor*

Education

- B.A. (Accountancy), Chulalongkorn University
- Diploma, Program for Management Development, Graduate School of Business Administration, Harvard University (PMD 61)
- Diploma, Program for Families in Business From Generation to Generation, Harvard Business School, Harvard University
- Certificate, Capital Market Academy Leadership Program, Class 1

Current Positions

- Managing Director, Thanachart Securities PCL
- Executive Board, Association of Securities Companies
- Member, Technology Development Committee, The Stock Exchange of Thailand
- Member, Investor Protection Fund Committee, The Stock Exchange of Thailand
- Member, Audit Committee, The Stock Exchange of Thailand

Past Experience

- Chairman, Bond Electronic Exchange Committee, The Stock Exchange of Thailand
- Managing Director, Tisco Securities Co., Ltd.
- Director, The Thai Bond Dealing Centre

Khunying Jada Wattanasiritham — *Governor*

Education

- M.A. (Economic Development), Williams College, Massachusetts, USA
- M.A. (Economics), Cambridge University, England
- B.A. (Economics), Cambridge University, England
- Certificate, Capital Market Academy Leadership Program, Class 4

Current Positions

- Director and Executive Director, Siam Commercial Bank PCL
- Trustee, Asian Institute of Technology
- Director, King Rama VI Memorial Foundation (under Royal Patronage)
- Executive Director, Siam Piwat Co., Ltd.
- Chairman, Settrade.com Co., Ltd.
- Chairman, Audit Committee, The Stock Exchange of Thailand
- Member, Remuneration Committee, The Stock Exchange of Thailand

Past Experience

- Member, National Legislative Assembly
- President, Siam Commercial Bank PCL
- Senior Executive Vice President, Siam Commercial Bank PCL
- Economic Research Department, Bank of Thailand
- Chairman, Siam Commercial New York Life Insurance PCL

Pattera Dilokrungthirapop — *Governor*

Education

- M.S. (Engineering Science), University of Queensland, Brisbane, Australia
- B.S. (Engineering), Monash University, Melbourne, Australia
- Certificate, Capital Market Academy Leadership Program, Class 1

Current Positions

- Chief Executive Officer, DBS Vickers Securities (Thailand) Co., Ltd.
- Executive Director, Association of Securities Companies (ASCO)
- Director, Thailand Securities Depository Co., Ltd.
- Director, Settrade.com Co., Ltd.
- Chairman, Futures Industry Club
- Director, Securities Analysts Association
- Director, Thai Financial Planners Association

Past Experience

- Managing Director, SG Asia Credit Securities Co., Ltd.
- Director, Asia Credit Finance PCL
- Thailand Representative, SG Securities Research Co., Ltd.
- Head of Research, Socgen - Crosby Research Co., Ltd.

Pichit Akrathit, Ph.D. *Governor*

Education

- Ph.D. (Economics), University of Texas at Austin, USA
- M.B.A., Thammasat University
- B.A. (Economics), Thammasat University
- Certificate, Capital Market Academy Leadership Program, Class 3

Current Positions

- President, MFC Asset Management PCL
- Director, Thailand Securities Depository Co., Ltd.
- Chairman, Risk Management Committee, The Stock Exchange of Thailand
- Director and Executive Director, Export - Import Bank of Thailand
- Director and Chairman of the Executive Committee, Small Business Credit Guarantee Corporation (SBCG)
- Chairman of Risk Management Committee, Small and Medium Enterprise Development Bank of Thailand
- Director, Energy Fund Administration Institute (Public Organization), Ministry of Energy
- Disciplinary Committee on Economics, National Research Council

Past Experience

- Director, Office of Capital Market Research and Development, Securities and Exchange Commission of Thailand
- Member, Coordinating Committee on Mass Transit Projects, Secretariat of the Cabinet
- Advisor, Fiscal Policy Office, Ministry of Finance
- Member and Secretary, Committee of Economic Advisors to the Prime Minister

Sauwanee Thairungroj, Ph.D. *Governor*

Education

- Ph.D. (Economics), Washington State University, USA
- M.A. (Economics), National Institute of Development Administration
- B.A. (Economics), Thammasat University
- Certificate, Capital Market Academy Leadership Program, Class 3

Current Positions

- Vice President for Research, University of the Thai Chamber of Commerce
- Director, Master in Business Economics Program, University of the Thai Chamber of Commerce
- Member, Board of Directors, Economics Society of Thailand
- Member, Economics Committee, Thai Chamber of Commerce
- Director, Family Know-How Co., Ltd.
- Member, Audit Committee, The Stock Exchange of Thailand

Past Experience

- 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, Innovation and Evaluation Fund, National Innovation Agency, Ministry of Science and Technology
- Member, Academic Article Review Committee, Office of Industrial Economics, Ministry of Industry

Vallobh Vimolvanich, Ph.D. *Governor*

Education

- M.S., Ph.D. (Engineering), University of California, Berkeley, USA
- B.Eng., Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, Class 3

Current Positions

- Chairman, Family Know-how Co., Ltd.
- Director, Settrade.com Co., Ltd.
- Member, Real Estate Development Committee, The Stock Exchange of Thailand
- 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, USA

Past Experience

- Associate Professor, George Washington University, Washington, D.C., USA
- Director, Office of Computer Development and Operation, Bank of Thailand
- Member, National Computer Committee
- Senior Vice President, TelecomAsia Corporation PCL
- Director, Flag International Inc., London, U.K.
- Member, Board of Directors, Siam City Bank PCL
- Chairman, Telecom Holding Co., Ltd.
- Chairman, United Broadcasting Corporation PCL

Wiboon Perm-Arayawong *Governor*

Education

- Degree, Joint State-Private Sectors Course, Class 17, National Defence College Of Thailand, National Defense Study Institute, Thailand
- M.B.A., University of Chicago Graduate School of Business, USA
- Certificate, Executive Development Program, Wharton School, University of Pennsylvania, USA
- Diploma, Director Certification Program; Certificate, Chairman 2000 Program, Thai Institute of Directors Association
- M.B.A., Thammasat University
- B.Eng., Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, Class 3

Current Positions

- President and CEO, ACL Securities Co., Ltd.
- Executive Director, Association of Securities Company
- Director, Federation of Thai Capital Market Organizations
- Director and Chairman of Member Relationship Committee, Thai Institute of Directors Association
- Lay Judge and Director, Lay Judges Club, Central Intellectual Property and International Trade Court
- Asia Cabinet Member, Global Advisory Board, University of Chicago Graduate School of Business
- President, University of Chicago Alumni Club of Thailand

Past Experience

- Founding President and CEO, Ayudhya Securities PCL
- Director and Member of Investment Committee, Ayudhya Allianze CP Life Assurance PCL
- Director and Executive Vice President, Securities One PCL
- Director and Vice Chairman, Securities Analysts Association, Thailand
- Governor; Member, Audit Committee; Chairman, Disciplinary Committee; Member, Technology Development Committee, The Stock Exchange of Thailand
- Director, Thailand Securities Depository Co., Ltd.
- Director, Thailand Futures Exchange PCL
- Executive Director and Chairman, Information Technology Club, Association of Securities Companies

Wichai Poolwaraluk *Governor*

Education

- B.A. (Economics), Thammasat University
- Director Certification Program (DCP), Thai Institute of Directors Association (Thai IOD), Class 8
- Certificate, CEO Development Institute
- Certificate, The Boss, Management and Psychology Institute, Class 4
- Modern Managers Program (MMP10), Faculty of Commercial and Accountancy, Chulalongkorn University
- Certificate, Capital Market Academy Leadership Program, Class 1

Current Positions

- President, Thai Investors Association
- Vice Chairman, Federation of Thai Capital Market Organizations (FeTCO)
- President, Woraluk Property Co., Ltd.
- Executive Director, Major Cineplex Groups PCL
- Chairman, Securities Investor Protection Fund Committee, The Stock Exchange of Thailand
- Director, Settrade.com Co., Ltd.

Past Experience

- Director and President, EGV Entertainment PCL

Patareeya Benjapolchai *President*

Education

- M.B.A., Thammasat University
- B.A. (Accountancy), Chulalongkorn University
- Certificate, Advanced Accounting and Auditing, Chulalongkorn University
- Certificate, Executive Program, University of Michigan, USA
- Certificate, Capital Market Academy Leadership Program, Class 1

Current Positions

- Director and Board Secretary, Federation of Thai Capital Market Organizations
- Director, Professor Sangvian Indaravijaya Foundation
- Director, Thai Institute of Directors Association
- Director, State own Enterprise Awards 2008
- Director, Bond Market Development Steering Committee
- Director, Subcommittee on Investors Education and Public Relations and on Corporate Governance in Thailand, National Corporate Governance Committee

Past Experience

- Member, National Legislative Assembly
- Member, Committee on Finance, Banking and Financial Institutions, National Legislative Assembly
- Honorary Advisor, Senate Standing Committee on Economics, Commerce and Industry
- Director, Ethics Committee, Federation of Accounting Professions
- Director, TRIS Rating Co., Ltd.
- Member, Board of Directors, Institute of Certificated Accountants and Auditors of Thailand

SET ORGANIZATION STRUCTURE

AUDIT COMMITTEE
RISK MANAGEMENT COMMITTEE
INTERNAL AUDIT & RISK MANAGEMENT
COMPLIANCE
CORPORATE SECRETARY
CORPORATE COMPLIANCE & GOVERNANCE
CORPORATE GOVERNANCE & INVESTOR RELATIONS CENTER
CAPITAL MARKET EDUCATION
CAPITAL MARKET ACADEMY
THAILAND SECURITIES INSTITUTE
PROFESSIONAL EDUCATION
INVESTOR EDUCATION
MEDIA & LIBRARY
EDUCATION NETWORKING
RESEARCH & INFORMATION
SET RESEARCH INSTITUTE
STRATEGIES DEVELOPMENT
INTERNATIONAL AFFAIRS
INFORMATION SERVICES
INFORMATION TECHNOLOGY
PRE-TRADE SYSTEMS
TRADING SYSTEMS
POST-TRADE SYSTEMS
ENTERPRISE SERVICE SYSTEMS
DERIVATIVES MARKET SYSTEMS
DATA CENTER SERVICES
BACK OFFICE MEMBER SERVICES SYSTEMS
As of March 1, 2008

SET Executive

Kobsak Pootrakool, Ph.D.
Executive Director
SET Research Institute

Santi Kiranand, Ph.D.
Chief Executive Officer
Bond Electronic Exchange and
Senior Vice President Research & Information Division

Suthichai Chitvanich
Executive Vice President
Corporate Compliance & Governance Division

Kirati Kosicharoen
Vice President
International Affairs Department

Wipha Leethakulnumchai
Vice President
Internal Audit &
Risk Management Department

Patchara Wongnimitkul
Vice President
Compliance Department

Yothin Koo-Smith
Vice President
President Office

Research & Information Division

To promote The Stock Exchange of Thailand in becoming a prominent exchange in South East Asia through high quality research and strategic planning and providing all stakeholders with access to comprehensive capital market information.

Bond Electronic Exchange

To be the national center for bond trading and satisfy investors' needs by providing a world-class trading platform and rich information, aiming at the Thai bond market liquidity.

Corporate Compliance & Governance Division

To advise, supervise and support SET Group to comply with relevant laws and regulations and be a role model of international corporate governance practices. To act as Corporate Secretary and be responsible for the development of listed companies' corporate governance practices to international standard.

Ms. Patareeya Benjapolchai
President

Ms. Nongram Wongwanich
Chief Operating Officer (COO)

Dr. Naree Boontherawara
Senior Vice President
Corporate Affairs Division

Ms. Patchara Thanattrai
Vice President
Human Resources Department

Ms. Ladawan Kantawong
Vice President
Corporate Communications Department

Ms. Salinee Nana
Vice President
Investment Management Department

Mr. Vudhi Arunoprayote
Vice President
Building Management Department

Ms. So
Vic
Market Sur

Ms. Ratvalee Anantananont
Vice President - Coordination of Federation of Thai Capital Market Organizations Department

Mr. Sittha Siripanich
Vice President
Human Resources Department

Mr. Kraitas Sirikanchana
Vice President
Procurement Department

Ms. Sudarat Tangsoontornk
Vice President
Accounting & Finance Departm

Corporate Affairs Division

To support and promote the businesses of SET Group with highly-qualified personnel, aiming to effectively and efficiently meet customer needs. To form strategic alliances as a key lever for success in achieving the Group's vision and mission.

Supakit Jirapraditkul
Senior Vice President
Market Regulation Division

Sakkarin Ruamrangsri
Senior Vice President
Market Regulation Division

Vichate Tantiwanich
Executive Vice President
Listing & Investor Marketing Center Division and
Chairman, mai Advisory Committee

Chanitr Charnchainarong
Senior Vice President Listing & Investor Marketing Center Division and President, Market for Alternative Investment (mai)

Kengkla Ruckphaopunt
Senior Vice President
Listing & Investor Marketing Center Division

sri Nittayasakd
ce President
veillance Department

Paveena Sriphothong
Vice President
Listing & Disclosure Department 1

Amnouy Jiramahapoka
Vice President
Listing & Disclosure Department 2

Pannavadee Ladavalya Na Ayudhya
Vice President
Investor Marketing Department

Suchat Sitawarin
Vice President
ent Member Services Department

Sumalee Lertthanaporn
Vice President
Enforcement Department

Prapan Charoenprawatt
Vice President
Market for Alternative Investment (mai)

Noppakao Sucharitakul
Vice President
Marketing Management Department

Market Regulation Division

To maintain efficient and fair securities trading by overseeing all related activities and ensuring that these conform to SET's objectives, rules and regulations.

Listing and Investor Marketing Center

To expand The Stock Exchange of Thailand's investor base and the number of companies listing on SET, while encouraging sustainable investment in the Exchange's products and services.

Patareeya Benjapolchai
President

Punsak Vejanurug
Chairman
Capital Market Education
and Chief Executive Officer of
Family Know-how Co., Ltd.

Jiraporn Koosuwan
Senior Vice President
Capital Market Education Division
and Executive Director
Thailand Securities Institute

Krisada Sektrakul, Ph.D.
Vice President
Professional Education Department

Nuchanard Santivarakum
Vice President
Investor Education Department

Sarana Chaiprasert
Vice President
Education Networking
Department

Petch Chinabutr
Executive Director
Capital Market Academy

Nichapatra Akkaravatewatana
Vice President
e-Dissemination

Phanit Kirdchockchai
Vice President
Media & Library Department

Capital Market Education Division

To promote a better understanding of the capital market among policymakers, business practitioners, financial professionals, investors and others throughout Thai society. To enable the target markets noted above to understand the capital market's economic role and how it creates household, corporate and national wealth.

Chaiyoot Chamnanlertkit
Executive Vice President
Information Technology Division

Sornkawee Puranachoti
Senior Vice President
Information Technology Division

Kowin Kulruchakorn
Vice President
Pre-Trade Systems Department

Paythai Petcharat
Vice President
Derivatives Market Systems Department

Suraphol Eittimeteevut
Vice President
Trading Systems Department

Kosol Songsermmongkol
Vice President
Data Center Services Department

Surapong Vongsopanagul
Vice President
Post - Trade Systems Department

Suwannee Tantirojanawong
Vice President
Back Office Member Services Systems Department

Information Technology Division

To be an agile one-stop technology platform and business solutions partner, providing best-return trustworthy capital market infrastructure and creating competitive opportunities.

As of March 1, 2008

SET Group

"In 2008,
the bourse and its subsidiaries,
acting as SET Group,
will restructure to increase
competitiveness, flexibility and
regional linkages, and thus
become a leading regional
capital market."

FOLLOWING GOOD GOVERNANCE POL IN ESSENTIAL TO INTERNATIONAL S

CORPORATE ICIES REACH TANDARDS

OVERVIEW OF THE THAI SECURITIES MARKET IN 2007

The Stock Exchange of Thailand (SET) and its subsidiaries, collectively known as SET Group, strengthened their competitiveness amid intensified global capital market competition and, as well as remaining committed to social responsibility, continued to perform as a major driver of Thailand's economic development. In 2007, SET Group became a one-stop investment hub, attracting capital and promoting investor confidence. The Exchange provided the Thai capital market with a variety of high quality financial products. SET Group, by enhancing the efficiency of its infrastructure with state-of-the-art technology, increased liquidity, transparency and fairness in securities trading. The Group promoted information disclosure and public access to updated investment information in an accurate, complete and timely manner. The Exchange, by making its listing process more efficient and more in line with international standards, continued to promote the capital market to businesses as a prestigious fundraising source. In addition, SET Group continued to collaborate with related parties in developing the Thai capital market and society.

In 2007, the market was affected by the country's economic slowdown and foreign investment was discouraged by the Bank of Thailand's announcement, on December 19, 2006, requiring a reserve requirement on short-term capital inflows. Historic global oil price rises to almost USD 100 per barrel also impacted the capital market negatively. The market experienced uncertain local political conditions, a depreciating US dollar and some knock-on effects of the subprime mortgage crisis in the United States. Despite these circumstances, the Thai market benefited from strengthening Asian economies and attracted huge foreign investment.

The SET Index closed at 858.10 points at end-2007, a year-on-year (y-o-y) increase of 26% from 679.84 points. The index ranged between a high of 915.03 and a low of 616.75. SET's total market capitalization jumped 31% to THB 6.64 trillion (approx. USD 192.11 billion) in 2007 from THB 5.08 trillion in 2006. The bourse's total turnover was THB 4.19 trillion (USD 121.23 billion), a 6% increase from THB 3.96 trillion in the previous year. The average daily turnover of the main board was THB 17.10 billion (USD 0.49 million).

Total Access Communication PCL (DTAC) became the first dual-listing on the Thai and Singaporean exchanges.

ThaiDEX SET50 ETF (TDEX) became Thailand's first equity exchange-traded fund (ETF).

Meanwhile, the Market for Alternative Investment (mai) Index closed at 272.37 points at end-2007, climbing 41% y-o-y, from 193.43 points. mai market capitalization swelled to THB 38.27 billion (USD 1.11 billion) in 2007, up 75% from 2006's THB 21.81 billion. mai's total turnover soared to THB 83.04 billion (USD 2.40 billion) in 2007, up by 203% on the THB 27.41 billion in 2006.

Diversifying high-quality investment products

Equity markets

In 2007, 13 companies joined the Thai exchanges–seven on SET and six on mai–raising the total number of listed companies to 523 (475 on SET and 48 on mai). Among the 475 SET-listed firms were four newly-listed property funds, increasing the total number of these funds to 16. A highlight was Total Access Communication PCL (DTAC)'s becoming the first dual-listing on both the Thai and Singaporean exchanges, demonstrating the market's potential for cross-border listings.

On September 6, SET welcomed ThaiDEX SET50 ETF, or TDEX, as Thailand's first equity exchange-traded fund (ETF), combining the strengths of common stocks and index funds, using a basket-of-securities system, trading in real-time and being quoted like stock. On December 28, 2007, TDEX's net asset value had grown y-o-y 140% to over THB 2.40 billion from approximately THB 1 billion. The average daily turnover was THB 85 million. This was an impressive performance compared to other regional markets. The emergence of ETFs contributed to a broader range of innovative products, increasing the Thai capital market's attractiveness to investors. In September 2007, SET signed an agreement of cooperation with FTSE International Limited to jointly develop the FTSE SET Index Series, a new series of equity indices for the Thai stock market. The first tradable index, to be introduced in April 2008, will be FTSE SET Large Cap Index, comprised of the 30 largest listed stocks on the SET main board, ranked by total market capitalization, that meet free-float and liquidity eligibility requirements. This index will be followed by five other benchmark indices, namely, FTSE SET Mid Cap, FTSE SET Small Cap, FTSE SET Mid/Small Cap, FTSE SET All-Share and FTSE SET Fledgling indices.

SET signed an agreement of cooperation with FTSE International Limited to jointly develop the FTSE SET Index Series.

SET50 Index Options started trading on October 29, 2007.

