

**THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES**

**CONSOLIDATED AND ENTITY FINANCIAL STATEMENTS**

**31 DECEMBER 2011**



## AUDITOR'S REPORT

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated and entity statements of financial position as at 31 December 2011 and 2010, and the related consolidated and entity statements of revenues and expenses, comprehensive income, 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 at 31 December 2011 and 2010, 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.

A handwritten signature in black ink, appearing to read 'Nattaporn'.

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

15 February 2012

**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Financial Position**  
**As at 31 December 2011 and 2010**

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2011	2010	2011	2010
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	364,643	503,248	221,981	299,781
Assets for margin deposits and benefits	17	6,053,018	3,612,015	-	-
Short-term investments, net	8	9,452,678	5,658,172	8,614,168	5,295,976
Accounts receivable and accrued income, net	9	214,109	212,653	421,252	245,754
Accrued interest receivable		101,948	52,376	94,474	49,094
Other current assets	10	316,068	256,040	282,611	210,273
<b>Total current assets</b>		<b>16,502,464</b>	<b>10,294,504</b>	<b>9,634,486</b>	<b>6,100,878</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	597,291	597,291
Investments in jointly-controlled entity, net	12	58,495	44,500	25,000	25,000
Investments in associates, net	13	495,307	492,327	396,605	396,769
Long-term investments, net	14	5,329,372	8,295,915	5,308,512	8,199,677
Assets for clearing system protection and benefits	18	1,371,232	1,056,969	122,862	120,098
Securities Investor Protection Fund	22	617,837	598,209	617,837	598,209
Property, plant and equipment, net	15	2,417,568	2,432,114	2,411,896	2,422,982
Intangible assets, net	16	223,104	196,853	218,753	188,303
Refundable deposits		3,228	6,982	3,218	6,972
<b>Total non-current assets</b>		<b>10,516,143</b>	<b>13,123,869</b>	<b>9,701,974</b>	<b>12,555,301</b>
<b>Total assets</b>		<b>27,018,607</b>	<b>23,418,373</b>	<b>19,336,460</b>	<b>18,656,179</b>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Financial Position (cont.)**  
**As at 31 December 2011 and 2010**

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2011	2010	2011	2010
<b>Liabilities and fund balances</b>					
<b>Current liabilities</b>					
Margin deposits and benefits payables	17	6,053,018	3,612,015	-	-
Accounts payable and accrued expenses	19	692,509	753,680	678,832	741,916
Fees received in advance		237,124	246,760	169,218	135,912
Short-term borrowings from subsidiaries	6	-	-	559,400	530,400
Current portion of provision for employee benefits	21	5,630	7,104	5,630	7,104
Other current liabilities	20	505,895	368,480	332,769	190,835
<b>Total current liabilities</b>		<b>7,494,176</b>	<b>4,988,039</b>	<b>1,745,849</b>	<b>1,606,167</b>
<b>Non-current liabilities</b>					
Assets for clearing system protection and benefits payables	18	1,248,370	936,871	-	-
Contributions and benefits to Securities Investor Protection Fund	22	232,172	224,799	232,172	224,799
Provision for employee benefits	21	143,592	113,006	143,592	113,006
Other non-current liabilities		32,381	36,911	32,381	36,911
<b>Total non-current liabilities</b>		<b>1,656,515</b>	<b>1,311,587</b>	<b>408,145</b>	<b>374,716</b>
<b>Total liabilities</b>		<b>9,150,691</b>	<b>6,299,626</b>	<b>2,153,994</b>	<b>1,980,883</b>
<b>Fund balances</b>					
Funds	22	17,321,865	16,213,315	16,627,845	15,761,805
Unrealised gain on available-for-sale securities		546,049	905,430	554,621	913,491
Non-controlling interests		2	2	-	-
<b>Total fund balances</b>		<b>17,867,916</b>	<b>17,118,747</b>	<b>17,182,466</b>	<b>16,675,296</b>
<b>Total liabilities and fund balances</b>		<b>27,018,607</b>	<b>23,418,373</b>	<b>19,336,460</b>	<b>18,656,179</b>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Revenues and Expenses**  
**For the years ended 31 December 2011 and 2010**