Bond market

The outstanding value of bonds on the Bond Electronic Exchange (BEX) increased to THB 3.8 trillion, a rise of 22.58% y-o-y from THB 3.1 trillion (USD 109.94 billion). This amount was made up of THB 3.4 trillion in government bonds and THB 0.4 trillion in corporate issues. The outstanding growth in the bond market was due to the development of the Fixed-Income and Related Securities Trading System (Firsts) and investors' increased familiarity with it. Total trading turnover for 2007 was THB 295.70 billion (USD 8.56 billion), made up of THB 295,422 million from institutions and THB 278 million from retail investors. This represented a remarkable 629% increase in total trading turnover on 2006's THB 40.55 billion. Approximately 99% of the 2007 total turnover was from institutions. The average daily turnover was THB 1.21 billion (USD 35.01 million), up from 2006's THB 165 million.

BEX promoted the market-making system on Firsts for benchmark bonds to boost trading liquidity and maintain balance in short-term bond trading. To further develop the bond market, BEX initiated links between the Thai and Singaporean bond markets.

Derivatives market

Thailand's derivatives market continued to grow dramatically in 2007, with SET50 Index Futures' trading volume rising to 1,228,238 contracts over the whole of 2007, from 198,737 contracts during April-December 2006. This was a daily average turnover of as 5,013 contracts in 2007, up from the previous year's 1,204. The 2007 total trading turnover was THB 706.29 billion (USD 20.43 billion) from THB 97.90 billion during Q2-4/2006, while the average daily trading turnover was THB 2.88 billion (USD 83.32 million) in 2007, from THB 593.33 million during April-December 2006.

The introduction of SET50 Index Options on October 29, 2007 was a milestone in the development of the Thai derivatives market. From the very beginning, the new product received positive feedback from investors. Trading turnover was 8,646 contracts during October 29 – December 31, 2007

equivalent to a daily average turnover of 206. The total trading value amounted to THB 32.54 million (USD 0.94 million), during October 29 – December 31, 2007 or a daily average turnover of THB 0.77 million. To promote market expansion and liquidity, Thailand Futures Exchange (TFEX) developed direct market access (DMA) and a complementary back-up trading system.

Expanding the investor base

Investment Zone at the Money Expo 2007.

Click2WIN online stock simulation game.

SET, in collaboration with Phatra Securities and Merrill Lynch, organized Thailand Focus 2007.

SET, in collaboration with parties in the public and private sectors, organized numerous domestic and overseas marketing activities to promote retail and institutional investor base expansion. The Exchange disseminated information about investment and financial products through various easy-to-access channels. Among the well-attended activities were Money Expo and Money Channel roadshows, and *Money Expo 2007* and *Securities Analysts' Forum*. The bourse, in collaboration with Thai Investors Association, conducted a series of *Company Visits* to 32 SET-listed companies and 15 mai-listed firms. Moreover, SET and brokerage firms jointly hosted a total of 69 *SET Visits.* In addition, the Exchange organized *Thailand Focus 2007-Platforms for Growth,* a three-day event where institutional investors met senior executives from 63 leading listed companies in 15 business sectors in over 1,000 one-on-one meetings. The listed firms participating accounted for 70% of the Exchange's total market capitalization.

The *Let's Activate Your LTF-Investor Plus* campaign from July to December 2007 promoted a savings and investment culture. The campaign featured lucky draws where SET gave away extra investment units (each worth around THB 5,000 – 30,000) to people who invested in long-term mutual funds (LTFs) of no less than THB 20,000 each. In 2007, there were a total of 137,073 accounts with THB 20,000 or more, of which 62,805 were new. The net asset size of LTFs expanded to THB 49.41 billion (USD 1.43 million) in 2007, from 2006's THB 25.19 billion.

The "Let's Activate Your LTF-Investor Plus" campaign promoted a savings and investment culture.

A Money Channel roadshow in Chiang Mai drew huge attention from investors and the general public.

SET and Credit Suisse Securities (Thailand) co-hosted an outbound roadshow in New York.

To promote the foreign investor base, SET, in collaboration with parties in the public and private sectors, hosted a series of outbound roadshows. The Exchange participated in the *CLSA Corporate Access Forum* in Singapore. At the *Thailand Corporate Roadshow 2007,* SET and leading listed firms made a whirlwind three-city tour of Singapore, London and New York, presenting updated information on Thai economic and investment conditions and the capital market development plan. The Exchange also promoted its role as a one-stop investment hub, equipped with efficient infrastructure which facilitates a variety of securities' transactions.

To attract bond investment, BEX held a series of *Bonds for the People* fairs in Bangkok, Chiangmai, Surat Thani and Ubon Ratchathani and promoted bond investment through the mass media. This exchange provided updated information through the *Bond Focus* program, produced by Money Channel and broadcast nationwide on True Visions (Channel 80).

To enhance public understanding of derivatives, TFEX organized numerous seminars and workshops. Its *Get Lucky with TFEX* project boosted public interest in derivatives when TFEX rewarded those retail customers who traded SET50 Index Options on the first trading day.

Promoting good corporate governance

Raising Thai listed firms' corporate governance (CG) standards

Board of the Year 2007.

To build stakeholder confidence and promote CG, SET Corporate Governance Center consulted with and assisted 74 public firms and companies wishing to list about best practices. The Exchange advised to 477 companies on CG from 2002 to 2007. SET promoted a greater understanding of CG among public companies' executives by encouraging them to attend the *Director Accreditation Program.* Last year, 423 SET-listed firms' board members attended the program, bringing to 3,038, or 70% of all listed firms' directors, who have participated in the program, as at end-2007.

To build a strong fundamental understanding of CG, the Exchange collaborated with the Faculty of Commerce and Accountancy at Thammasat University and the Professor Sangvian Indaravijaya Foundation in teaching CG as an elective undergraduate course, starting in the second semester of the 2007 academic year. The initiative will develop a solid CG understanding among the Thai younger generation in whose hands lie the nation's and the market's future growth and credibility.

Developing transparency and fairness in securities trading

SET implemented several initiatives and measures to promote transparency and fairness in securities trading in 2007, as follows:

Measures to prohibit trading irregularities

- The Exchange closely monitored listed companies' information disclosure and found 150 irregularities. Throughout 2007, SET posted "H" (trading halt) signs on 16 cases and an "SP" (trading suspension) sign on one case.
- SET cautioned brokerage firms about dramatic changes in stock prices and trading turnover in 84 cases. To protect investors and reduce market volatility arising from price manipulation and irregular trading orders, the Exchange prohibited member companies from providing net settlement and margin trading for 12 securities on 13 occasions.

Supervision of trading irregularities

- The Exchange investigated and discovered several cases of irregular securities trading practices suspected of violating the Securities and Exchange Act, B.E. 2535 (1992) and forwarded these to the Securities and Exchange Commission (SEC) for their deliberation. There was one case of irregular securities holding reporting, one of change in shareholding of a listed firm's executives, five of insider information and 16 of price manipulation.
- SET investigated inappropriate securities trading orders and punished six member companies and 15 certified marketing representatives.

Developing and supporting listed companies

The Exchange supported Thai listed companies in self-regulation and took steps to enhance their information disclosure efficiency in terms of accuracy, completeness, timeliness and fairness. SET facilitated listed firms' operations in several areas, including:

1. Listing process

The Exchange improved its listing procedures and was able to shorten the average listing application approval period to 104 days from 170. SET will continue to develop this area.

2. Information disclosure

In July 2007, the newly-developed SET Community Portal (SCP) enabled listed firms to submit required information electronically, thus reducing the time and effort involved in preparing and submitting reports.

3. Reinstatement of firms undergoing rehabilitation to normal sectors

SET advised listed companies undergoing rehabilitation and seeking reinstatement to their normal sectors. In 2007, four companies were allowed to return to their normal sectors.

4. Criteria amendment

The Exchange made its rules and regulations relating to listed firms more flexible, while adhering to international CG standards. The changes will facilitate financial innovation. SET implemented new measures for listed companies with insufficient free-float. To reduce regulatory duplication between SEC and SET, the Exchange amended the information disclosure requirements for listed ETFs, allowing the funds to disclose information to SET and SEC in a similar format. The Exchange also revised the qualifications, duties and responsibilities required of audit committee members in line with international standards. The new requirements about audit committee members' practices for both SET and SEC will come into effect simultaneously.

To promote an understanding of its rules and regulations, the Exchange supported listed companies' human resource development, using a variety of learning channels, such as seminars, workshops and publications. These educational initiatives received strong support from listed firms, their directors, senior executives and officers. The collaboration directly benefited both companies and investors, and also helped strengthen the relationship between SET and listed firms' personnel. In 2007, seminars and educational activities covered various topics, such as audit committee's review of financial statements and the

Unique Engineering and Construction PCL (UNIQ) was the first SET listing in 2007.

PTT Aromatics and Refining PCL (PTTAR) was the last SET listing in 2007.

impact of new accounting standards on corporate information disclosure. To create a better understanding of the information disclosure rules, the Exchange organized classroom-based training and workshops, particularly for listed firms' contact persons. SET highlighted the important roles and responsibilities of a corporate secretary in seminars and publications, e.g., in handbooks and the *Disclosure Focus* monthly e-newsletter.

Promoting financial literacy and investment

To further develop the Thai capital market, SET continued to promote financial literacy, savings and investment among youth, students, professionals, investors and the general public, using various channels. In addition, the Exchange worked with educational institutes and other organizations in financial literacy development and other activities.

Money Channel, the TV station for economics and investment broadcasting 24 hours a day, 7 days a week.

SET, together with Ministry of Education, Siam Commercial Bank, Thai Life Assurance Association and Thailand Productivity Institution at the MOU signing ceremony to produce a series of Ngerm-Thong-Khong-Mee-Ka.

Distribution channels

Television and radio

Money Channel concentrated on economics and investment, broadcasting news from listed, securities and asset management companies to all sectors involved in the capital market, and reported on Thai and global economic trends. In 2007, the channel updated its style and content to better suit audiences. Programs, such as *Smart Money Smart Planning* and *Money Forum,* targeted professionals, while *Money Week, Hard Topic* and *Stock in Focus* were for investors, and *Bookaholic, TK Teen* and *U Channel* promoted saving habits and money management among younger people.

Publications and electronic media

The Exchange developed a wide variety of material, covering the capital market, financial instruments and the basics of financial literacy, and produced numerous publications, both hard-copy and electronic, to support independent learners, teachers and trainers. In 2007, SET, in cooperation with Office of the Basic Education Commission, Ministry of Education, Siam Commercial Bank PCL, Thai Life Assurance Association and Thailand Productivity Institution, produced a series of *Ngern-Thong-Khong-Mee-Ka (Personal Finance for Youth)* books for grade one through to grade 12 students. These texts promoted sufficiency economy principles and planted a savings and investment culture among students. In addition, SET encouraged universities teaching securities investment courses to include *Investment Simulation* as an elective. The Exchange provided the program, *TSI Investment Simulation: equity module and handbook,* to 29 departments in 19 universities and there are now over 4,000 students enrolled in the subject. SET will deliver the *bond module* to universities in April 2008.

Training and seminars

SET's numerous courses and seminars promote personal finance and investment to specific groups to ensure that Thai society gives personal finance and financial health the importance it deserves. In 2007, over 3.76 million students joined *Ngern-Thong-Khong-Mee-Ka project* and the *Young Entrepreneur* and *Critical Thinking for Youth* program. Approximately 1.77 million university students participated in personal finance and investment training courses. About 19,000 professionals participated in seminars. Almost 900,000 others studied investment either in person or by e-learning.

Competitions

The Exchange's various competitions included *Ha-Dai Chai-Pen,* a composition contest, and *Live & Learn Finance,* a personal finance game, created by high school students. Other activities were *MMA and YRC 2007 Young Financial Star Competition,* promoting financial knowledge and producing young analysts and value investors, and *TFEX Futures Camp Challenge 2007,* covering futures trading. In addition, SET, together with the public and private sectors, organized business planning competitions, e.g., *SIFE 2007, Thammasat Asia Moot Corp 2007* and The mai Bangkok Business Challenge®@Sasin.

Live & Learn Finance, the financial game designed by students that won the Financial IQ Competition.

SET, together with Tisco Securities and Capital Nomura Securities, at the opening of its cyber-branch at Maruey@Esplanade.

Maruey Library and networking activities

Opened in 2005, Maruey Library served 207,000 users in 2007. To expand its role as a financial knowledge and investment resource, the library launched a branch at the Esplanade shopping mall, Bangkok, in July 2007. The branch provides books on personal finance, securities investment and, in cooperation with securities firms, asset management companies and mutual funds, holds activities to promote financial literacy and investment. To expand its investor base, SET supported commercial banks in opening securities outlets, in the form of mini- and cyber-branches. This cooperation enables the bank's customers to access the capital market and saves securities firms the costs of opening a branch office. The Exchange also set up SET Corners and e-learning facilities at the outlets. As of 2007, there were 27 cyber-branches in banks nationwide.

Developing Thai capital market human resources

Securities professionals

In 2007, SET's Thailand Securities Institute (TSI), supported the establishment of Thai Financial Planner Club. Fifteen senior executives from SEC, commercial banks, securities companies, asset management firms, insurance companies and universities supported this initiative to develop professional financial planners, training courses and operational standards, meeting international knowledge requirements. In 2007, Thai Financial Planners Association (TFPA) was invited to become an associate member of Financial Planning Standards Board Ltd. (FPSB), the owner of the Certified Financial Planner (CFP) designation. Currently, TFPA has TSI producing six financial planning training modules. The first module was in January 2007 and the second will be in March 2008.

Senior executives

To develop high-quality senior executives in the capital market, economy, and society, Capital Market Academy (CMA) conducted the *Capital Market Academy Leadership Program,* which had its fourth and fifth intakes in 2007. There are currently 311 CMA graduates and 150 capital market senior executives have previously graduated. These graduates and students play an important role in determining the direction of the Thai capital market and, consequently, Thailand's economic development.

The certificate award ceremony of the Capital Market Academy Leadership Program Class Four.

TSD at the MOU signing ceremonies between the Vietnamese, Korean and Thai depositories aimed at strengthening collaboration in the securities depository business, information sharing and staff exchange.

International cooperation

To strategically manage globalization, enhance competitiveness and support dual-listing, Thailand Securities Depository Co., Ltd. (TSD) established links with Singapore's Central Depository Pte. Ltd. and plans similar links with Korea, Pakistan, Taiwan and Vietnam. These links, by facilitating information transfer and employee exchange, enable staff to be more competitive and effective.

In addition, Thailand Futures Exchange PCL signed a memorandum of understanding (MOU) with Taiwan Futures Exchange (TAIFEX) to strengthen their collaboration in the securities depository business, information sharing and staff exchange.

Infrastructure development

SET major infrastructure development of 2007 was the development of Firsts in BEX. The system supports complete post-trade for institutions' transactions and comprehensively serves the needs of the customers, e.g., by creating direct links with TSD's clearing and settlement processes and supporting the links between BEX and Singapore proposed for 2010.

SET also launched the Post Trade Integration (PTI) system, which automatically links equity depository, clearing and settlement and

SET President gave the opening speech at the seminar, Dual listing, SET's new product.

TFEX signing the MOU with Taiwan Futures Exchange (TAIFEX).

registrar operations, thus increasing efficiency by reducing time and cost. PTI is essential for the straight-through processing required for comprehensive cross-border trading. Moreover, the Exchange launched the automated transfer system (ATS) to enable retail investors using cash accounts to automatically pay for securities and receive cash from trades through their bank accounts. ATS eliminates the costs involved in check issuance and commuting to banks, incurs no additional cost to investors and makes clearing and settlement more efficient.

Research and IT

Thai Capital Market Research Resource (TCMRR) was established in March 2007 to support research and analysis of economic situations and policies affecting SET and the capital market. TCMRR produced a survey of potential investors and another of CEOs – both of which have been published on www.set.or.th/setresearch.

Social responsibilities

SET assumes certain social responsibilities to develop a better society and quality of life, leading to sustainable happiness in the society. In 2007, the Exchange established Corporate Social Responsibility Institute (CSRI) to encourage the business sector to be more involved with society and the environment, as all are interdependent. In addition, SET continues to support numerous other development activities, such as the following:

Education

In line with His Majesty the King's sufficiency economy philosophy, the Exchange, in collaboration with Siam Commercial Bank PCL, Economy Sufficiency Working Group on Education and Youth and Siam Cement Group, published 80,000 copies of the book, *Por Por 809,* for youth. These have been distributed to educational institutes nationwide, to foster the sufficiency economy philosophy and application among children. SET is also supporting Books for Thailand Foundation for three years to give educational opportunities to, and support English language learning among, children in both urban and rural areas. Another project, *Sending Books, Sending Knowledge to Libraries* receives donated books and gives them to the libraries of Department of Juvenile Observation and Protection, Department of Correction, Border Patrol Police Bureau, schools and other libraries in Bangkok. The Exchange also provided funds for the construction of library and recreation rooms in Mooban Ruam Mua Ruam Jai ITV in Phang Nga. SET supported learning programs, such as *Ruam Jai Wai Fun Rung San Panya* under the General Prem Tinsulanonda Statesman Foundation and arranged tutoring camps for students in three southern provinces. SET supported Britannica Bright Brain, a project to publish the Encyclopedia Britannica in Thai and distribute it to schools. Capital Market for Students, a summer

Deputy Prime Minister Paiboon Wattanasiritham presiding over the opening ceremony of Corporate Social Responsibility Institute (CSRI).

SET, in cooperation with the public and private sectors, produced Por Por 809.

SET accepted books from the President of the Association of Investment Management Companies for the Sending Books, Sending Knowledge, to the Libraries project.

SET supported the C-license football coach training program.

SET supported Thailand's disabled athletes

internship program, was successful, with 118 organizations and 6,879 students participating.

Sport

SET supported various sports to develop the strength and skills of Thai youth through projects, such as the summer sport camp at Yala province and the seventh FA Cup, Yala.

Social and community

The Exchange supported and honored exceptional individuals to inspire others to contribute to the good of society. SET Foundation's social recognition project awarded the individuals and organizations that made outstanding contributions to society in six fields.

The recipients were: for educational development, Mr. Wisit Wittayaworakan, Rajaprajanugroh 29 School Director; for rural social development, Inpang Community Network, located in the area surrounding Pu Pan forest, in Sakon Nakhorn, Udon Thani, Kalasin and Mukdahan; for urban social development, Ms. Uthit Buddhasud Somjai, the founder Child Help Foundation, Khon Kaen; for music, Prof. Choochart Pitaksakorn; for sport, Maj. Gen. Samrerng Chaiyong; and for library development, Prof. Khunying Manmas Chavalit.

SET held various activities for the Klong Toey community and the local area, e.g., on Children's Day and during Songkran, learning promotions and assistance to fire victims from the nearby Klong Toey and Teppratan communities.

SET President Patareeya Benjapolchai joined the talking books activities.

Children's Day at SET.

SET helped fire victims from Klong Toey community.