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2011	2010	2011	2010
<b>Revenues</b>					
Operating revenues	24	3,244,912	2,639,287	1,202,854	1,116,943
Investment income, net	25	752,252	867,477	861,765	1,169,774
Other income	26	137,431	594,331	1,489,503	1,721,055
<b>Total revenues</b>		<b>4,134,595</b>	<b>4,101,095</b>	<b>3,554,122</b>	<b>4,007,772</b>
<b>Expenses</b>					
Employee benefit expenses	27	1,101,598	1,076,376	1,101,641	1,076,408
Directors' remuneration		18,739	18,931	18,089	18,291
Marketing expenses		103,988	102,759	104,074	102,431
Educational activities expenses		190,083	200,809	190,148	200,809
Direct service expenses		182,955	166,286	-	-
Building and office expenses		138,657	136,070	138,091	135,428
Technology expenses		137,202	112,884	136,277	106,290
SEC fees	28	300,851	177,159	298,851	177,159
Depreciation and amortisation	15, 16	194,830	283,732	187,227	263,683
Other expenses	29	176,305	207,452	167,002	203,426
<b>Total expenses</b>		<b>2,545,208</b>	<b>2,482,458</b>	<b>2,341,400</b>	<b>2,283,925</b>
Share of profit of investments in jointly-controlled entity (net of income tax)	12	19,990	16,153	-	-
Share of profit of investments in associates entity (net of income tax)	13	3,535	17,305	-	-
<b>Revenues over expenses</b>		<b>1,612,912</b>	<b>1,652,095</b>	<b>1,212,722</b>	<b>1,723,847</b>
<b>Non-operating items</b>					
Income derived from Securities Investor Protection Fund, net	23	13,368	11,635	13,368	11,635
Contributions to the Stock Exchange of Thailand Foundation	6	(358,937)	(467,261)	(358,937)	(467,261)
<b>Revenues over expenses before income tax</b>		<b>1,267,343</b>	<b>1,196,469</b>	<b>867,153</b>	<b>1,268,221</b>
Income tax		(157,680)	(68,375)	-	-
<b>Revenues over expenses</b>		<b>1,109,663</b>	<b>1,128,094</b>	<b>867,153</b>	<b>1,268,221</b>
<b>Revenues over expenses attributable to:</b>					
Owners of the parent		1,109,662	1,128,093	867,153	1,268,221
Non-controlling interests		1	1	-	-
		<b>1,109,663</b>	<b>1,128,094</b>	<b>867,153</b>	<b>1,268,221</b>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Comprehensive Income**  
**For the years ended 31 December 2011 and 2010**

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2011	2010	2011	2010
Revenues over expenses		1,109,663	1,128,094	867,153	1,268,221
Other comprehensive income					
Available-for-sale financial assets					
Unrealised gain (loss) recognised in equity		(205,400)	511,019	(205,280)	511,239
Transferred loss from sale		(153,590)	(281,703)	(153,590)	(281,703)
Share of loss in investments in associates	13	(391)	(3,625)	-	-
		(359,381)	225,691	(358,870)	229,536
Available-for-sale financial assets from					
Securities Investor Protection Fund, net	23	(1,113)	1,606	(1,113)	1,606
Total other comprehensive income (loss)		(360,494)	227,297	(359,983)	231,142
Total comprehensive income		<u>749,169</u>	<u>1,355,391</u>	<u>507,170</u>	<u>1,499,363</u>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

The Stock Exchange of Thailand and its Subsidiaries  
Statements of Changes in Fund Balances  
For the years ended 31 December 2011 and 2010

(Unit : Baht'000)											
Consolidated											
Note	Securities Clearing Reserve Fund	Clearing and Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	Unrealised gain (loss) on available- for-sale securities	Total fund balances attributable to equity holders of SET	Non- controlling interests	Total fund balances
	Fund	Fund	Fund	Fund	Fund	Fund	Fund				
<b>Balance at 1 January 2011</b>	2,000,000	300,000	100,000	15,424	96,203	373,410	13,328,278	905,430	17,118,745	2	17,118,747
Adjustment for SET building construction expenses	-	-	-	(7,315)	-	-	7,315	-	-	-	-
Total comprehensive income	23	-	-	-	1,720	12,255	1,094,575	(359,381)	749,169	-	749,169
<b>Balance at 31 December 2011</b>	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>8,109</u>	<u>97,923</u>	<u>385,665</u>	<u>14,430,168</u>	<u>546,049</u>	<u>17,867,914</u>	<u>2</u>	<u>17,867,916</u>
<b>Balance at 1 January 2010</b>	2,000,000	300,000	100,000	172,865	95,303	360,169	12,055,278	679,739	15,763,354	2	15,763,356
Adjustment for SET building construction expenses	-	-	-	(157,441)	-	-	157,441	-	-	-	-
Total comprehensive income	23	-	-	-	900	13,241	1,115,559	225,691	1,355,391	-	1,355,391
<b>Balance at 31 December 2010</b>	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>15,424</u>	<u>96,203</u>	<u>373,410</u>	<u>13,328,278</u>	<u>905,430</u>	<u>17,118,745</u>	<u>2</u>	<u>17,118,747</u>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

The Stock Exchange of Thailand and its Subsidiaries  
Statements of Changes in Fund Balances (cont.)  
For the years ended 31 December 2011 and 2010

(Unit : Baht'000)									
SET									
Note	Securities Clearing Reserve Fund	Clearing and Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	Unrealised gain (loss) on available- for-sale securities	Total fund balances
	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
<b>Balance at 1 January 2011</b>	2,000,000	300,000	100,000	15,424	96,203	373,410	12,876,768	913,491	16,675,296
Adjustment for SET building construction expenses	-	-	-	(7,315)	-	-	7,315	-	-
Total comprehensive income	23	-	-	-	1,720	12,255	852,065	(358,870)	507,170
<b>Balance at 31 December 2011</b>	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>8,109</u>	<u>97,923</u>	<u>385,665</u>	<u>13,736,148</u>	<u>554,621</u>	<u>17,182,466</u>
<b>Balance at 1 January 2010</b>	2,000,000	300,000	100,000	172,865	95,303	360,169	11,463,641	683,955	15,175,933
Adjustment for SET building construction expenses	-	-	-	(157,441)	-	-	157,441	-	-
Total comprehensive income	23	-	-	-	900	13,241	1,255,686	229,536	1,499,363
<b>Balance at 31 December 2010</b>	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>15,424</u>	<u>96,203</u>	<u>373,410</u>	<u>12,876,768</u>	<u>913,491</u>	<u>16,675,296</u>

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.