STATISTICAL HIGHLIGHTS (2005-2007)

Data from securities trading and listed companies

Market highlights		2007	2006	2005
The Stock Exchange of Thailand (SET)				
Turnover				
• Volume	(million units)	604,654.55	747,790.95	639,678.15
• Value	(THB million)	4,188,776.73	3,956,262.03	4,031,240.02
• Daily average	(THB million)	17,097.05	16,280.91	16,454.04
• No. of transactions		27,673,295	28,513,652	27,922,274
• Turnover ratio	(%)	96.12	152.67	146.76
Listed companies				
• No. of listed companies		475	476	468
• No. of listed mutual funds		8	7	8
• No. of newly-listed companies		7 1/	12	36
• No. of newly-listed mutual funds		4	0	0
• No. of delisted companies		7	4	9
• No. of redeemed mutual funds		0	1	1
Listed securities				
• Total listed securities		581	584	576
- common stocks 2/		491	488	476
- unit trusts 3/		8	7	8
- warrants		71	79	82
- others		11	10	10
Total market capitalization	(THB billion)	6,636.07	5,078.70	5,105.11
Capital mobilized by listed companies	(THB billion)	88.04	135.71	119.85
SET Index				
• End of year		858.10	679.84	713.73
• Highest	(date/month)	915.03 (29/10)	785.38 (09/05)	741.55 (28/02)
• Lowest	(date/month)	616.75 (09/01)	622.14 (19/12)	638.31 (7/7)
Average dividend yield	(%)	3.31	4.23	3.37
Average price/earnings ratio (P/E)		12.63	8.10	9.40
Market for Alternative Investment (mai)				
Turnover				
• Volume	(million units)	25,201.90	9,388.70	9,870.59
• Value	(THB million)	83,043.19	27,413.75	35,940.95
• Daily average	(THB million)	338.95	112.81	146.70
• No. of transactions		1,958,172	728,843	743,625
Listed companies				
• No. of listed companies		48	42	36
• No. of newly-listed companies		6	6	14
Listed securities				
• Total listed securities		54	44	38
- common stocks		48	42	36
- warrants		6	2	2
Total market capitalization	(THB billion)	38.27	21.81	14.31
mai Index				
• End of year		272.37	193.43	158.23
• Highest	(date/month)	306.64 (22/10)	206.02 (12/12)	214.00 (16/02)
• Lowest	(date/month)	175.61 (09/01)	152.79 (18/07)	154.05 (02/12)

Bond Electronic Exchange (BEX) 4/		2007	2006	2005
Turnover				
Retail turnover				
• Volume	(units)	287,570	277,370	334,200
• Value	(THB million)	278.40	256.10	335.24
Institutional turnover				
• Volume	(units)	295,462,700	n/a	n/a
• Value	(THB million)	295,422.28	n/a	n/a
Listed issues				
• No. of listed issues				
- corporate bonds		94	87	73
- government bonds		517	490	19
- unit trusts of bond-related funds 5/		1	1	0
• No. of newly-listed issues				
- corporate bonds		22	26	37
- government bonds 6/		355	716	19
- unit trusts of bond-related funds		0	1	0
• No. of redeemed issues				
- corporate bonds		15	12	3
- government bonds		350	240	0
Total outstanding value 7/	(THB billion)			
- corporate bonds		387,068.33	337,179.07	281,686.23
- government bonds		3,442,432.99	2,799,384.65	488,777.90
- unit trusts of bond-related funds		4,307.17	5,401.39	0
Total outstanding value		3,833,808.49	3,141,965.11	770,464.13
Thailand Futures Exchange (TFEX) 8/				
SET50 Index Futures				
• Volume	(contracts)	1,228,238	198,737	n/a
• Value	(THB million)	706,286.01	97,898.96	n/a
SET50 Index Options 9/				
• Volume	(contracts)	8,646	n/a	n/a
• Value	(THB million)	32.54	n/a	n/a

1/ Including a newly-established firm from the merger between Aromatic (Thailand) Pcl (ATC) and Rayong Refinery Pc. (RRC)
2/ Including property funds
3/ Including ThaiDEX, the first equity ETF, started trading on September 6, 2007.
4/ BEX started trading on November 26, 2003.
5/ Unit trusts of bond-related funds started trading on April 27, 2006.
6/ Government bonds started trading on June 1, 2005.
7/ As of year end
8/ TFEX started trading on April 28, 2006, having SET50 Index Futures as its first product.
9/ TFEX started trading SET50 Index Options on October 29, 2007.

Financial Highlights

(Unit : THB Million)

Consolidated financial statements		2007	2006	2005
Total revenues		3,066	2,787	3,034
Investment income, net		1,035	979	1,102
Surplus (deficit) for the year		70	(262)	583
Capital expenditure		847	1,764	1,089
Total assets		19,349	17,480	17,355
Current assets		7,378	6,449	7,096
Long-term investments		6,796	6,695	7,719
Other assets		5,175	4,336	2,540
Total liabilities		3,161	1,904	844
Current liabilities		2,602	1,599	809
Non-current liabilities		559	305	35
Total funds		16,188	15,576	16,511
Return on total assets	(%)	0.4	(1.5)	3.4
Current ratio	(times)	2.8	4.0	8.8
Debt to funds ratio	(%)	19.5	12.2	5.1

THE THAI EXCHANGE ENVISIONS A CAPITAL MARKET BEYOND FRONTIERS

Technological growth has made the world seem smaller and information access easier and faster. These factors have, in turn, accelerated decision-making. Businesses must strengthen their competitiveness by providing various products of high quality and more effective services, while reducing costs and forming new alliances.

Stock market global trends

Globalization has led leading and emerging markets towards strategic alliances. Capital markets today can be divided into two groups: one led by Nasdaq and the European exchanges and the other led by the New York Stock Exchange, Toronto Stock Exchange and Euronext.

Consequently, the Thai capital market needs to explore commercial opportunities, in line with these global trends, to continue as an effective force in fundraising and business expansion for the public and private sectors and to remain as an important driver of the country's sustainable economic growth.

Major trends in globalization

Today, many financial transactions are transnational. With exchanges being linked regionally and internationally, capital flows freely and four global trends shape the capital market landscape:

1. Globalization and liquidity

   Because major exchanges can induce overseas issuers to list on their bourses, local issuers choose to list on whichever exchange has the highest liquidity and value. Furthermore, technology makes cross-border trading more flexible and impels market convergence.

2. Concentration

   Large asset managers and intermediaries are more prominent than their smaller competitors and have greater trading volume and negotiating power. As a result, the major exchanges have increased operational effectiveness by providing more products to achieve economies of scale and reducing payment, clearing and settlement costs.

3. Deregulation

Most exchanges have moved from a "regulator" to a "facilitator" role to support the growth of their capital market's business and eliminate national- and regulation-based market access. Most of the world's exchanges are demutualized. Many of them faced a situation where brokers were internalizing transactions and avoiding exchanges to better serve their customers. This was despite the fact that exchanges were meant to be the centers for all transactions. This situation has impelled the Thai bourse to improve its business strategies and efficiency and lower its costs, while maintaining precision and speed.

4. New players and products

The players in the capital market have changed. Hedge funds are growing quickly and contributing to trading velocity. Private equity plays an important role, buying listed companies' shares, withdrawing firms from exchanges, then adding value to these companies and re-listing them to make profit.

There is a greater product diversity in the market. Aside from listed firms, SET offers new products, such as derivatives and ETFs, to attract investors. In the near future, it is anticipated that most of the world's exchanges will each have a single platform which will support transactions in any financial instrument.

Opportunities and alternatives for SET Group

These global forces limit the alternatives for small exchanges, as newly-merged markets are stronger and have greater product variety. In addition, technology promotes cross-border trading. This leaves small markets with the following three choices:

1. **Globalization** – Open up to being "cherry-picked" by larger exchanges inside and outside the region by joining the new forces and global market "hubs".
2. **Regionalization** – Pursue domestic reforms and enter into multilateral ties within and outside the region.
3. **Marginalization** – Do nothing and become further marginalized.

Three strategies to strengthen competitiveness

To keep the capital market as a robust and reliable driver of Thailand's sustainable economic growth, SET Group will implement three major strategies. These aim to achieve its vision of "**Be a prestigious and trustworthy marketplace, with a competent team, by promoting innovative products and services, with a pool of liquidity to meet stakeholders' expectations.**"

The three strategies are:

1. **Build organizational strength** to increase the Exchange's global competitiveness and enable personnel to adjust to change.

2. **Enhance efficiency** by improving service quality to listed firms, securities companies, investors and related organizations, developing a national investment culture and introducing more products and services in response to investor demand.

3. **Achieve trustworthiness** by working closely with domestic and overseas allies.

Strategy implementation

The Exchange will achieve its objectives through the following action plans:

Enhancing competitiveness

To enhance competitiveness, SET Group will restructure to increase operational efficiency and flexibility. Operations will be based on a value chain and entail the efficient management of fees to reflect a realistic cost-revenue structure. Technology will increase efficiency in areas such as trading system integration, post-trade automation and inter-market surveillance.

Increasing efficiency in response to investor demand

This strategy involves creating value and eliminating impediments to listing. The bourse will lobby for corporate tax incentives and provide experts to help listed firms use the capital market more effectively by, for example, issuing shares, warrants or bonds to raise capital. This will not only benefit those companies but also boost the market's capitalization and appeal. In addition, investment channels will be expanded through market intermediaries and allies, such as securities and asset management firms, commercial banks and insurance companies.

Developing a national investment culture

Aside from the general public ranging from children, students, youth and adults, SET's investment and financial education programs will target three groups—the employed, pre-retirement and post-retirement. The Employee Joint Investment Program (EJIP) is aimed at the working population and provides financial planning education and securities investment promotion. For pre- and post-retirement groups, there will be nationwide activities to increase their financial understanding and capital market access.

To ensure that shares and investment opportunities are made available to the general public as early and widely as possible, the bourse will bring forward the proclamation of the initial public offering (IPO) rule regarding share distribution.

Introducing more products and services

Because of the competitive importance of innovative financial instruments, SET will introduce new initiatives, such as stock options, FTSE SET Index series and transferable custody receipts (TCRs). In addition, the clearing and settlement period will be cut from three days (T+3) to two business days (T+2) following a transaction. A front-office system for repurchase (REPO) transactions will also be developed.

Achieving Trustworthiness

The Exchange aims to be trustworthy, transparent and a model of good corporate governance. The information disclosure system will become more transparent and involve public hearings and recommendations. The Group will reduce impediments to capital market development by collaborating with relevant organizations in policy-making. SET will continue to be one of Thailand's key economic representatives and play a greater role in the ASEAN region.

Implementing these strategies will give the Group a stronger infrastructure, deliver more products and services suited to customers' needs and equip it to compete in the regional marketplace. In this way SET will truly expand to become a capital market beyond frontiers.

COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRINCIPLES

The Stock Exchange of Thailand (SET) Board of Governors (BoG) recognizes that good corporate governance (CG) is an essential prerequisite in making an organization's systems more efficient and credible, and in raising that organization's operating standards. Good CG is a major part of a company's foundation, necessary for maintaining stable growth, and its practice increases investors' confidence.

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 to develop systems that comply with international standards. This will support their growth. It also strengthens the international competitiveness of Thai businesses and of the Thai capital market, and supports sustainable economic development. In 2006, SET revised its 15 CG principles to reflect best practices of Organization for Economic Co-operation and Development (OECD) and of World Bank. These principles are to be fully implemented by SET-listed firms from 2008, based on 2007 data. The principles are divided into five categories, with each category including core principles and recommended best practices: 1) rights of shareholders; 2) equitable treatment of shareholders; 3) role of stakeholders; 4) disclosure and transparency; and 5) responsibilities of the board. The BoG subsequently initiated policies and practices in compliance with its CG principles. In 2007, SET issued a corporate governance self-assessment form so SET-listed companies could evaluate themselves before disclosing their implementation of CG principles in their 2007 annual reports.

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

As SET is a juristic entity constituted under the Securities and Exchange Act of Thailand, it does not have a corporate structure and hence no shareholders. Nevertheless, the act requires the Exchange's BoG to convene an annual meeting of members to elect board members, approve a balance sheet, appoint an auditor with remuneration and approve remuneration of the BoG. The BoG's rules and procedures state that a member may nominate persons to become board members at 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 its fiscal year, which is end-December. A notice of such meetings with the meeting agenda shall be sent to every member no less than seven days prior to the meeting. The BoG may call an extraordinary meeting whenever it deems it appropriate. In addition, the BoG shall call an extraordinary meeting within seven days when members representing no less than one-fifth of all members submit to the BoG a written request to do so, specifying the meeting's purpose. The extraordinary meeting shall be held within 30 days of the date of receipt of the written request by the Board.

At any meeting, the BoG chairman shall preside and three-fourths of all members shall constitute a quorum. The meeting will normally start at 17:00 hours. 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.

In 2007, the BoG called an ordinary meeting on April 24, 2007 and three extraordinary meetings attended by an average of 90% of its members. The meetings considered various matters, such as Amendment of Rules to Facilitate Exchange Traded Funds (ETF), Guidelines on Supervision of Put-through Trading on the Big Lot Board, Amendment of Rules for Internet Trading, Relaxation of Rules and Procedures for the Charging of Brokerage or Agent's Fees, and Extending the Trading Fee Waiver Period of the Bond Market.

Role of Stakeholders (Principle 3)

As SET is a prime choice for capital raising and investment management, offering integrated financial products and services through trustworthy and accessible platforms, the BoG recognizes the reciprocal relationship it has with all stakeholders, which include: listed firms, member companies, non-member securities companies, investors, trading partners, employees and executives of SET and its subsidiaries, the public sector and groups likely to be affected by its decisions in society. Hence, the BoG has developed a code of ethics regarding investors, customers, stakeholders and the general public that promotes timely and equitable service delivery, listening to stakeholders' opinions, providing them with 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 its rules and amendments;
- Issuing rules that treat all members and listed companies impartially;
- Issuing rules and establishing the Securities Investor Protection Fund (SIPF) to protect the interests of investors;
- 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 procurement of goods and services and establishing a working committee to oversee purchasing and hiring;
- Providing remuneration to employees and management on par with that of other leading organizations; specifying the scope of work of each unit and a code of conduct for performance, and offering ongoing staff development. In addition, SET has also prepared a curriculum to improve all levels of supervision and followed up their development with activity-based assessment ;
- Establishing a Corporate Social Responsibility Institute (CSRI) so the business sector acts in many ways that benefit Thai society and the environment and ensure that standards of living keep pace with economic development (for a list of activities in 2007, please see page 32).
- Establishing the S-E-T Call Center Unit to respond to problems and enquiries from members and public firms during office hours (08:00-18:00 hours). Additionally, a 24-hour automatic telephone system responds to a broad variety of enquiries and provides information on the activities of SET and its subsidiaries, the SET index and investor rights.

Disclosure and Transparency (Principle 4)

The BoG emphasizes transparent and widely-distributed information on its operations, securities trading and important data that may influence the stock price of SET-listed companies. This information is disseminated to investors and related parties through SET's website in both Thai and English. It provides SET's vision, mission, regulatory framework, management and organizational chart and a BoG profile, describes SET Group, details services and products, and provides rules, regulations and penalties related to SET, Market for Alternative Investment (mai), Bond Electronic Exchange (BEX) and Thailand Futures Exchange (TFEX) and their supervision of the Thai market and any listed companies.

Responsibilities of the Board (Principle 5)

1. Board Structure

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

- Five experts appointed by Securities and Exchange Commission (SEC). Each person must have expert knowledge and extensive experience in one or more of the following areas: the stock exchange, securities and finance. At least one person must be a senior executive of a listed company. Each candidate must meet the criteria and guidelines established by a working group which then proposes the governor candidates' list to SEC before each person is appointed as a SET governor;
- Five experts elected from among senior officers of member companies at a SET members' meeting as per the regulations on the appointment of governors. Four of the candidates are selected from a list of individual representatives of member companies who are at the executive vice president level or higher, while the other candidate is selected from a list composed of individual representatives from other relevant parties;
- The SET president, who as 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 of the BoG serves the BoG by providing legal advice, organizing the BoG's activities, and monitoring compliance with the Board's resolutions.

2. Committees

In 2007, the BoG appointed 14 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 (for a list of committees, and their duties, please see page 47).

3. Roles and Responsibilities of the Board

3.1 Vision and Mission

The BoG takes part 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 agreed 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 strives to inculcate behaviors in SET personnel that will 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 from 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, from committing any illegal act, and from 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 in their own account or in any accounts held by their spouse or minor children, using the required form. Employees must report their accounts within seven days from the date of employment and governors must report their accounts within 30 days of their appointment. Any changes in securities holdings must be reported by the last business day of the week following the change in the case of employees, and by the last business day of the month following the change in the case of governors.

To guarantee impartiality in the performance of their duties, 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 given a special task and at the end of every calendar year. 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 to not participate in the particular consideration.

Additionally, SET expects that all employees will act in the interest of the Exchange, without favor or preference based on possible direct or indirect personal gain. An employee must not knowingly place him or herself in a position that would have the appearance of being, or could be construed to be, in conflict with the interests of the Exchange. SET, therefore, has described examples of situations in which a conflict of interest may arise and what to do in such cases. These include: being barred from serving on the boards of, or as consultants to, any listed companies or member firms; rules on serving on the boards of other companies or organizations; when the approval of the president must be sought; disclosure in writing of any relationship with any relevant persons before engaging in transactions with SET; prohibition of participation in the procurement process; and that no employee shall exert undue influence on the listed companies or member firms.

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 must perform its auditing functions independently, fully and freely. The Internal Audit and Risk Management Department also evaluates the adequacy of the SET's Internal Control System, so it is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) standards, once a year and cooperates with external auditors in considering the results for reporting to the SET Audit Committee and the BoG. The BoG believes that SET's overall internal control system has functioned appropriately, adequately and satisfactorily.

3.4 Risk Management Policy

The BoG has appointed the Risk Management Committee to provide advice to the BoG and management to formulate risk management policies and a framework in line with SET's strategy, and to ensure that management is able to manage risks affecting any relevant areas of its business. The Internal Audit and Risk Management Department also supports and provides advice to management in managing risks, including but not limited to strategic, operational market and credit risks.

Management has conducted risk assessment and reviewed the appropriateness of its action plans once a year or when risk level has considerably changed. SET has set up an early warning system to ensure that timely corrective actions are taken with regard to risk events, and has also monitored and regularly reported risk status to the BoG and the risk management committee. In addition, SET has set up the business continuity plan and annually conducted a test to ensure that it can carry on its business uninterrupted in the event of a disaster.

The BoG therefore believes that SET has conducted significant risk management appropriately and well.

4. Board Meetings

4.1 Regular meetings 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 and management, comprised of the President, Executive Vice Presidents and Senior Vice Presidents, consider 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 at least five (5) days prior to each meeting to allow the governor's 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.

4.5 In 2007, the attendance of governors at BoG, Board of subsidiaries and other committee meetings were:

	BoG	Board of Subsidiaries		Other Committees	
	Attendance / Number of Meetings (times)	Companies	Attendance / Number of Meetings (times)	Number of panels	Attendance / Number of Meetings (times)
1. Pakorn Malakul Na Ayudhya [1]	6/6	TSD / TFEX	4/4	4	12/12
2. Kampanart Lohacharoenvanich	16/16	TFEX	6/6	4	28/30
3. Asvini Tailanga	15/16			4	20/22
4. Pattera Dilokrungthirapop	14/16	TSD / STT	7/9		
5. Pichit Akrathit, Ph.D.	14/16	TSD	5/5	2	4/6
6. Vallobh Vimolvanich, Ph.D.	16/16	STT / FKH	12/14	3	15/16
7. Sauwanee Thairungroj	16/16	FKH	10/10	1	12/12
8. Khunying Jada Wattanasiritham	15/16	TSD / STT	6/9	2	4/5
9. Wiboon Perm-Arayawong [2]	9/9			1	2/3
10. Wichai Poolworaluk [1]	6/6				
11. Patareeya Benjapolchai	16/16	TSD / STT FKH / TFEX	22/25	3	15/21
12. Vijit Supinit [3]	10/10	TSD / STT FKH / TFEX	15/16	3	13/14
13. Niputh Jitprasonk [3]	8/10	TFEX	4/4	4	15/16
14. Suraphol Kulsiri [4]	6/7	STT	4/4	1	1/1

1) Pakorn Malakul Na Ayudhya and Wichai Poolworaluk were appointed August 15, 2007.
2) Wiboon Perm-Arayawong was appointed May 28, 2007.
3) Vijit Supinit and Niputh Jitprasonk held their positions until August 14, 2007.
4) Suraphol Kulsiri held his position until May 28, 2007.

TSD - The Thailand Securities Depository Co., Ltd.
TFEX - The Thailand Futures Exchange Plc.
STT - Settrade.com
FKH - The Family Know-How Co., Ltd.

5. Board self-assessment

The Corporate Secretariat conducts an annual self-assessment by individual governors of the BoG as a group. In December 2007, the department delivered the results of the self-assessment for 2007, 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 directors of SET's subsidiaries or 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 2007, BoG members received the monthly remuneration as approved by the Annual General Meeting of member companies of April 27, 2006. BoG members who were also on the Executive or Audit Committees or boards of SET subsidiaries received additional monthly remunerations as approved by the BoG at the same rate as in the past several years. BoG members who were also on other committees received meeting allowances as approved by the BoG at the same rate as in the past several years :

	BoG	Executive Committee	Audit Committee	Remuneration Committee	Director of Subsidiaries		Other Committees		Total
					Companies	Remuneration	Amount of Panels	Remuneration	
1. Pakorn Malakul Na Ayudhya [1]	487,500	2,585,000		18,000	TSD / TFEX	300,000	2	15,000	3,405,500*
2. Kampanart Lohacharoenvanich	780,000	600,000		20,000	TFEX	120,000	2	175,000	1,695,000
3. Asvini Tailanga	780,000		600,000				3	40,000	1,420,000
4. Pattera Dilokrungthirapop	780,000				TSD / STT	480,000			1,260,000
5. Pichit Akrathit, Ph.D.	780,000				TSD	480,000	2	24,000	1,284,000
6. Vallobh Vimolvanich, Ph.D.	780,000				STT / FKH	337,500	3	130,000	1,247,500
7. Sauwanee Thairungroj, Ph.D.	780,000		600,000		FKH	180,000			1,560,000
8. Khunying Jada Wattanasiritham	780,000		225,000 [7]	4,000	TSD / STT	480,000			1,489,000
9. Wiboon Perm-Arayawong [2]	455,000						1	20,000	475,000
10. Wichai Poolworaluk [3]	325,000								325,000
11. Patareeya Benjapolchai [4]	780,000	-			TSD / STT FKH / TFEX	-	2	-	780,000
12. Vijit Supinit [5]	780,000	4,400,000		6,000	TSD / STT	780,000	1	75,000	6,041,000
13. Niputh Jitprasonk [5]	520,000		600,000	8,000	FKH / TFEX TFEX	80,000	2	62,000	1,270,000
14. Suraphol Kulsiri [6]	325,000				STT	120,000	1	6,000	451,000
									22,703,000

1) Pakorn Malakul Na Ayudhya was appointed chairman August 15, 2007.
* Other given remuneration includes a vehicle, a driver and expenses relating to the official vehicle.
2) Wiboon Perm-Arayawong was appointed May 28, 2007.
3) Wichai Poolworaluk was appointed August 15, 2007.
4) Patareeya Benjapolchai received remuneration only for serving as a SET director. She served as a member of SET Executive Committee, two other committees, and as director of four SET subsidiaries with no remuneration.
5) Vijit Supinit and Niputh Jitprasonk held their position until August 14, 2007.
6) Suraphol Kulsiri held his position until May 28, 2007.
7) Khunying Jada Wattanasiritham was appointed chairman of Audit Committee September 26, 2007.

Notes:
TSD - The Thailand Securities Depository Co., Ltd.
TFEX - The Thailand Futures Exchange Plc.
STT - Settrade.com Co., Ltd.
FKH - The Family Know-How Co., Ltd.

- SET's 16 most senior executives—the president, five (5) executive vice presidents and 10 senior vice presidents--were remunerated a total of THB 94,264,700 for their services. (In 2006: SET's 18 most senior executives--the president, six (6) executive vice presidents and 11 senior vice presidents—received THB 105,453,800 in remuneration. Other remuneration given to each of these persons included official vehicles, drivers, vehicle expenses, medical expenses and payment of life and accident insurance premiums.
- Serving as directors or committees in other companies:

1. Suthichai Chitvanich	Executive Vice President	- Director and Audit Committee Krungthai Legal Co., Ltd.
2. Nongram Wongwanich	Executive Vice President	- Director and Audit Committee Thailand Securities Finance Corporation. - Director TRIS Rating Co., Ltd.
3. Vichate Tantiwanich	Executive Vice President	- Independent Director and Audit Committee The Small Business Credit Guarantee Corporation. - Director / Chairman of Risk Management Committee / Policy and Strategy Committee / Research and Development Committee. Bank for Agriculture and Agricultural Cooperatives.

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, its 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 addition, BoG members have undergone the training courses of the Thai Institute of Directors Association as follows:

(Training Year)	Director Certification Program (DCP)	Director Accreditation Programm	The Role of The Chairman Program	Audit Committee Program	DCP Refresher Course	Chartered Director Class
1. Pakorn Malakul Na Ayudhya			2002			
2. Kampanart Lohacharoenvanich	2002					
3. Asvini Tailanga	2002			2006		
4. Pattera Dilokrungthirapop	2006	2004				
5. Pichit Akrathit, Ph.D.	2004	2004				
6. Vallobh Vimolvanich, Ph.D.		2006				
7. Sauwanee Thairungroj, Ph.D.	2007	2006		2007		
8. Khunying Jada Wattanasiritham	2000					
9. Wiboon Perm-Arayawong	2000		2001		2005	2007
10. Wichai Poolworaluk	2001					
11. Patareeya Benjapolchai	2000					

COMMITTEES OF THE STOCK EXCHANGE OF THAILAND (SET) 2007

1. Executive Committee
2. Audit Committee
3. Remuneration Committee
4. Disciplinary Committee
5. Appeals Committee
6. Legal Committee
7. Risk Management Committee
8. Technology Development Committee
9. Disciplinary Committee for Fee Violations
10. Bond Electronic Exchange Committee
11. Securities Investor Protection Fund Committee
12. Real Estate Development Committee
13. New Listing Committee
14. Nomination Committee

1. Executive Committee

Support unit : Corporate Secretary Department
Structure : Three members, namely The SET chairman, vice chairman and president. The Board of Governors (BoG) secretary serves as secretary.
Term : Until the end of each given person's tenure as governor.

Name		Position
Pakorn	Malakul Na Ayudhya	Chairman
Kampanart	Lohacharoenvanich	Member
Patareeya	Benjapolchai	Member
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 SET's fees

2. Audit Committee

Support unit : Internal Audit and Risk Management Department
Structure : Members are three SET Governors who are not members of the Executive Committee. One member must be from among the governors appointed by Securities and Exchange Commission, the second from among the governors who are executives of member companies and also elected by SET members, while the third may be any of the remaining governors. At least one of these three must be knowledgeable

in accounting and finance. The vice president, Internal Audit and Risk Management Department, serves as secretary.

Term : Until the end of each given person's tenure as governor.

Name		Position
Khunying Jada	Wattanasiritham	Chairman
Asvini	Tailanga	Member
Sauwanee	Thairungroj, Ph.D.	Member
Wipha	Leethakulnumchai	Secretary

Responsibilities of the Audit Committee are stipulated in the Audit Committee charter:

1. To review SET's financial reports before forwarding them to the BoG
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 of the adequacy of resources 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 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 BoG.
8. To report all operations of the Audit Committee to the BoG at least four times a year.

3. Remuneration Committee

Support unit : Human Resources Department

Structure : Three members, namely the SET chairman, SET vice chairman, and chairman of SET's Audit Committee. The vice president of the Human Resources Department serves as secretary.

Term : Until the end of each given person's tenure as governor.

Name		Position
Pakorn	Malakul Na Ayudhya	Chairman
Khunying Jada	Wattanasiritham	Member
Kampanart	Lohacharoenvanich	Member
Patchara	Thanattrai	Secretary

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

1. Policies and rules concerning remuneration of the SET BoG, SET president, advisors, committee members appointed by the BoG, 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 of senior vice president level and above.

4. Disciplinary Committee

Support unit : Enforcement Department

Structure : At least four members, including one from the Board's governors who is also an executive of a member company and elected by SET members; one who is knowledgeable in SET affairs, the brokerage business, or 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. The vice president of the Enforcement Department serves as secretary.

Term : January 1, 2007 to December 31, 2008

Name		Position
Kampanart	Lohacharoenvanich	Chairman
Machima	Kunjara Na Ayudhya	Member
Sutthi	Sookying	Member
Suthichai	Chitvanich	Member
Yaowalak	Aramthaveethong	Member
Sumalee	Lertthanaporn	Secretary

Responsibilities of the Disciplinary Committee are:

1. To examine any wrongdoing and penalize any individual or juristic person who violates, or associates with others in violating, SET's rules and regulations; and to report to the SET BoG, except in cases concerning:
   (a) a securities delisting
   (b) a temporary trading suspension of a member company
   (c) a membership revocation
   (d) other cases as deemed appropriate by the SET BoG
   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.

5. Appeals Committee

Support unit : Enforcement Department

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

Term : January 1, 2007 to December 31, 2008

Name		Position
Hiran	Radeesri	Chairman
Chaikasem	Nitisiri	Member
Sukri	Kaocharern	Member
Suvarn	Valaisathien, Ph.D.	Member
Sakkarin	Ruamrangsri	Secretary

Responsibilities of the Appeals Committee are:

1. To review any appeal made against any punishment orders laid down by SET's BoG, the Executive Committee, the Disciplinary Committee or the President, and 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 BoG regarding punishments, reductions in punishments, orders not to punish, confirming punishment orders being appealed, or any other matter raised by the appellant.
4. To order the termination of any appeal which has been withdrawn or is being tried by the Appeals Committee.

6. Legal Committee

Support unit : Enforcement Department
Structure : Five members, each with expertise in law or capital markets. The senior vice president of the Legal Department serves as secretary; the vice president of the Legal Department serves as the secretary's assistant.
Term : January 1, 2007 to December 31, 2007

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

The Responsibility of the Legal Committee is:

1. To provide the SET BoG with advice, opinions and recommendations regarding SET's rules and regulations, and related laws.

7. Risk Management Committee

Support unit : Internal Audit and Risk Management Department
Structure : At least seven members including one SET governor, one or more experts as the BoG may see fit, at least three executives of SET, chief executive officer of the Thailand Securities Depository (TSD), and the vice president of the Risk Management Department, who also serves as secretary.
Term : January 1, 2007 to December 31, 2007

Name		Position
Pichit	Akrathit, Ph.D.	Chairman
Anya	Khanthavit, Ph.D.	Member
Chaiyoot	Chamnanlertkit	Member
Machima	Kunjara Na Ayudhya	Member
Nongram	Wongwanich	Member

Name		Position
Oranuch	Apisaksirikul	Member
Santi	Kiranand, Ph.D.	Member
Sopawadee	Lertmanaschai	Member
Suthichai	Chitvanich	Member
Wipha	Leethakulnumchai	Member and Secretary

Responsibilities of the Risk Management Committee are:

1. To advise the SET BoG 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 to ensure that all significant risks are being adequately monitored and managed.

8. Technology Development Committee

Support unit : Information Technology Division

Structure : At least six members, including at least two governors, one or more experts in technology or the securities business, one SET executive, chief executive officer of the Thailand Securities Depository, and the senior vice president of the Information Technology Division, who also serves as secretary.

Term : January 1, 2007 to December 31, 2007

Name		Position
Vallobh	Vimolvanich, Ph.D.	Chairman
Asvini	Tailanga	Member
Nongram	Wongwanich	Member
Pipatpong	Poshyanonda, Ph.D.	Member
Rom	Hiranpruk, Ph.D.	Member
Sopawadee	Lertmanaschai	Member
Yansak	Manomaipiboon	Member
Yutiga	Sonthayanavin	Member
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, encourage integration of missions within the capital market, and raise market standards to be among the best in the region within the region.
2. To examine policies on information technology development and applications in order to 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.

9. Disciplinary Committee for Fee Violations

Support unit : Member Services Department

Structure : Five members, including at least one representative from the Association of Securities Companies, at least one legal expert, the SET president or an executive from senior vice president level or above as delegated by the SET president, and two others as the SET BoG sees fit. The SET senior vice president who oversees the Member Services Department serves as secretary.

Term : January 1, 2007 to December 31, 2011

Name		Position
Yothin	Ari	Chairman
Pol. Maj. Gen. Chaiya	Siriamphunkul	Member
Prateep	Wongniran	Member
Suthep	Peetakanont	Member
Suthichai	Chitvanich	Member
Supakit	Jirapraditkul	Secretary

Responsibilities of the Disciplinary Committee for Fee Violations are:

1. To examine offenses committed by any member, non-member securities company, executive or employee involved in a company's violation of the Rules and Procedures for the Charging of Brokerage and Agent's Fees for the Buying and Selling of Listed Securities.
2. To punish any member, non-member securities company, executive or employee involved in such offenses.

10. Bond Electronic Exchange Development Committee

Support unit : Bond Electronic Exchange

Structure : At least eight members, including dealers, institutional investors, and representatives of brokerage companies, a regulator, experts as the SET BoG may see fit, a representative each from TSD and SET, and the SET senior vice president who oversees the bond market, who also serves as secretary.

Term : January 1, 2007 to December 31, 2007

Name		Position
Asvini	Tailanga	Chairman
M.L. Kornkasiwat	Kasemsri	Member
Nongram	Wongwanich	Member
Pichit	Akrathit, Ph.D.	Member
Piti	Thunkasem	Member
Porgpen	Ruengvirayudh	Member
Pracha	Brahmavira	Member
Ratchakritpong	Ekrangsun	Member
Sopawadee	Lertmanaschai	Member
Santi	Kiranand, Ph.D.	Member and Secretary

Responsibilities of the Bond Electronic Exchange Development Committee are:

1. To develop the bond market's efficiency, including development of an appropriate and high-quality trading system.
2. To disseminate information internally and to investors to develop a clearing and settlement system for the bond market. Such a system should increase liquidity and enhance the trading of all listed bonds, including those cross-listed with other bond exchanges.

11. Securities Investor Protection Fund Committee

Support unit : Member Services Department
Structure : Seven members, namely one governor appointed by SEC, one governor elected by SET members, one elected member, chief executive officer of the Thailand Securities Finance Corporation, a SET executive, chief executive officer of the Thailand Securities Depository, and the SET senior vice president who oversees the Member Services Department, who also serves as secretary.
Term : January 1, 2007 to December 31, 2007

Name		Position
Niputh	Jitprasonk *	Chairman
Akarat	Na-Ranong	Member
Asvini	Tailanga	Member
Mongkon	Kittipoomwong	Member
Nongram	Wongwanich	Member
Sopawadee	Lertmanaschai	Member
Supakit	Jirapraditkul	Member and Secretary

Responsibilities of the Investor Protection Funds Committee are:

1. To determine fund management policies, including possibilities of alternative investments that the committee deems appropriate.
2. To examine all relevant facts and evidence concerning investor protection and report its findings to the SET BoG.
3. To undertake any other responsibilities and activities assigned by the SET BoG.

* Term Ended : August 14, 2007

12. Real Estate Development Committee

Support unit : Building Management Department
Structure : At least five members, including the SET chairman, at least three SET governors, SET president, and the executive vice president of corporate affairs, who also serves as secretary.
Term : October 1, 2006 to December 31, 2007

Name		Position
Pakorn	Malakul Na Ayudhya	Chairman
Kampanart	Lohacharoenvanich	Member
Patareeya	Benjapolchai	Member
Vallobh	Vimolvanich, Ph.D.	Member
Wiboon	Perm-Arayawong	Member
Nongram	Wongwanich	Member and Secretary

Responsibilities of the Real Estate Development Committee are:

1. To advise the SET BoG on matters of land, buildings, location development policies and master plans, including operational guidelines for SET, its subsidiaries and other related entities. 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 working committees members to take action relating to land and property development, following SET policies, as the Real Estate Development Committee deems appropriate.

13. New Listing Committee

Support unit : Capital Market Opportunity Center

Structure : The SET chairman, SET president, representatives from related organizations, such as Thailand Board of Investment, The Federation of Thai Capital Market Organizations, The Federation of Thai Industries, The Office of the Securities and Exchange Commission, The Thai Banker's Association, The Thai Chamber of Commerce & Board of Trade of Thailand; and the executive vice president of the Capital Market Opportunity Center, who also serves as secretary, to promote and support high potential companies to be listed on SET and mai.

Term : September 1, 2007 to December 31, 2008

Name		Position
Pakorn	Malakul Na Ayudhya	Chairman
Apichai	Boon Therawara, Ph.D.	Member
Chalee	Chantanayingyong	Member
Chavarat	Charnvirakul	Member
Kongkiat	Opaswongkarn, Ph.D.	Member
Patareeya	Benjapolchai	Member
Pramon	Sutivong	Member
Pongsak	Chewcharat	Member
Santi	Vilassakdanont	Member
Satit	Chanjavanakul	Member
Twatchai	Yongkittikul, Ph.D.	Member
Vallobh	Vimolvanich, Ph.D.	Member
Vichate	Tantiwanich	Member and secretary

Responsibilities of the New Listing Committee are:

1. To find and persuade high potential companies, Thai and multinational or overseas companies, to raise funds in SET or the Market for Alternative Investment (mai).
2. To support and amend SET's rules and regulations, and relevant laws for the benefit of listed companies.

14. Nomination Committee

- Ad hoc; members appointed and duties assigned as and when required by SET BoG.

AUDIT COMMITTEE REPORT

The Stock Exchange of Thailand (SET)'s Audit Committee is comprised of three independent non-executive Governors appointed by SET's Board of Governors (BoG). During 2007, the committee held twelve meetings and reported its findings to the BoG on a quarterly basis, with additional reports as required. The committee met privately with the senior management on an annual basis to obtain additional information as needed.

The committee is empowered by the BoG to perform its duties as stated on page 48 and supports the Exchange's mission, which includes ethical and transparent practice in compliance with prelevant laws, rules and regulations and maintaining a system of checks and balances.

A summary of the committee's major undertakings in 2007 follows:

Review of corporate governance: The committee confirmed that SET and its subsidiaries' activities had complied with good corporate governance practices, meeting the criteria set by the World Federation of Exchanges (WFE) and other laws and regulations. In addition, the committee reviewed compliance with the bourse's guidelines concerning conflicts of interest.

Review of quarterly and annual financial reports: The committee reviewed SET's quarterly and annual financial reports to ensure accuracy, accordance with generally accepted accounting standards and adequate information disclosure. The committee discussed observations made by the auditors and reviewed the auditor's plans in the absence of management to facilitate frank discussion.

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 SET's Risk Management Committee. The risk management and internal control systems were evaluated using the standards advocated by the Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management (COSO-ERM). From the results of the internal control assessment conducted by the management and internal audit department, the committee concluded that the Exchange's risk management and internal control systems are adequate and appropriate. In addition, the committee recommended that all business units adopt the control-self-assessment (CSA) system to boost efficiency. Management accepted this recommendation for implementation starting in 2008.

Supervision of internal audit: The committee reviewed the internal audit plan, assessed internal audit performance, reviewed the internal auditor's conclusions and made recommendations about the internal control systems and actions to be taken by SET's management. The committee then followed up on these actions, and found that continuous improvements had been made as recommended.

Self-assessment: The committee assessed itself to ensure that its performance was efficient and fulfilled the terms of its charter.

Appointment of external auditors: The Audit Committee recommended to the Board of Governors that Ms. Unakorn Phruithithada, Mr. Boonmee Ngotngamwong and Mr. Soodwin Panyawongkanti of PricewaterhouseCoopers ABAS Co., Ltd. be appointed as the SET Group's auditor for the financial year ending December 31, 2008. Suggested remuneration for this role was THB 2,071,500

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

(Khunying Jada Wattanasiritham)
Chairman, Audit Committee
February 20, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

1. Operational Results in 2007

In 2007, SET and its subsidiaries' revenues exceeded expenses by THB 70 million, a 127% year-on-year (y-o-y) increase of THB 332 million. Revenues increased by THB 280 million, contributed by a higher trading volume in both the equities market and derivatives market. Expenses dropped by THB 52 million due to a fall in corporate social responsibility (CSR) expenses; this is because certain social projects in this year were taken over by The Stock Exchange of Thailand Foundation, which was established in 2006.

1.1 Analysis of Income

In 2007, SET and its subsidiaries realized THB 3,066 million in total revenues, an increase y-o-y of THB 280 million. This was a 10% increase from 2006, as listed below:

Operating revenue y-o-y increased by THB 218 million, or 12%

- Equities market
  - Trading fees rose by THB 29 million. Daily average trading value in 2007 rose by THB 1,042 million, or 6%, from THB 16,394 million per day in 2006 to THB 17,436 million per day in 2007.
  - The total of broker seat admission fees, from members who joined SET in 2005, increased by THB 23 million.
- Derivatives market
  - Trading fees rose by THB 65 million, mainly consisting of:
    - SET50 Index Futures, which debuted on April 28, 2006. Daily average trading volume jumped by 3,809 contracts: from 1,204 contracts in 2006 to 5,013 contracts in 2007.
    - SET50 Index Options, the second derivatives product, which debuted on October 29, 2007. Daily average trading volume was 206 contracts.
  - Broker seat admission fees increased by THB 14 million. There were two members joining in 2007.
- Securities depository and registrar services
  - Revenue from the securities depository center grew by THB 24 million, mainly stemming from custody fees of THB 20 million.
  - Registrar fees increased by THB 11 million, mainly due to annual registrar fees, which rose in line with the registered capital of listed companies.
- Internet trading services
  - Internet trading fees, through Settrade.com Co., Ltd.'s platform, increased by THB 22 million. The fees derived from equity securities of THB 14 million and derivatives securities (launched in August, 2006) of THB 8 million. The internet trading volume increased in line with the trading volume of the equities market and derivatives market.

Net investment income y-o-y increased by THB 56 million, or 6%, mainly because:

- Dividend income from investment in mutual funds went up THB 168 million.
- However, interest income went down by THB 63 million, mainly from the decrease of total investments due to redemption investments for acquired land for a new office building.

- Gains from investments in mutual funds dropped by THB 77 million while gain from private funds went up THB 24 million.

1.2 Analysis of Expenses

In 2007, SET and its subsidiaries recorded THB 2,996 million in consolidated expenses, a decline of THB 52 million y-o-y, or 2%. The reasons were:

1.2.1 Operating expenses increased by THB 300 million y-o-y, or 12%, mainly from land rental accounted totaling THB 291 million. According to the agreement with the landlord to settle the lease case, SET agreed to pay the rental from the year 1994 to July 4, 2007 totally THB 284 million and the rental from July 5, 2007 to July 4, 2028 at THB 12 million per annum, which shall be increased approximately 16% every 5 year until the expiration of the lease contract.

1.2.2 Charity and corporate social responsibility (CSR) expenses decreased by THB 351 million y-o-y, or 88%. The major CSR projects in 2006 were contributions to The Stock Exchange of Thailand Foundation, amounting to THB 147 million, and contributions to the English Skill Development for University project, amounting to THB 86 million. In 2007, certain social projects were taken over by The Stock Exchange of Thailand Foundation.

2. Financial Position as of December 31, 2007

Changes in the financial status of SET and its subsidiaries in 2007 compared to that in 2006 are explained by the following transactions:

2.1 Analysis of Assets

As of December 31, 2007 SET and its subsidiaries reported total assets of THB 19,349 million. The majority of assets are accounted for as follows:

(1) Cash and investment totaling THB 12,368 million, or 64%, as summarized as below:
- Investment in mutual funds: THB 6,065 million.
- Investment managed by SET and subsidiaries: THB 3,008 million.
- Investment in private funds: THB 2,630 million.
- Cash and other investments: THB 665 million.

(2) Fixed assets of THB 4,002 million, or 21%. This amount was THB 560 million more than in 2006. Most of the increase was due to the acquisition additional land of THB 450 million for the new office project.

(3) Margin deposits of derivatives market amounting to THB 1,400 million, which was also recorded as liability of the same amount.

(4) Assets for clearing system protection of derivatives market, amounting to THB 562 million.

(5) The Securities Investor Protection Fund (SIPF) of THB 443 million.

2.2 Analysis of Liabilities

At end-2007, SET and its subsidiaries had THB 3,161 million in total liabilities, which was 66% higher than the 2006 level of THB 1,257 million. The major liabilities include:

(1) Margin deposits and benefits payable of the derivatives market, amounting to THB 1,400 million.

(2) Accounts payable and accrued expenses amounting to THB 736 million. They are mainly comprised of:
- Land lease payable, amounting to THB 296 million.
- Accrued staff costs of THB 124 million.
- Acquisition of hardware and software, repair and maintenance expenses totaling THB 91 million.

(3) Fees received in advance amounting to THB 217 million.

(4) Other current liabilities, amounting to THB 246 million, which mainly were:
- Guaranteed deposits and retentions, totaling THB 82 million.
- Withholding taxes payable of THB 80 million.

(5) Non-current liabilities, amounting to THB 559 million, which mainly were:
- Members' portions of assets for clearing system protection and benefits payable, totaling THB 452 million.
- Members' portions of contributions and benefits to Securities Investor Protection Fund (SIPF), amounting to THB 107 million.

2.3 Analysis of Funds

On December 31, 2007, total funds were THB 16,188 million, an increase of THB 612 million, or 4% from the previous year-end. The major reasons for the changes were:

(1) The General Fund, valued at THB 11,455 million, expanded by THB 56 million from operational gains in 2007.

(2) Unrealized gains from investment in mutual funds increased y-o-y by THB 541 million.

3. Cash Flows

Cash and cash equivalents as of December 31, 2007 were THB 260 million, a decrease of THB88 million from 2006. The fall was mainly due to changes in cash flows from operating and investing activities as follows:

(1) Net cash flows used in operating activities amounted to THB 420 million, a decrease of THB 544 million. This was mainly because of an increase in the operational results of THB 332 million (the Operational Results were: a gain in 2007 of THB 70 million, vs. a loss in 2006 of THB 262 million).

(2) Net cash from investing activities was THB 332 million, a decrease of THB 506 million from 2006 due to the lower redemption of investments in 2007.

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

The investment portfolio of SET and its subsidiaries, which is managed by the Investment Working Committee, operates under investment policies approved by the SET BoG or its counterparts in the subsidiaries, as the case may be. Policies are reviewed semi-annually or whenever investments may be significantly affected. The policy aims to optimize returns within acceptable risk levels, with risk diversification achieved 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.

Counterparty Credit Risks (clearing and settlement-related risk)

SET and its subsidiaries are exposed to counterparty credit risks, particularly in TSD's and TCH's clearing and settlement systems. As the clearing house and settlement guarantor for equity securities, debt securities, and derivatives, Thailand Securities Depository Co., Ltd. (TSD) and Thailand Clearing House Co., Ltd. (TCH) are exposed to counterparty risks if members default. 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 clearinghouse. Members' financial status and liquidity are also regularly monitored to enable preventive measures should there be potential failure of the overall system.
2. Each member's maximum potential loss in clearing and settlement is assessed by stress-testing and a given member's settlement value in equity and debt securities is limited to reflect its financial capability.
3. Each member is required to maintain margins with TCH based on the member's position in the derivatives exchange in line with price change.

Furthermore, both clearinghouses have established clearing funds to minimize or prevent damages from defaults by members in the clearing and settlement system. To address liquidity risk in clearing and settlement, 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 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.

TSD and TCH regularly review these risk management measurements to ensure that each is appropriate for its member structure and trading conditions. In 2007, TCH began clearing SET50 Index Options on October 29, when they were offered by Thailand Futures Exchange PLC (TFEX). Consequently, TCH revised its risk-based margining methodology to fully include open positions of both futures and options contracts as a portfolio. The clearinghouse uses a specific set of risk scenarios involving variations in two important parameters--contract price and contract volatility--to calculate margin requirement.

TSD's other risk management schemes include a provision for securities borrowing and lending and enforcement of buy-in. In 2007, TSD borrowed securities worth over THB 2 billion from the Government Pension Fund (GPF), one of the largest asset-management organizations in the country in order to lift the efficiency of securities settlement.

In addition, TCH has revised its clearing fund contribution criteria for the derivatives clearing fund to cover the increased derivatives risk exposure accompanying sustained derivatives trading. The clearing fund contribution rate is reviewed quarterly considering three main risk factors: margin requirements, trading volume and operational efficiency.

In 2007, TSD initiated the integrated collateral management (ICM) project to benefit from cross-market collateral transfers. This project will reduce members' transaction costs and risks in the overall clearing and settlement process.

REPORT OF THE BOARD OF GOVERNORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Governors has reviewed The Stock Exchange of Thailand (SET) and its subsidiaries' financial statements and the financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles, using appropriate accounting policies consistently employed by 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, 2007.

(Pakorn Malakul Na Ayudhya)
Chairman

(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 2007 and 2006, 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 2007 and 2006, 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
27 February 2008

BALANCE SHEETS

As at 31 December 2007 and 2006

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2007	2006	2007	Restated 2006
Assets					
Current assets					
Cash and cash equivalents		260,320	347,912	102,257	85,634
Short-term investments	4	5,311,747	4,982,397	4,860,950	4,685,022
Accounts receivable and accrued income, net	5	156,754	164,194	161,382	84,186
Accrued interest receivables		47,735	66,233	44,113	62,479
Margin Funds on derivatives market	11	1,400,106	675,021	-	-
Other current assets	6	201,402	213,677	159,936	210,740
Total current assets		7,378,064	6,449,434	5,328,638	5,128,061
Non-current assets					
Investments in subsidiaries and associate	7	160,834	151,466	644,591	644,591
Long-term investments	8	6,795,998	6,695,487	6,781,998	6,649,051
Assets for the clearing system protection of derivatives market	12	562,289	341,181	-	-
Securities Investor Protection Fund	13	443,411	391,523	443,411	391,523
Property and equipment, net	9	3,446,913	2,995,534	3,384,925	2,922,568
Intangible assets, net	10	554,815	446,091	507,855	392,222
Other assets		7,015	9,278	6,957	8,503
Total non-current assets		11,971,275	11,030,560	11,769,737	11,008,458
Total assets		19,349,339	17,479,994	17,098,375	16,136,519

The accompanying notes on pages 70 to 98 are an integral part of these consolidated and entity financial statements

BALANCE SHEETS (Cont'd)

As at 31 December 2007 and 2006

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2007	2006	2007	Restated 2006
Liabilities and Fund balances equity					
Current liabilities					
Accounts payable and accrued expenses		735,741	417,031	605,145	265,524
Fees received in advance		216,808	231,888	141,423	131,335
Accrued income tax		3,495	3,217	-	-
Borrowings from subsidiaries	21	-	-	221,850	198,430
Margin deposits and benefits payable	11	1,400,106	675,021	-	-
Other current liabilities		245,609	272,094	183,898	184,526
Total current liabilities		2,601,759	1,599,251	1,152,316	779,815
Non-current liabilities					
Assets for the clearing system protection and benefits payable	12	451,933	235,198	-	-
Contributions and benefits to the Securities Investor Protection Fund	13	107,481	69,309	107,481	69,309
Total non-current liabilities		559,414	304,507	107,481	69,309
Total liabilities		3,161,173	1,903,758	1,259,797	849,124
Fund balances					
Funds		14,538,801	14,468,528	14,190,087	14,179,975
Unrealised gain on available-for-sale securities		1,649,363	1,107,706	1,648,491	1,107,420
Minority interest		2	2	-	-
Total fund balances		16,188,166	15,576,236	15,838,578	15,287,395
Total liabilities and fund balances		19,349,339	17,479,994	17,098,375	16,136,519

STATEMENTS OF REVENUES AND EXPENSES

For the years ended 31 December 2007 and 2006

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2007	2006	2007	Restated 2006
Revenues					
Trading fees		596,063	480,428	450,582	421,767
Registrar fees		571,690	560,415	-	-
Listing fees		235,536	228,823	235,536	228,823
Depository fees		133,891	110,397	-	-
Membership fees		68,650	31,434	33,664	10,139
Service fees from subsidiaries	21	-	-	420,127	330,925
Investment income, net	15	1,034,784	978,583	1,034,091	949,241
Share of profit of investments in associate	7	9,368	3,936	-	-
Other revenues	16	402,932	378,869	144,545	140,246
Total revenues		3,052,914	2,772,885	2,318,545	2,081,141
Expenses					
Staff costs		1,145,340	1,076,001	792,517	735,030
Marketing expenses		209,542	243,682	258,466	314,816
Service and advertising production costs		182,709	253,542	-	-
Communication expenses		149,086	142,262	33,512	29,077
Office building expenses	17	377,201	87,476	375,918	85,441
Contributions to the Office of the SEC	18	159,347	162,687	159,347	162,687
Contributions to subsidiary	21	-	-	1,920	8,081
Depreciation and amortisation		285,536	252,528	247,098	222,266
Other expenses	19	399,924	390,388	406,584	472,126
Total expenses		2,908,685	2,608,566	2,275,362	2,029,524
Excess of revenues over expenses from operation		144,229	164,319	43,183	51,617
Non-operating items					
Net income from the Securities Investor Protection Fund	14	13,377	13,523	13,377	13,523
Donation and social contribution, net		49,460	400,687	46,787	397,928
Excess (under) of revenues over expenses before income tax		108,146	(222,845)	9,773	(332,788)
Income tax		38,212	39,211	-	-
Excess (under) of revenues over expenses, net		69,934	(262,056)	9,773	(332,788)

The accompanying notes on pages 70 to 98 are an integral part of these consolidated and entity financial statements

STATEMENTS OF CHANGES IN FUND BALANCES

For the years ended 31 December 2007 and 2006

(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 30th Anniversary Charity Fund	General Fund	Unrealise gain (loss) on available-for-sale securities	Minority interest	Total
Notes	13.1	13.2	13.3	13.4	13.5	13.6	13.7				
Beginning balance 1 January 2007	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
Unrealised gain on available-for-sale securities	-	-	-	-	-	339	-	-	541,657	-	541,996
Add Excess (under) of revenues over expenses (Note 14)	-	-	-	-	2,825	13,377	(1,348)	55,080	-	-	69,934
Ending balance 31 December 2007	2,000,000	300,000	100,000	246,328	93,115	335,930	8,713	11,454,715	1,649,363	2	16,188,166
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
Unrealised loss on available-for-sale securities	-	-	-	-	-	-	-	-	(672,157)	-	(672,157)
Add Excess (under) of revenues over expenses (Note 14)	-	-	-	-	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

(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 30th Anniversary Charity Fund	General Fund	Unrealise gain (loss) on available-for-sale securities	Total
Notes	13.1	13.2	13.3	13.4	13.5	13.6	13.7			
Beginning balance 1 January 2007 before adjustment	2,000,000	300,000	100,000	246,328	90,290	322,214	10,061	11,399,635	1,107,420	15,575,948
Cumulative effect of the changes in accounting policy (Note 3)	-	-	-	-	-	-	-	(288,553)	-	(288,553)
Beginning balance 1 January 2007 after adjustment	2,000,000	300,000	100,000	246,328	90,290	322,214	10,061	11,111,082	1,107,420	15,287,395
Unrealised gain on available-for-sale securities	-	-	-	-	-	339	-	-	541,071	541,410
Add Excess (under) of revenues over expenses (Note 14)	-	-	-	-	2,825	13,377	(1,348)	(5,081)	-	9,773
Ending balance 31 December 2007	2,000,000	300,000	100,000	246,328	93,115	335,930	8,713	11,106,001	1,648,491	15,838,578
Beginning balance 1 January 2006 before adjustment	2,000,000	300,000	100,000	246,328	86,800	308,691	27,890	11,660,875	1,779,983	16,510,567
Cumulative effect of the changes in accounting policy (Note 3)	-	-	-	-	-	-	-	(217,821)	-	(217,821)
Beginning balance 1 January 2006 after adjustment	2,000,000	300,000	100,000	246,328	86,800	308,691	27,890	11,443,054	1,779,983	16,292,746
Unrealised loss on available-for-sale securities	-	-	-	-	-	-	-	-	(672,563)	(672,563)
Add Excess (under) of revenues over expenses (Note 14)	-	-	-	-	3,490	13,523	(17,829)	(331,972)	-	(332,788)
Ending balance 31 December 2006	2,000,000	300,000	100,000	246,328	90,290	322,214	10,061	11,111,082	1,107,420	15,287,395

The accompanying notes on pages 70 to 98 are an integral part of these consolidated and entity financial statements

STATEMENTS OF CASH FLOWS

For the years ended 31 December 2007 and 2006

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2007	2006	2007	Restated 2006
Cash flows from operating activities					
Excess (under) of revenues over expenses, net		69,934	(262,056)	9,773	(332,788)
Adjustments for:					
Doubtful debts		(505)	(72)	(457)	(35)
Depreciation and amortisation	9, 10	285,536	252,528	247,098	222,266
(Gain) loss on disposals of fixed assets and intangible assets		(308)	4,888	(450)	4,881
Adjust work in process to expense		625	426	625	426
Investment income, net		(1,048,196)	(992,151)	(1,047,503)	(962,809)
Interest expenses from borrowings from subsidiaries	21	-	-	8,721	5,554
Share of profit of investments in associate	7	(9,368)	(3,936)	-	-
(Under) of revenues over expenses before changes in operating assets and liabilities		(702,282)	(1,000,373)	(782,193)	(1,062,505)
(Increase) decrease in operating assets					
Accounts receivable and accrued income		7,945	(43,148)	(76,739)	22,313
Margin Funds on derivatives market	11	(725,085)	(675,021)	-	-
Other current assets		12,275	(18,932)	50,804	(22,576)
Assets for the clearing system protection of derivatives market	12	(221,108)	(238,964)	-	-
Securities Investor Protection Fund	13	(51,888)	(48,136)	(51,888)	(48,136)
Other assets		2,263	1,150	1,546	1,147
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses		318,710	18,123	339,621	(74,735)
Fees received in advance		(15,080)	103,511	10,088	14,523
Accrued income tax		278	1,578	-	-
Margin deposits and benefits payable	11	725,085	675,021	-	-
Other current liabilities		(26,485)	(8,785)	(628)	(28,964)
Assets for the clearing system protection and benefits payable		216,735	235,198	-	-
Contributions and benefits to the Securities Investor Protection Fund		38,172	34,613	38,172	34,613
Net cash (used in) operating activities		(420,465)	(964,165)	(471,217)	(1,164,320)

The accompanying notes on pages 70 to 98 are an integral part of these consolidated and entity financial statements

STATEMENTS OF CASH FLOWS (Cont'd)

For the years ended 31 December 2007 and 2006

(Unit : Thousand Baht)

	Notes	Consolidated		SET	
		2007	2006	2007	Restated 2006
Net cash (used in) operating activities		(420,465)	(964,165)	(471,217)	(1,164,320)
Cash flows from investing activities					
Cash at banks by M.O.U.		(74,592)	(30,228)	(74,592)	(30,228)
Investment income		1,106,840	950,218	1,070,655	921,181
Cash received from investments		7,655,241	11,657,103	6,554,190	10,280,998
Purchases of short-term investments		(2,719,316)	(4,520,205)	(1,464,505)	(3,248,735)
Purchases of long-term investments		(14,706)	(71,000)	(12,706)	(71,000)
Purchases of bonds		(2,277,051)	(3,410,842)	(2,277,051)	(3,410,842)
Purchases of debentures		(671,971)	(847,257)	(671,971)	(847,257)
Purchases of investment units in mutual funds		(1,843,717)	(1,140,406)	(1,843,717)	(1,140,406)
Proceeds of borrowings from subsidiaries		-	-	23,420	198,430
Borrowings payment received from subsidiaries		-	-	-	5,000
Interest expenses from borrowings from subsidiaries	21	-	-	(8,721)	(5,554)
Purchases of fixed assets	9	(655,865)	(1,615,788)	(640,812)	(1,591,631)
Purchases of intangible assets	10	(191,539)	(148,428)	(185,430)	(118,770)
Proceeds from sales of fixed assets		1,448	678	979	628
Benefits from Staff Welfare Fund		3,366	2,949	3,366	2,949
Benefits from Securities Investor Protection Fund		14,735	11,573	14,735	11,573
Net cash from investing activities		332,873	838,367	487,840	956,336
Net increase (decrease) in cash and cash equivalents		(87,592)	(125,798)	16,623	(207,984)
Cash and cash equivalents at the beginning of the year		347,912	473,710	85,634	293,618
Cash and cash equivalents at the end of the year		260,320	347,912	102,257	85,634
Supplementary information for cash flows:					
Cash paid during the year					
Income tax paid		43,988	41,567	-	-
Interest expenses		22,935	2,967	8,721	5,554

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AND THE SET'S FINANCIAL STATEMENTS

For the years ended 31 December 2007 and 2006

1. General information

The Stock Exchange of Thailand (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. SET commenced trading securities on 30 April 1975. At the present, 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 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 (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 SEC.

As at 31 December 2007, The Stock Exchange of Thailand and its subsidiaries employed 963 employees (2006: 950 employees).

These consolidated and SET's financial statements have been authorised for issue by the Board of Governors on 27 February 2008.

2. Accounting policies

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

2.1 Basis of preparation

The consolidated and 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 Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and 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 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 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. In particular, the comparatives have been adjusted or extended to take into account the requirements of the Thai Accounting Standard, TAS 44, Consolidated and Separate Financial Statements (Revised 2007) and TAS 45, Investments in Associates (Revised 2007), which SET adopted in 1 January 2007.

An English version of consolidated and 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 accounting standards effective in 2007 and 2008

On 2 May 2007, 21 September 2007 and 7 December 2007 the Federation of Accounting Professions announced:

: Amendments to Thai Accounting Standards effective for accounting periods beginning on or after 1 January 2007 as follows:

TAS No. 44	"Consolidated and Separate Financial Statements" (Revised 2007)
TAS No. 45	"Investments in Associates" (Revised 2007)
TAS No. 46	"Interests in Joint Ventures" (Revised 2007)

Amendments to Thai Accounting Standards have no impact on the consolidated financial statements. The impact on SET's financial statements is discussed in Note 3.

: The adoption of new Thai Accounting Standard and amendments to Thai Accounting Standards effective for accounting periods beginning on or after 1 January 2008 as follows:

TAS No. 25	"Cash Flow Statements" (Revised 2007)
TAS No. 29	"Leases" (Revised 2007)
TAS No. 31	"Inventories" (Revised 2007)
TAS No. 33	"Borrowing Costs" (Revised 2007)
TAS No. 35	"Presentation of Financial Statements" (Revised 2007)
TAS No. 39	"Accounting Policies, Changes in Accounting Estimates and Errors" (Revised 2007)
TAS No. 41	"Interim Financial Reporting" (Revised 2007)
TAS No. 43	"Business Combinations" (Revised 2007)
TAS No. 49	"Construction Contracts" (Revised 2007)
TAS No. 51	"Intangible Assets"

SET management is in process of consideration the impact of new standard and the revised standards adoption on the financial statements, which is expected that the adoption will not significantly affect the financial statements presented.

2.3 Consolidated financial statements

Subsidiaries are all entities over which SET has power to govern the financial and operating policies, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to SET and are no longer consolidated from the date that control ceases. All related party transactions, balances and unrealised gain and loss on transactions between SET and its subsidiaries have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by SET.

A list of SET's principal subsidiaries and associate and the financial effect from share of net profit are shown in Note 7.

2.4 Investments in subsidiaries and associate

Investments in subsidiaries are accounted for in SET's financial statements by the cost method. These are undertakings over which 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 cost method. This is undertaking over which SET exercises significant influence, but which it does not control. Allowance, if any, is recorded for impairment in investment value in the statement of revenue and expenses.

2.5 Foreign currency translation

Items included in the consolidated and 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 currency 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 denominated in foreign currency, are recognised in the statement of revenues and expenses.

2.6 Accounting policy of underlying assets and non-voting depository receipts (NVDRs)

Underlying assets is the financial assets carried by Thai NVDR Co., Ltd., (subsidiary). Non-Voting Depository Receipts (NVDRs) is the financial liabilities. The subsidiary will offset between financial assets and financial liabilities, and shown the net amount in the financial statements. The prospectus had regulation and condition that the subsidiary is responsible for issuing and selling NVDRs of listed company in The Stock Exchange of Thailand at the same amount and period (back to back). Moreover, the subsidiary who is the holder will receive the financial benefits and payment to the investors in NVDRs as follows the prospectus. Those benefits are not recognised in subsidiary's income.

2.7 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 with original maturities of three months or less.

2.8 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 and recognised in the statement of revenues and expenses within other expenses.

2.9 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. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale securities are recognised in fund balance.

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. Realised and unrealised gains and losses arising from changes in the fair value of investments classified as trading securities are recognised in the statement of revenues and expenses.

Investments in debt securities classified as held-to-maturity securities are carried at amortised cost using effective yield method.

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 less impairment.

Investments in non-marketable equity securities classified as general investments are carried at cost less impairment.

Investments in fixed deposit, promissory notes at financial institutions and negotiable certificates of deposit are classified as general investments and stated in balance sheet at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an 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.

2.10 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 SET and its subsidiaries. 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.

2.11 Intangible assets

2.11.1 Computer software

Costs associated with developing or maintaining computer software programs are recognised as expenses in the statement of revenues and expenses as incurred. Costs that are directly associated with identifiable and unique software products controlled by SET or its subsidiaries and have probable economic benefit exceeding the cost beyond one year, are recognised as intangible assets. Direct cost includes purchase price and an appropriate portion of relevant overheads to allow such asset to be ready 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.

2.11.2 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 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.

2.12 Accounting for leases - where the entity is the lessee

Leases not transferring a significant portion of risks and rewards of ownership to the lessee 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.

2.13 Revenue recognition

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

Where there are long outstanding receivables from listing fees and registrar fees collection more than 3 months, SET and its subsidiaries consider 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 starting 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 into account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to SET and its subsidiaries.
ii) Dividend income - when the shareholder's right to receive payment is established.
iii) Other revenues - when right to receive payment is established.

2.14 Employee benefits

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

2.15 Provision

Provisions, which exclude the provisions relating to employee benefits, are recognised when SET and subsidiaries have 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 SET and subsidiaries 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 SET and subsidiaries becomes legally or constructively committed to payment. Costs relating to the ongoing activities of SET and subsidiaries are not recorded as provision in advance.

2.16 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. Changes in accounting policy for Thai Accounting Standard (TAS) 44 and 45 (Revised 2007)

The amendments relating to TAS No. 44 "Consolidated and Separate Financial Statements" and TAS No. 45 "Investments in Associates" is effective for the period beginning on or after 1 January 2007. Such amendments to accounting standards No. 44 and 45 require a change from the equity method to the cost method for investments in subsidiaries and associates presented in the financial statements. Under the cost method, income from investments will be recorded when dividends are declared. This change has an impact to SET's financial statements only and will not have an impact to the consolidated financial statements.

SET has adopted the cost method commencing 1 January 2007 by applying retrospective adjustments. The effects of the changes to SET's balance sheets as of 31 December 2006 and SET's statements of revenues and expenses for the year ended 31 December 2006 are as follows:

(Unit : Thousand Baht)

	SET		
	As previously reported (Audited)	Increase (Decrease)	After adjustment (Audited)
Balance sheets as at December 2006			
Investments in subsidiaries and associate			
Subsidiaries			
Thailand Securities Depository Co., Ltd.	388,811	(188,811)	200,000
SETTRADE.COM Co., Ltd.	109,639	(35,048)	74,591
Family Know-how Co., Ltd.	61,048	(11,048)	50,000
Thailand Futures Exchange Public Co., Ltd.	89,530	10,470	100,000
Thai Trust Fund Management Co., Ltd.	109,734	(9,734)	100,000
Thai NVDR Co., Ltd.	12,246	(2,246)	10,000
Siam DR Co., Ltd.	10,670	(670)	10,000
Associate			
Clearing Fund	151,466	(51,466)	100,000
	933,144	(288,553)	644,591
Statements of revenues and expenses for the year ended 31 December 2006			
(Under) of revenues over expenses, net	(262,056)	(70,732)	(332,788)

4. Short-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Investments managed by SET				
General investments				
Savings accounts	255,389	185,875	255,388	183,498
Fixed deposit accounts	443,995	929,650	267,186	798,633
Promissory notes	50,000	86,852	50,000	61,539
Bills of exchange	50,000	-	50,000	-
	799,384	1,202,377	622,574	1,043,670
Investments in money market funds	468,007	405,223	457,843	405,223
Bonds and debentures due within one year (Note 8)	605,223	307,197	547,483	294,043
Other debt instruments	809,454	578,800	720,323	559,324
Total investments managed by SET	2,682,068	2,493,597	2,348,223	2,302,260
Investments managed by private funds				
General investments				
Savings accounts	22,133	24,813	21,891	22,676
Fixed deposit accounts	17,000	122,500	15,500	122,500
Other debt instruments	660,204	752,746	627,480	720,560
	699,337	900,059	664,871	865,736
Trading securities	1,930,342	1,588,741	1,847,856	1,517,026
Total investments managed by private funds	2,629,679	2,488,800	2,512,727	2,382,762
Total short-term investments	5,311,747	4,982,397	4,860,950	4,685,022

Investments managed by SET

Savings accounts bear interest rate of 0.50% - 2.50% per annum (2006: 0.75% - 2.75% per annum).

Fixed deposit accounts represent fixed deposit at banks which have maturity within 3 - 12 months and interest rates of 2.25% - 5.50% per annum (2006: 1.50% - 5.50% per annum).

Promissory notes represent the promissory notes at financial institutions which have maturity within 3 - 12 months and interest rates of 5.50% per annum (2006: 3.50% - 5.55% per annum).

Bills of exchange at financial institutions due within one year and interest rates of 1.18% - 2.05% per annum.

Investments in money market funds represent investments in 4 open-ended fund (2006: 1 fund). The investment policy emphasizes the investments in short-term debt securities.

Bonds and debentures due within one year represent government bonds, state enterprise, Bank of Thailand bonds, foreign financial institution bonds and debentures which have yields of 3.04% - 4.38% per annum (2006: 4.90% - 5.44% per annum). The aggregated market value as at 31 December 2007 was Baht 607 million (2006: Baht 305 million).

Other debt instruments represent treasury bills and debentures (Zero coupon) which have yields of 2.75% - 4.14% per annum (2006: 4.78% - 4.97% per annum). The aggregated market value as at 31 December 2007 was Baht 809 million (2006: Baht 579 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 SET's regulations: deposits at financial institutions, and investments policy as described in Note 23 - Financial instruments. The investments in private funds are presented under short-term investments. In 2007, the rates of return on private funds are 4.32% - 10.40% per annum (2006: 2.62% - 5.12% per annum).

5. Accounts receivable and accrued income, net

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Accounts receivable	55,966	66,179	22,781	17,202
Less Allowances for doubtful accounts	(19,652)	(20,157)	(9,027)	(9,484)
	36,314	46,022	13,754	7,718
Add Accrued income	120,440	118,172	147,628	76,468
	156,754	164,194	161,382	84,186

Outstanding accounts receivable can be analysed as follows:

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Less than 3 months	35,392	44,913	13,751	7,718
3 - 6 months	859	804	3	5
6 - 12 months	-	281	-	-
Over 12 months	19,715	20,181	9,027	9,479
	55,966	66,179	22,781	17,202
Less Allowance for doubtful accounts	(19,652)	(20,157)	(9,027)	(9,484)
	36,314	46,022	13,754	7,718

As at 31 December 2007, SET ceased for revenue recognition of 6 accounts receivable with the overdue listing fees of Baht 5.90 million and Thailand Securities Depository Co., Ltd., a subsidiary, ceased for revenue recognition of 4 accounts receivable with the overdue registrar fees of Baht 7.12 million. These receivables were not included in the above outstanding accounts receivable.

SET has no significant concentrations of credit risks other than receivables from related accounts receivable, which represents 18% of total accounts receivable in SET's financial statements. SET's management believe that the amount of allowance for doubtful accounts provided for is sufficient to deal with existing credit risks.

6. Other current assets

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Cash guarantee under the lease obligation (Note 22)	68,946	68,946	68,946	68,946
Prepaid expenses	40,731	59,844	46,667	80,875
Loans to employees	28,857	30,231	19,061	20,068
Cash collateral for clearing and settlement and dividend payable to holders	21,387	4,735	-	-
VAT receivable	18,701	31,171	17,170	30,855
Restricted cash at bank (Note 20.1)	4,618	1,990	-	-
Others	18,162	16,760	8,092	9,996
	201,402	213,677	159,936	210,740

7. Investments in subsidiaries and associate

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	Restated 2006
Opening net book amount	151,466	147,530	644,591	644,591
Add Share of net profit	9,368	3,936	-	-
Closing net book amount	160,834	151,466	644,591	644,591

The principal subsidiaries and associate are:

i) Subsidiaries directly held by SET

(Unit : Thousand Baht)

	Business	Country of incorporation	% Ownership interest	
			2007	2006
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.	Futures 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.)

(Unit : Thousand Baht)

	Business	Country of incorporation	% Ownership interest	
			2007	2006
Thailand Clearing House Co., Ltd.	Clearing House and related services for futures	Thailand	99.99	99.99

iii) Associate

(Unit : Thousand Baht)

	Business	Country of incorporation	% Ownership interest	
			2007	2006
Clearing Fund	Fund	Thailand	23.26	25.94

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 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							
	Paid-up capital		% Ownership interest		Cost method		Equity method	
	2007	2006	2007	2006	2007	2006	2007	2006
Clearing Fund	651,068	568,771	23.26	25.94	100,000	100,000	160,834	151,466

(Unit : Thousand Baht)

	SET					
	% Ownership interest		Book value at Cost		Dividends	
	2007	2006	2007	Restated 2006	2007	2006
Subsidiaries	99.99	99.99	200,000	200,000	40,000	-
Thailand Securities Depository Co., Ltd.						
SETTRADE.COM Co., Ltd.	99.99	99.99	74,591	74,591	-	-
Family Know-how Co., Ltd.	99.99	99.99	50,000	50,000	-	-
Thailand Futures Exchange Public Co., Ltd.	99.99	99.99	100,000	100,000	-	-
Thai Trust Fund Management Co., Ltd.	99.99	99.99	100,000	100,000	2,000	-
Thai NVDR Co., Ltd.	99.99	99.99	10,000	10,000	-	-
Siam DR Co., Ltd.	99.99	99.99	10,000	10,000	-	-
Associate						
Clearing Fund	23.26	25.94	100,000	100,000	-	-
			644,591	644,591	42,000	-

8. Long-term investments

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Opening net book amount	6,695,487	7,719,282	6,649,051	7,641,591
Disposals	(441,146)	(351,638)	(408,124)	(319,977)
Unrealised gain (loss) on available-for-sale securities	541,657	(672,157)	541,071	(672,563)
Closing net book amount	6,795,998	6,695,487	6,781,998	6,649,051

As at 31 December 2007, long-term investments are as follows:

(Unit : Thousand Baht)

	Consolidated			
	Available for sale	Held to maturity	General investments	Total
Fixed deposit accounts	-	-	4,000	4,000
Other debt instruments	-	-	30,000	30,000
Cash at banks by M.O.U.	-	-	339,906	339,906
Investment in specific-purpose funds	-	-	185,378	185,378
Equity securities	-	-	62,336	62,336
Investments in mutual funds				
General mutual funds	4,634,634	-	-	4,634,634
Foreign investment funds	501,424	-	-	501,424
Property funds	276,913	-	-	276,913
Bonds and debentures	-	761,407	-	761,407
	5,412,971	761,407	621,620	6,795,998

(Unit : Thousand Baht)

	SET			
	Available for sale	Held to maturity	General investments	Total
Fixed deposit accounts	-	-	-	-
Other debt instruments	-	-	30,000	30,000
Cash at banks by M.O.U.	-	-	339,906	339,906
Investment in specific-purpose funds	-	-	185,378	185,378
Equity securities	-	-	62,336	62,336
Investments in mutual funds				
General mutual funds	4,634,634	-	-	4,634,634
Foreign investment funds	501,424	-	-	501,424
Property funds	276,913	-	-	276,913
Bonds and debentures	-	751,407	-	751,407
	5,412,971	751,407	617,620	6,781,998

As at 31 December 2006, long-term investments are as follows:

(Unit : Thousand Baht)

	Consolidated			
	Available for sale	Held to maturity	General investments	Total
Fixed deposit accounts	-	-	21,000	21,000
Other debt instruments	-	-	130,000	130,000
Cash at banks by M.O.U.	-	-	265,314	265,314
Investment in specific-purpose funds	-	-	200,000	200,000
Equity securities	-	-	62,336	62,336
Investments in mutual funds				
General mutual funds	4,253,237	-	-	4,253,237
Foreign investment funds	303,820	-	-	303,820
Money market funds	19,870	-	-	19,870
Property funds	221,424	-	-	221,424
Bonds and debentures	-	1,218,486	-	1,218,486
	4,798,351	1,218,486	678,650	6,695,487

(Unit : Thousand Baht)

	SET			
	Available for sale	Held to maturity	General investments	Total
Fixed deposit accounts	-	-	15,000	15,000
Other debt instruments	-	-	130,000	130,000
Cash at banks by M.O.U.	-	-	265,314	265,314
Investment in specific-purpose funds	-	-	200,000	200,000
Equity securities	-	-	62,336	62,336
Investments in mutual funds				
General mutual funds	4,253,237	-	-	4,253,237
Foreign investment funds	303,820	-	-	303,820
Money market funds	9,935	-	-	9,935
Property funds	221,424	-	-	221,424
Bonds and debentures	-	1,187,985	-	1,187,985
	4,788,416	1,187,985	672,650	6,649,051

Fixed deposit accounts represent fixed deposit at banks which have maturity over 1 year and interest rates of 4.50% - 4.88% per annum (2006: 5.25% - 5.50% per annum).

Other debt instruments represent promissory notes and bills of exchange issued by financial institution which have maturity within 6 years and interest rates of 5.50% per annum (2006: 5.50% per annum).

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

Investment in specific-purpose fund represents investment in 2 open-ended venture capital funds (2006: 1 fund) This investment is carried at cost under generally accepted accounting principles due to the redemption restriction during the first 5 years. Detail are as follows:

1. In 2005, 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.

2. In 2007, non-retail fund which mainly invests directly in energy, alternative and renewable energy firms and businesses that support the government's policies on energy. The fund has automatic redemption since the sixth year (2013) when the fund dispose its assets and no further re-investment.

The fair value and unrealised gain (loss) from investments in specific-purpose fund are as follows:

(Unit : Thousand Baht)

	Consolidated and SET							
	Funds		Cost		Fair value		Unrealised gain (loss)	
	2007	2006	2007	2006	2007	2006	2007	2006
Investment in specific - purpose fund	2	1	185,378	200,000	185,105	204,399	(273)	4,399

Equity securities comprise:

(Unit : Thousand Baht)

	Paid-up capital	% Ownership interest		Consolidated and SET	
		2007	2006	2007	2006
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 (2006: 32 funds), which have the policy to emphasize the investments in equity securities of listed companies.

Investments in foreign investment funds represent investments in 11 open-ended funds (2006: 8 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 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.

Investments in property funds represent 8 closed-end mutual funds (2006: 6 funds). Those funds are established for acquiring, leasing and transferring of properties and/or their leasehold right and providing for income-generating properties. All those 6 property funds' units are listed and traded in The Stock Exchange of Thailand.

Bonds and debentures represent government bonds, state enterprise bonds, Bank of Thailand bonds, Foreign financial institution bonds and debentures which have maturity within 2 - 10 years, coupon rates of 3.87% - 6.30% per annum (2006: 2.43% - 6.30% per annum) and yields of 3.45% - 4.91% per annum (2006: 4.94% - 5.78% per annum). The aggregated market value at 31 December 2007 was Baht 808 million (2006: Baht 1,246 million).

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

(Unit : Thousand Baht)

	Consolidated					
	Amortised cost - net		Fair value		Unrealised gain (loss)	
	2007	2006	2007	2006	2007	2006
Government bonds	686,407	829,357	732,227	857,832	45,820	28,475
State enterprise bonds	99,722	98,227	100,559	98,425	837	198
Bank of Thailand bonds	345,833	300,098	346,862	300,931	1,029	833
Foreign financial institution bonds	40,000	40,000	39,482	38,161	(518)	(1,839)
Debentures	194,668	258,001	195,566	255,527	898	(2,474)
Less Current portion (Note 4)	(605,223)	(307,197)	(607,145)	(305,248)	(1,922)	1,949
	761,407	1,218,486	807,551	1,245,628	46,144	27,142

(Unit : Thousand Baht)

	SET					
	Amortised cost - net		Fair value		Unrealised gain (loss)	
	2007	2006	2007	2006	2007	2006
Government bonds	686,407	817,203	732,227	845,793	45,820	28,590
State enterprise bonds	99,722	98,227	100,559	98,425	837	198
Bank of Thailand bonds	308,593	300,098	309,597	300,931	1,004	833
Foreign financial institution bonds	30,000	30,000	29,611	28,621	(389)	(1,379)
Debentures	174,168	236,500	175,060	234,492	892	(2,008)
Less Current portion (Note 4)	(547,483)	(294,043)	(549,374)	(292,224)	(1,891)	1,819
	751,407	1,187,985	797,680	1,216,038	46,273	28,053

9. Property and equipment, net

(Unit : Thousand Baht)

	Consolidated					
	Land & land improvements	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2006						
Cost	1,536,706	2,052	1,264,839	1,521,888	15,994	4,341,479
Less 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
Year ended 31 December 2007						
Opening net book amount	1,536,706	2,052	1,020,856	423,732	12,188	2,995,534
Additions	450,319	9	47,251	157,901	385	655,865
Adjustments	-	17,748	1,342	(19,715)	-	(625)
Disposals	-	-	-	(755)	(385)	(1,140)
Depreciation charge	(55)	-	(58,057)	(141,409)	(3,200)	(202,721)
Closing net book amount	1,986,970	19,809	1,011,392	419,754	8,988	3,446,913

(Unit : Thousand Baht)

	Consolidated					
	Land & land improvements	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2007						
Cost	1,987,025	19,809	1,313,432	1,651,305	15,994	4,987,565
Less Accumulated depreciation	(55)	-	(302,040)	(1,231,551)	(7,006)	(1,540,652)
Net book amount	1,986,970	19,809	1,011,392	419,754	8,988	3,446,913

At 31 December 2007, the gross carrying amount of fully depreciated property and equipment of SET and its subsidiaries that are still in use amounting to Baht 675.02 million (2006: Baht 614.13 million).

(Unit : Thousand Baht)

	SET					
	Land & land improvements	Work in process	Buildings & building improvements	Furniture fixtures & office equipment	Motor vehicles	Total
As at 31 December 2006						
Cost	1,536,706	2,052	1,261,261	1,319,304	15,994	4,135,317
Less 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
Year ended 31 December 2007						
Opening net book amount	1,536,706	2,052	1,018,432	353,190	12,188	2,922,568
Additions	450,319	9	46,100	143,999	385	640,812
Adjustments	-	17,748	1,342	(19,715)	-	(625)
Disposals	-	-	-	(144)	(385)	(529)
Depreciation charge	(55)	-	(57,644)	(116,402)	(3,200)	(177,301)
Closing net book amount	1,986,970	19,809	1,008,230	360,928	8,988	3,384,925
As at 31 December 2007						
Cost	1,987,025	19,809	1,308,703	1,436,830	15,994	4,768,361
Less Accumulated depreciation	(55)	-	(300,473)	(1,075,902)	(7,006)	(1,383,436)
Net book amount	1,986,970	19,809	1,008,230	360,928	8,988	3,384,925

At 31 December 2007, the gross carrying amount of fully depreciated property and equipment of SET that are still in use amounting to Baht 583.67 million (2006: Baht 537.32 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, SET has the right to use the buildings over a period of 30 years as described in Note 22: Long-term land lease contingency.

10. Intangible assets, net

(Unit : Thousand Baht)

	Consolidated			
	Work in process	Software	Patent and operating rights	Total
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
Year ended 31 December 2007				
Opening net book amount	150,407	281,652	14,032	446,091
Additions	39,163	152,376	-	191,539
Transfers	(71,264)	71,264	-	-
Amortisation charge	-	(81,192)	(1,623)	(82,815)
Closing net book amount	118,306	424,100	12,409	554,815
As at 31 December 2007				
Cost	118,306	765,783	16,231	900,320
Less Accumulated amortisation	-	(341,683)	(3,822)	(345,505)
Net book amount	118,306	424,100	12,409	554,815

At 31 December 2007, the gross carrying amount of fully amortised intangible assets of SET and its subsidiaries that are still in use amounting to Baht 171.80 million (2006: Baht 115.80 million).

(Unit : Thousand Baht)

	SET			
	Work in process	Software	Patent and operating rights	Total
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
Year ended 31 December 2007				
Opening net book amount	149,606	230,184	12,432	392,222
Additions	37,882	147,548	-	185,430
Transfers	(70,464)	70,464	-	-
Amortisation charge	-	(68,374)	(1,423)	(69,797)
Closing net book amount	117,024	379,822	11,009	507,855
As at 31 December 2007				
Cost	117,024	646,383	14,231	777,638
Less Accumulated amortisation	-	(266,561)	(3,222)	(269,783)
Net book amount	117,024	379,822	11,009	507,855

At 31 December 2007, the gross carrying amount of fully amortised intangible assets of SET that are still in use amounting to Baht 116.59 million (2006: Baht 66.03 million).

Work in process principally comprise direct expenses of several developing projects which are Member Back Office Services Bureau system, trading system, depository system and clearing and settlement system.

11. Margin Funds on derivatives market

Thailand Clearing House Company Limited (TCH) is the clearing house for derivatives market. Members of TCH 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 2007, the margins placed by members amounting to Baht 1,394.01 million (2006: Baht 674.83 million) were deposited in saving accounts and fixed deposit accounts not more than 1 year and the accrued benefits on the margins were Baht 6.10 million (2006: Baht 0.19 million). Therefore, the margin deposits and benefits payable were totally Baht 1,400.11 million (2006: Baht 675.02 million).

12. 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:

12.1 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 shall return benefits derived from those Security Deposit, after deducting management fee, to members in accordance with the rules, procedures and conditions prescribed by TCH. Security Deposit will be refunded to members when membership is terminated.

12.2 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 2007 and 2006, assets for the clearing system protection of derivatives market comprise:

(Unit : Thousand Baht)

	Consolidated					
	Security Deposit		Clearing Fund		Total	
	2007	2006	2007	2006	2007	2006
Cash and cash equivalents	185,166	6	4	9	185,170	15
Investments managed by private funds						
Savings accounts	449	105	420	338	869	443
Other debt instruments	65,467	-	55,467	23,000	120,934	23,000
Trading securities	59,000	115,861	187,743	198,322	246,743	314,183
	310,082	115,972	243,634	221,669	553,716	337,641
Accrued interest receivables	2,753	1,046	3,962	2,448	6,715	3,494
Other assets	67	2	1,791	44	1,858	46
Total	312,902	117,020	249,387	224,161	562,289	341,181

Assets for the clearing system protection and benefits payable, which contributions are from the members, comprise:

(Unit : Thousand Baht)

	Consolidated	
	2007	2006
Security Deposit and benefits		
Contributions	310,000	115,000
Benefits (refunded to members every 6 month)	2,902	2,020
	312,902	117,020
Clearing Fund and benefits		
Contributions	130,611	115,170
Benefits	8,420	3,008
	139,031	118,178
Total	451,933	235,198

13. Fund balances

Fund balances comprise:

13.1 Securities Clearing Reserve Fund

In 1997, the Board of Governors of SET approved an appropriation of general fund of Baht 2 billion to be 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 SET.

13.2 Clearing and Settlement of Derivatives Market Reserve Fund

In 2004, the Board of Governors of SET approved an appropriation of general fund of Baht 300 million to be 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.

13.3 Indemnity Fund

In 1993 and 2002, the Board of Governors of SET approved an appropriation of general fund of Baht 100 million to be 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.

13.4 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 of SET for the construction of 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 transfers possession from the landlord who has been negotiating with the original lessee.

13.5 Staff Welfare Fund

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

13.6 Securities Investor Protection Fund

In 2004, the Board of Governors of SET 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 SET through the members of SIPF. As at 31 December 2007, the number of SIPF members was 33 (2006: 33).

The assets of SIPF comprises:

1. the initial fund from 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 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 SET's financial statements are as follows:

SIPF balance sheets as at 31 December comprise:

(Unit : Thousand Baht)

	Consolidated	
	2007	2006
Assets		
Current assets		
Cash and investments	367,388	266,414
Contributions due from members	2,346	2,719
Accrued interest receivables	2,900	5,233
Total current assets	372,634	274,366
Non-current asset		
Long-term investments	70,777	117,157
Total assets	443,411	391,523
Liabilities and fund balances		
Non-current liabilities		
Contributions from members	101,444	66,693
Benefits on contributions from members	6,037	2,616
Total non-current liabilities	107,481	69,309
Fund balances		
Initial fund	300,000	300,000
Fund balances	35,930	22,214
Total fund balances	335,930	322,214
Total liabilities and fund balances	443,411	391,523

SIPF statements of revenues and expenses for the year ended 31 December 2007 and 2006 are presented in Note 14: Results of funds operation.

13.7 SET's 30th Anniversary Charity Fund

In 2004, the Board of Governors of SET approved an appropriation of Baht 100 million to establish a charity fund on the occasion of 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.

14. Results of funds operation

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

(Unit : Thousand Baht)

	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	SET's 30th Anniversary Charity Fund	General Fund	Total
For the year ended 31 December 2007					
Revenues					
Fees and service revenues	-	-	-	1,605,830	1,605,830
Investment income, net	2,825	13,412	-	1,031,959	1,048,196
Other revenues	-	-	-	412,300	412,300
Total revenues	2,825	13,412	-	3,050,089	3,066,326
Expenses					
Operating expenses	-	35	-	2,908,685	2,908,720
Donation and social contribution	-	-	1,348	48,112	49,460
Income tax	-	-	-	38,212	38,212
Total expenses	-	35	1,348	2,995,009	2,996,392
Excess (under) of revenues over expenses	2,825	13,377	(1,348)	55,080	69,934
For the year ended 31 December 2006					
Revenues					
Fees and service revenues	-	-	-	1,411,497	1,411,497
Investment income, net	3,490	13,568	-	975,093	992,151
Other revenues	-	-	-	382,805	382,805
Total revenues	3,490	13,568	-	2,769,395	2,786,453
Expenses					
Operating expenses	-	45	-	2,608,566	2,608,611
Donation and social contribution	-	-	17,829	382,858	400,687
Income tax	-	-	-	39,211	39,211
Total expenses	-	45	17,829	3,030,635	3,048,509
Excess (under) of revenues over expenses	3,490	13,523	(17,829)	(261,240)	(262,056)

14. Results of funds operation (Cont'd)

(Unit : Thousand Baht)

	SET				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	SET's 30th Anniversary Charity Fund	General Fund	Total
For the year ended 31 December 2007					
Revenues					
Fees and service revenues	-	-	-	1,139,909	1,139,909
Investment income, net	2,825	13,412	-	1,031,266	1,047,503
Other revenues	-	-	-	144,545	144,545
Total revenues	2,825	13,412	-	2,315,720	2,331,957
Expenses					
Operating expenses	-	35	-	2,275,362	2,275,397
Donation and social contribution	-	-	1,348	45,439	46,787
Total expenses	-	35	1,348	2,320,801	2,322,184
Excess (under) of revenues over expenses	2,825	13,377	(1,348)	(5,081)	9,773
For the year ended 31 December 2006					
Revenues					
Fees and service revenues	-	-	-	991,654	991,654
Investment income, net	3,490	13,568	-	945,751	962,809
Other revenues	-	-	-	140,246	140,246
Total revenues	3,490	13,568	-	2,077,651	2,094,709
Expenses					
Operating expenses	-	45	-	2,029,524	2,029,569
Donation and social contribution	-	-	17,829	380,099	397,928
Total expenses	-	45	17,829	2,409,623	2,427,497
Excess (under) of revenues over expenses	3,490	13,523	(17,829)	(331,972)	(332,788)

15. Investment income, net

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Interest income	297,561	330,030	233,709	294,883
Less Interest expenses				
- Borrowings from subsidiaries (Note 21 iv.)	-	-	(8,721)	(5,554)
- Assets for the clearing system - members' portion	(39,202)	(10,063)	-	-
- Others	(962)	-	(962)	-
Interest income, net	257,397	319,967	224,026	289,329
Dividend income from				
- Subsidiaries (Note 7)	-	-	42,000	-
- Others entities	9,785	6,669	9,785	6,669
- Mutual funds	377,361	208,690	377,160	208,690
Realised gain from investments	372,889	438,317	372,102	438,190
Unrealised gain from investments	17,352	4,940	9,018	6,363
Investment income, net	1,034,784	978,583	1,034,091	949,241

16. Other revenues

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Service and advertising production revenues	90,817	113,113	-	-
Information service revenues	77,149	72,577	64,490	61,410
Revenues from clearing settlement	73,526	27,898	-	-
Broker operation services revenues	33,933	34,650	-	-
Revenues from Thailand Securities Institute	32,633	42,159	32,633	42,159
Customisation fee	20,420	14,812	-	-
Clearing and settlement default fines	11,504	22,118	-	-
Member fines	8,095	18,645	8,095	18,645
Other revenues	54,855	32,897	39,327	18,032
Total	402,932	378,869	144,545	140,246

17. Office building expenses

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Land lease expense (Note 22)	290,583	-	290,583	-
Other office building expenses	86,618	87,476	85,335	85,441
Total	377,201	87,476	375,918	85,441

18. Contributions to the office of the Securities and Exchange Commission (SEC)

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

During 2003 to 2005, the Board of SEC required SET to contribute to 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 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.

19. Other expenses

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Repair and maintenance expenses	91,414	85,431	108,810	88,881
Fees to external parties	85,386	69,729	139,696	211,688
Contribution to capital market institutions	34,074	31,891	37,916	42,369
Stationery and registrar forms	30,585	29,642	8,820	7,713
Commercial training & seminar of capital market education	18,419	24,495	18,442	25,627
Other expenses	140,046	149,200	92,900	95,848
Total	399,924	390,388	406,584	472,126

20. Contingent liabilities and commitments

20.1 Contingent liabilities

i) SET

As at 31 December 2007, SET had letters of guarantee issued by banks of Baht 3.89 million (2006: 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.

SET has issued a 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 (2006: Baht 1,500 million). Under the terms of the letter of comfort, SET is required to maintain 99.99% of the registered share capital in TSD to the end of the credit period. In addition, SET is required to support TSD's operation to ensure its ability to repay the debts to the bank. As at 31 December 2007, the overdraft credit line had not yet been drawn down.

ii) Subsidiaries

Thailand Securities Depository Co., Ltd. (TSD), a subsidiary has issued a 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 (2006: Baht 200 million). Under the terms of the letter of comfort, TSD is required to maintain 99.99% of the registered share capital in TCH as long as TCH has liabilities with the bank. As at 31 December 2007, the overdraft credit line had not yet been drawn down.

Family Know-how Co., Ltd. had letters of guarantee issued by banks of Baht 4.54 million (2006: Baht 1.99 million) in respect of television airtime cost that were guaranteed by the fixed deposit account (Note 6).

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

20.2 Operating lease

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

(Unit : Thousand Baht)

	Consolidated		SET	
	2007	2006	2007	2006
Up to 1 year	14,514	12,022	10,472	9,732
1 - 3 years	22,359	17,293	15,995	15,589
3 - 5 years	2,153	4,503	1,466	4,503
	39,026	33,818	27,933	29,824

In addition, SET and its subsidiaries had the approximate commitments of Baht 20 million (2006: Baht 180 million) in respect of systems development projects, computer and building improvements of SET building.

20.3 Bank guarantees

As at December 2007, SET and its subsidiaries obtain letters of bank guarantees of approximately Baht 106 million (2006: Baht 150 million) according to the agreements with third parties in respect of consultancy, design and construction of SET building and the new information center at North Park on Viphavadi Rangsit road, Bangkok.

21. 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, SET, including subsidiaries and fellow subsidiaries are related parties of SET. Associates and individuals owning, directly or indirectly, an interest in the voting power of SET that gives them significant influence over the enterprise, key management personnel, including directors and officers of 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) Sales of services

(Unit : Thousand Baht)

	SET	
	2007	2006
Subsidiaries		
Thailand Securities Depository Co., Ltd.	340,411	312,915
Thailand Futures Exchange Public Co., Ltd.	44,595	321
SETTRADE.COM Co., Ltd.	23,782	6,602
Thai Trust Fund Management Co., Ltd.	6,000	5,500
Family Know-how Co., Ltd.	5,339	5,587
	420,127	330,925

Pricing policy

SET charges services rendered to subsidiaries according to agreed rates.

ii) Purchases of services

(Unit : Thousand Baht)

	SET	
	2007	2006
Subsidiaries		
Family Know-how Co., Ltd.	143,459	224,158
SETTRADE.COM Co., Ltd.	44,412	54,530
Thai NVDR Co., Ltd.	1,500	1,500
Thailand Securities Depository Co., Ltd.	118	44
	189,489	280,232

Pricing policy

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

iii) Outstanding balances arising from purchases/sales of services

(Unit : Thousand Baht)

	SET	
	2007	2006
Receivables, accrued income and other assets from:		
Subsidiaries:		
Thailand Securities Depository Co., Ltd.	50,945	40,965
Thailand Futures Exchange Public Co., Ltd.	45,679	127
SETTRADE.COM Co., Ltd.	24,765	11,398
Family Know-how Co., Ltd.	7,639	12,681
Thai Trust Fund Management Co., Ltd.	1,284	-
	130,312	65,171
Payables, accrued expenses and other liabilities to:		
Subsidiaries:		
Family Know-how Co., Ltd.	15,906	22,156
SETTRADE.COM Co., Ltd.	8,148	7,000
Thailand Securities Depository Co., Ltd.	5,814	5,737
Thailand Futures Exchange Public Co., Ltd.	1,004	-
	30,872	34,893

iv) Borrowings from subsidiaries and interest expenses

In 2006, SET and its subsidiaries have a policy to centralise the investments of the Group and managed by SET in order to increase the efficiency and enhance the overall returns. SET will borrow from its subsidiaries in the form of promissory notes which have maturity within 1 year with interest rate that referred to the deposit rate of financial institutions. The interest rate of 2007 is 4.00% per annum (2006: 3.25% - 4.50% per annum). SET records interest expenses as part of net investment income (Note 15) in the statement of revenues and expenses.

Borrowings from subsidiaries and interest expenses are as follows:

(Unit : Thousand Baht)

	SET	
	2007	2006
Borrowings from subsidiaries		
Thailand Futures Exchange Public Co., Ltd.	110,000	87,000
Thai Trust Fund Management Co., Ltd.	93,450	93,450
Thai NVDR Co., Ltd.	9,200	9,180
Siam DR Co., Ltd.	9,200	8,800
	221,850	198,430
Interest expenses		
Thailand Futures Exchange Public Co., Ltd.	4,247	2,101
Thai Trust Fund Management Co., Ltd.	3,738	2,903
Thai NVDR Co., Ltd.	368	277
Siam DR Co., Ltd.	368	273
	8,721	5,554

v) Contributions to subsidiary

In 2007, SET contributed Baht 1.92 million to Family Know-how Co., Ltd. to support its business operation (2006: Baht 8.08 million).

vi) Contributions for The Stock Exchange of Thailand Foundation (SOF)

In 2006, the Board of Governors of SET approved for the establishment of The Stock Exchange of

Thailand Foundation (SOF) and the Board of Governors of SET will be appointed as member of the Board of SOF.

SOF was registered and incorporated on 9 August 2006 with the objective of conducting activities for the development of society, communities and the environment. SOF's activities focus on developing a vigorous Thai society and communities in order to prevent and resolve problems relating to addictive drugs and other problems from Thai youth and Thai society . In addition, the activities support projects and programmes relating to education.

In 2007, SET contributed Baht 4.89 million to SOF to support its social activities (2006: SET contributed an initial fund for the establishment of Baht 1 million and for its social activities of Baht 146.28 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 2007 approximated Baht 28.95 million (2006: Baht 28.27 million).

The management's remuneration, which represented salary and other benefits of high level management of SET and subsidiaries for the year 2007 approximated Baht 144.29 million (2006: Baht 152.16 million).

22. Long-term land lease contingency

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

This company has been suffering financial difficulties and has been unable to pay the lease charges since 1994 totalling approximately Baht 314.08 million. The lessor is in the process of enforcement through litigation against the company under the Civil Court. In 2004, the Civil Court ordered the company to pay the outstanding lease charges for 1994 to 2001 amounting to Baht 132.84 million and interest of 7.50% per annum to the lessor. In 2005, the company appealed to the Appeal Court and the case is in the process of court judgement.

In 2006, SET and the company were sued by the lessor for the unpaid lease amount for the years 1994 to 2005 and related interest totalling amount of 344.00 million. In addition, SET was sued by the lessor who requested that SET move the assets placed on the area not covered by the lease contract and to pay additional compensation amounting to Baht 220.00 million. As at 31 December 2007, these cases are in the process of court judgement.

In 2007, SET was in the process of negotiation with the lessor. As at 31 December 2007, the unpaid lease amount has been recorded as land lease expense in the statement of revenues and expenses at the amount of Baht 290.58 million and recorded as part of other current assets in the balance sheet at the amount of Baht 5.05 million. Altogether, the liability in the balance sheet as part of accounts payable and accrued expenses totalled Baht 295.63 million.

In 2005, SET claimed the property (cash) amounting to Baht 68.94 million deposited as guarantee under the lease obligation from the Central Office of Deposit of Property. The deposited property (cash) was recorded as an assets in the balance sheet. As at 31 December 2007, the matter was still under discussion with the company.

23. Financial instruments

i) Key objectives and conditions

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

ii) Credit risk from investments and deposits

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

ii) Credit risk from investments and deposits (Cont'd)

Investment policies of 2007 and 2006 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 2007, the Board of Governors of SET approved two more types of investments which were property funds and foreign investment funds are as follow:

1. Investments in property funds should not exceed 10% of project value amounting not exceed 5% of total investments (2006: amounting not exceed Baht 500 million or not exceed 3.5% of total investments).

2. Investments in foreign investment funds should not exceed 5% of total investments in the first half year and 17% of total investments in the second half year (2006: not exceed 10% of approved amount by the Board of Governors in amounting not exceed Baht 400 million or not exceed 3% 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 Note 4 and 8 respectively.

Market for Alternative Investment

Chanitr Charnchainarong
President

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Facsimile : (66) 2654-5596
E-mail : info@mai.or.th
Website : www.mai.or.th

Our Vision

We strive to be the right and efficient exchange creating value for high potential, innovative and ventured companies in ASEAN.

Our Core Value = F-A-N-Z-I

- Focus - We focus on creating value for our listed companies
- Accountable - We are accountable towards our stakeholders
- Networking - We believe in providing business networking for our listed companies
- Zealous - We zealously engage in all of our activities
- Innovative - Innovative approach is our differentiation to accommodating our listed companies

mai Advisory Committee

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

(As of March 1, 2008)

Bond Electronic Exchange

Santi Kiranand, Ph.D.
Chief Executive Officer

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

Vision

To be an internationally recognized national bond market, performing essential roles in national development.

Mission

To be the national center for bond trading and satisfy investors' needs by providing a world-class trading platform and rich information, aiming at the Thai bond market liquidity.

Operations

- Operate as the secondary market for bond trading in Thailand, using state-of-the-art technology and a transparent transaction system.
- Continually develop innovative bond market infrastructure.
- Provide bond investment education for investors and market participants through seminars, exhibitions and print and electronic media.

Advisors

Name		Position
Bandid	Nijathaworn, Ph.D.	Advisor
Pakorn	Malakul Na Ayudhya	Advisor
Pannee	Sathavrodom	Advisor
Pongpanu	Svetarundra	Advisor
Vijit	Supinit	Advisor

(As of March 1, 2008)

Thailand Futures Exchange PCL

Office : 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

Vision

Be a liquid derivative exchange offering a full range of products coverage, following international best practices.

Mission

To be a leading derivative exchange in ASEAN.

Operations

TFEX is a central marketplace for derivative trading in Thailand, under the supervision of the Securities and Exchange Commission (SEC). TFEX currently offers products based on the SET50 Index, the SET50 Index Futures and Options. Trading can be done via its 25 members.

Board of Directors

Name		Position
Pakorn	Malakul Na Ayudhya	Chairman
Patareeya	Benjapolchai	Vice Chairman
Anya	Khanthavit, Ph.D.	Director
Charamporn	Jotikasthira	Director
Kampanart	Lohacharoenvanich	Director
Nongram	Wongwanich	Director
Patcharawalai	Jayapani, DBA	Director
Pattera	Dilokrungthirapop	Director
Somjin	Sornpaisarn, DBA, CFA	Director
Sopawadee	Lertmanaschai	Director
Kesara	Manchusree	Managing Director

(As of March 1, 2008)

Sopawadee Lertmanaschai
Chief Executive Officer

Thailand Securities Depository Co., Ltd.

Office : 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

Kongkeaw Piamduaytham
Senior Vice President - Depository & Clearing Division

Pannaporn Sapsomboon
Senior Vice President - Business Development & Information Division

Udomwara Dechsongjarus
Senior Vice President - Registration & Services Division

Busaba Viruchagool
Vice President - Fund Operation Services Department

Pataravasee *Suvarnsorn*
Vice President - Clearing House Department

Somchai Oksue
Vice President - Depository Center Department

Nantirat Chavalitlekha
Vice President - Broker Operation Services Department

Pongpiti Ektheinchai
Vice President - Business Solutions Department

Yupawan Sirichainarumitr
Vice President - Registration Services Department

Vision

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

Mission

We are committed to strengthening post-trade business and infrastructure with efficient, highly professional procedures that meet international standards and exceed our customers' expectations.

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
Pakorn	Malakul Na Ayudhya	Chairman
Patareeya	Benjapolchai	Vice Chairman
Bandid	Nijathaworn, Ph.D.	Director
Boonkiet	Chokwatana, Ph.D.	Director
Jaroong	Nookhwun	Director
Kanissorn	Navanugraha	Director
Nongram	Wongwanich	Director
Pakhawat	Kovitwattanapong	Director
Pattera	Dilokrungthirapop	Director
Pichit	Akrathit, Ph.D.	Director
Sopawadee	Lertmanaschai	Chief Executive Officer

(As of March 1, 2008)

Thai Trust Fund Management Co., Ltd.

Kongkeaw Piamduaytham
Managing Director
Thai Trust Fund Management Co., Ltd.
Thai NVDR Co., Ltd.
Siam DR Co., Ltd.
Thailand Clearing House Co., Ltd.

Office : 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 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
Patareeya Benjapolchai	Chairman
Sopawadee Lertmanaschai	Director
Suthichai Chitvanich	Director
Kongkeaw Piamduaytham	Managing Director

(As of March 1, 2008)

บริษัท ไทยเอ็นวีดีอาร์ จำกัด
THAI NVDR CO., LTD.

Thai NVDR Co., Ltd.

Office : 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. 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
Patareeya Benjapolchai	Chairman
Nongram Wongwanich	Director
Sopawadee Lertmanaschai	Director
Suthichai Chitvanich	Director
Kongkeaw Piamduaytham	Managing Director

(As of March 1, 2008)

Siam DR Co., Ltd.

Office : 4th floor, The Stock Exchange of Thailand Building 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (66) 2229-2897-9
Facsimile : (66) 2359-1258

Operations

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

Board of Directors

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

(As of March 1, 2008)

Thailand Clearing House Co., Ltd.

Office : 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) is the central counterparty to all derivatives traded on the Thailand Futures Exchange PCL (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
Patareeya Benjapolchai	Chairman
Kesara Manchusree	Director
Nongram Wongwanich	Director
Punsak Vejanurug	Director
Sopawadee Lertmanaschai	Director
Kongkeaw Piamduaytham	Managing Director

(As of March 1, 2008)

Settrade.com Co., Ltd.

Office : 5th, 7th Floors, 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

Provide trustworthy and efficient trading systems and information dissemination with competent team and cost-effective world-class technology to increase the competitiveness and meet stakeholders' expectations.

Mission

To be the leading service provider of financial instrument trading system and information dissemination in the Asia-Pacific region.

Operations

Settrade.com Co., Ltd. (Settrade) is a subsidiary of The Stock Exchange of Thailand, providing the financial instruments trading platforms for the brokerage firms in order to facilitate additional trading channels for retail investors. It is also the official selling agent and 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
Khunying Jada Wattanasiritham	Chairman
Patareeya Benjapolchai	Vice Chairman
Chaiyoot Chamnanlertkit	Director
Morakot Kulthamyothin	Director
Pattera Dilokrungthirapop	Director
Vallobh Vimolvanich, Ph.D.	Director
Wichai Poolwaraluk	Director
Yarnsak Manomaiphiboon	Director
Chanisa Chutipat	Chief Executive Officer

(As of March 1, 2008)

Family Know-how Co., Ltd.

Ratchapol Laovanitch
President

Kanate Wangpaichitr
Vice President - Head of Strategic Marketing Group

Office : 6th floor, The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (66) 2229-2624
Facsimile : (66) 2654-5587, (66) 2654-5178
Website : www.moneychannel.co.th

Vision and Mission

To act as The Stock Exchange of Thailand (SET)'s media arm, disseminating information and educating the general public to expand the Thai capital market's investor base and stimulate participation in its activities.

Operations

- Promote and strengthen an investment culture in Thailand.
- Promote and develop financial and investment knowledge among the general public to expand the size and value of the capital market's investor base, as envisaged in the Thai Capital Market Master Plan.
- Publicize the activities and project a positive image internationally of the Thai investment environment and financial institutions.
- Promote the concept and practice of good governance.
- Use various media such as Money Channel Television and Money & Wealth magazine to achieve the company's aims.

Board of Directors

Name		Position
Vallobh	Vimolvanich, Ph.D.	Chairman
Patareeya	Benjapolchai	Vice Chairman
M.L. Pakakaew	Boonliang	Director
Pramoj	Rathavinij	Director
Sara	Lamsam	Director
Sauwanee	Thairungroj, Ph.D.	Director
Thep	Roongtanapirom	Director
Vicha	Poolvaraluck	Director
Wiboon	Perm-Arayawong	Director
Punsak	Vejanurug	Director and Chief Executive Officer
Ratchapol	Laovanitch	President

(As of March 1, 2008)

REGISTER OF SET MEMBER COMPANIES

No.	Company Name	Symbol
1*	Bualuang Securities Public Company Limited 191 Silom Complex Office Building, 29/F, Silom Road, 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) 2633-6999 Fax (66) 2633-6900 http://www.tiscosec.com	TSC
3	Adkinson Securities Public Company Limited 132 Sindhorn Building 1, 2/F, Wireless Road, Lumpinee, 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, Pathumwan, Bangkok 10330 Tel (66) 2627-3100 Fax (66) 2263-2043 http://www.ssec-online.com	SICSEC
6	Phatra Securities Public Company Limited 252/6 Muangthai-Phatra Office Tower1, 6, 8-11/F, Ratchadaphisek Road, Huaykwang, Bangkok 10310 Tel (66) 2693-2000 Fax (66) 2693-2388 http://www.phatrasecurities.com	PHATRA
7*	BT Securities Company Limited 44 Bankthai Building, 24-26/F,Soi Lang Suan, Ploenchit Road, 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, Tungmahamek, Sathorn, Bangkok 10120 Tel (66) 2285-1666, 285-1777 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 IV Road, Silom, Bangrak, Bangkok 10500 Tel (66) 2614-6000 Fax (66) 2614-6362 http://www.credit-suisse.com	CS
10	Merrill Lynch Securities (Thailand) Ltd. 87/2 CRC Tower, All Seasons Place, 20/F, unit number 4, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2685-3548-9 Fax (66) 2658-3544 http://www.ml.com	ML
11	Kasikorn Securities Public Company Limited 400/22 Kasikornbank Building, 19/F, Phaholyothin Road, Phayathai, Bangkok 10400 Tel (66) 2696-0000 Fax (66) 2696-0099 http://www.kasikornsecurities.com	KS
12	Siam City Securities Company Limited 999/9 The Offices at Centralworld 9/F,Rama1 Road, Pathumwan, Bangkok 10330 Tel (66) 2207-2888, 624-8888 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, Bangkok 10500 Tel (66) 2231-1111 Fax (66) 2231-1505 http://www.kgieworld.co.th	KGI
14*	Capital Nomura Securities Public Company Limited 21/3 Thai Wah Tower, Ground Floor, South Sathorn Road, Bangkok 10120 Tel (66) 2285-0060, Fax (66) 2285-0620, http://www.cns.co.th	CNS
15	ACLS Securities Company Limited 999/9 The Offices at Centralworld 18/F, Rama1 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

No.	Company Name	Symbol
18	KTB Securities Company Limited 999/9 The Offices at Centralworld, 16/F, Rama1 Road, Pathumwan, Bangkok 10330 Tel (66) 2264-5888 Fax (66) 2264-5891 http://www.ktbstoday.com	KTBS
19	Kiatnakin Securities Company Limited 500 Amarin Tower, 7/F, Ploenchit Road, Pathumwan, Bangkok 10330 Tel (66) 2680-2222 Fax (66) 2680-2233 http://www.kks.co.th	KKS
21	Merchant Partners Securities Limited 87/2 CRC Tower 40/F All Seasons Place, Wireless Road., Lumpini, 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, 25/F, Bangkok City Tower, 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 Bldg. Tower 3, 2,24-26/F, Wireless Road Lumpini, 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, Lumpini, 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 Building, 12/F, Unit 1-7, Wireless Road Lumpini, 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, 3/F Tower1,15, 15&19/F,Tower3, Wireless Road Lumpini, 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, 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, Rama1 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 Murcury Building, 17, 18/F, Ploenchit Road, Lumpini, 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, 38, 39/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2648-1111 Fax (66) 2648-1000 http://www.fes.co.th	FES
33	Finansa Securities Company Limited 48/45 Tisco Tower, 20/F, North Sathorn Road, Bangkok 10500 Tel (66) 2697-3800 Fax (66) 2638-0301 http://www.finansaonline.com	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, 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, 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, Rama1 Road, Pathumwan, Bangkok 10330 Tel (66) 2658-6300 Fax (66) 2658-6301 http://www.kimeng.co.th	KIMENG

No.	Company Name	Symbol
43	Cimb-GK Securities (Thailand) Company Limited Q.House Lumpini Building, 35/F, Unit 3502, 1 South Sathorn Road,Tungmahamek, Sathorn, Bangkok 10120 Tel (66) 2687-0888 Fax (66) 2677-7538 http://www.cimb.com.my	CIMB-GK
45	CLSA Securities (Thailand) Company Limited M Thai Tower, All Seasons Place 16/F Wireless Road Lumpini, 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	AIRA Securities Public Company Limited 2/4 Nai Lert Tower 2, 8/F, Wireless Road Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2684-8888 Fax (66) 2650-0250 http://www.aira.co.th	AIRA
49	UBS Securities (Thailand) Company Limited 93/1 Diethelm Witthayu Tower A, 2/F, Wireless Road, Pathumwan, Bangkok 10330 Tel (66) 2651-5700 Fax (66) 2651-5730 http://www.ubswarburg.com	UBS

* Member companies that could trade debt securities on BEX.

As of January 4, 2008

REGISTER OF TFEX MEMBER COMPANIES

No.	Company Name	Symbol
1	ACL Securities Co., Ltd. 999/9 The Offices at Centralworld, 18/F, Rama 1 Road, Pathumwan, Bangkok 10330 Tel (66) 2658-9000 Fax (66) 2658-9292 http://www.acls.co.th	ACLS
2	Asia Plus Securities Public Company Limited 175 Sathorn City Tower, 3/F, South Sathorn Road, Sathorn, Bangkok 10120 Tel (662) 285-1666 Fax (662) 285-1901 http://www.asiaplus.co.th	ASP
3	Ayudhya Derivatives Co., Ltd. 999/9 The Offices at Centralworld, 11/F, Rama 1 Road, Pathumwan, Bangkok 10330 Tel (66) 2689-4444 Fax (66) 2646-1103 http://www.ayd.co.th	AYD
4	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	BLS
5	BT Securities Co., Ltd. 44 Bank Thai Tower, 24-26/F, Soi Laungsuan, Ploenchit Road Lumpini, Patumwan, Bangkok 10330 Tel (66) 2657-9000 Fax (66) 2657-9111 http://www.btsecurities.com	BTSEC
6	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	CLSAT
7	Capital Nomura Securities Public Company Limited 21/3 Thai Wah Tower, 1/F, South Sathorn Road, Sathorn, Bangkok 10120 Tel (66) 2285-0060 Fax (66) 2658-9292 http://www.cns.co.th	CNS
8	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	CS
9	DBS Vickers Securities (Thailand) Co., Ltd. 989 Siam Tower, 14/F, Rama 1 Road, Pathumwan, Bangkok 10330 Tel (66) 2657-7000 Fax (66) 2657-7665 http://www.th-dbsvickers.com	DBSV
10	JPMorgan Securities (Thailand) Limited 20 Bupachit, North Sathorn Road, Silom, Bangrak, Bangkok 10120 Tel (66) 2684-2600 Fax (66) 2658-6301 http://www.jpmorgan.com	JPM
11	Kim Eng Securities (Thailand) Public Company Limited 999/9 The Offices at Centralworld, 20/F, Rama 1 Road, Pathumwan, Bangkok 10330 Tel (66) 2658-6300 Fax (66) 2254-4058 http://www.kimeng.co.th	KEST
12	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	KGI
13	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	KKS
14	Merchant Partners Securities Ltd. 87/2 CRC Tower, All Seasons Place, 40/F, Wireless Road, Lumpinee, Pathumwan, Bangkok 10330 Tel (66) 2263-5910 Fax (66) 2251-3755 http://www.merchant.co.th	MPSEC
15	Phatra Securities Public Company Limited 252/6 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	PHATR
16	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

No.	Company Name	Symbol
17	SCB Securities Co., Ltd. 130-132 Sinthorn Tower 3, 25/F, Wireless Raod, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2686-2000 Fax (66) 2646-9889 http://www.scbs.com	SCBS
18	Siam City Securities Co., Ltd. 999/9 The Offices at Central World, 9/F, Rama 1, Pathumwan, Pathumwan, Bangkok 10330 Tel (66) 2624-8888 Fax (66) 2624-8955 http://www.scis.co.th	SCIBS
19	SICCO Securities Public Company Limited 130-132, Sindthorn Tower 2, 1-2, 6/F, and 12/F, Sindthorn Tower3, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel (66) 2627-3100 Fax (66) 2693-2631 http://www.ssec-online.com	SSEC
20	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
21	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
22	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
23	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
24	UOB Bullion & Futures (Thai) Co., Ltd. 191 UOB Head Office Building 7/F, South Sathorn Road, Bangkok 10120 Tel (66) 2213-2611 Fax (66) 2213-2614	UOBFT
25	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 January 4, 2008

ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

THE STOCK EXCHANGE OF THAILAND BUILDING
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