**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Cash Flows**  
**For the years ended 31 December 2011 and 2010**

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2011	2010	2011	2010
<b>Cash flows from operating activities</b>					
Revenues over expenses before income tax		1,267,343	1,196,469	867,153	1,268,221
Adjustments for					
Depreciation and amortisation	15, 16	194,830	283,732	187,227	263,683
Investment income, net	25	(752,252)	(867,477)	(861,765)	(1,169,774)
Income derived from Securities Investor					
Protection Fund, net	23	(13,368)	(11,635)	(13,368)	(11,635)
Impairment losses of investments		164	6,415	164	6,415
Doubtful debts expenses (reversal)		(1)	(22)	(1)	(22)
Provision for employee benefits	21	42,152	15,046	42,152	15,046
Adjust work in process to expense (revenues)		2,819	(53)	2,819	2
Gain on disposals of assets		-	(421,884)	-	(421,914)
Loss from written off assets		5,583	52,843	5,527	52,137
Share of profit of investments in					
jointly-controlled entity (net of income tax)	12	(19,990)	(16,153)	-	-
Share of profit of investments in associates					
entity (net of income tax)	13	(3,535)	(17,305)	-	-
		723,745	219,976	229,908	2,159
Changes in operating assets and liabilities					
Assets for margin deposits and benefits		(2,441,003)	(776,647)	-	-
Accounts receivable and accrued income		(1,455)	(31,055)	(175,497)	11,427
Other current assets		(61,100)	(177,228)	(68,296)	(139,039)
Assets for clearing system protection and benefits		(314,263)	(239,162)	(2,764)	-
Securities Investor Protection Fund		(18,460)	(48,003)	(18,460)	(48,003)
Refundable deposits		3,754	297	3,754	(1,759)
Margin deposits and benefits payables		2,441,003	776,647	-	-
Accounts payable and accrued expenses		(91,684)	287,413	(93,597)	290,126
Fees received in advance		(9,636)	(49,039)	33,306	(49)
Other current liabilities		80,664	97,716	141,934	42,479
Assets for clearing system protection and					
benefits payables		311,499	237,105	-	-
Contributions and benefits to Securities Investor					
Protection Fund		7,373	35,056	7,373	35,056
Employee benefits paid	21	(13,468)	(14,538)	(13,468)	(14,538)
Other non-current liabilities		(4,530)	(6,497)	(4,530)	(6,497)
Income tax paid		(100,257)	(68,520)	-	-
Net cash provided by operating activities		512,182	243,521	39,663	171,362

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**The Stock Exchange of Thailand and its Subsidiaries**  
**Statements of Cash Flows (cont.)**  
**For the years ended 31 December 2011 and 2010**

		(Unit : Baht'000)			
		<b>Consolidated</b>		<b>SET</b>	
	<b>Notes</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from investing activities</b>					
Investment income received		394,295	495,259	374,965	475,231
Dividend received		303,650	366,863	448,266	700,322
Purchase of short-term investments	8	(6,765,832)	(15,246,692)	(4,739,395)	(13,612,813)
Sale of short-term investments	8	4,671,474	15,161,579	4,340,541	13,154,379
Purchase of long-term investments	14	(1,975,736)	(3,547,734)	(1,975,716)	(3,480,734)
Sale of long-term investments	14	2,883,149	1,324,406	1,588,673	1,323,406
Purchase of plant and equipment		(85,108)	(274,724)	(85,108)	(274,724)
Sale of property and equipment		2,244	1,715,035	2,244	1,715,035
Purchase of intangible assets		(101,560)	(27,359)	(101,560)	(27,359)
Proceeds from share of profit of investments in jointly-controlled entity		10,437	-	-	-
Benefits received from Securities Investor Protection Fund		12,200	11,341	12,200	11,341
Net cash used in investing activities		(650,787)	(22,026)	(134,890)	(15,916)
<b>Cash flows from financing activities</b>					
Cash inflow on short-term borrowings from subsidiaries	6	-	-	29,000	220,000
Repayment of short-term borrowings from subsidiaries	6	-	-	-	(255,450)
Interest paid		-	-	(11,573)	(9,680)
Net cash provided by (used in) financing activities		-	-	17,427	(45,130)
<b>Net increase (decrease) in cash and cash equivalents</b>		(138,605)	221,495	(77,800)	110,316
Cash and cash equivalents at beginning of year		503,248	281,753	299,781	189,465
<b>Cash and cash equivalents at end of year</b>	7	<u>364,643</u>	<u>503,248</u>	<u>221,981</u>	<u>299,781</u>
<b>Supplemental disclosures of cash flows information</b>					
Significant non-cash transactions					
Unrealised gain (loss) on available-for-sale securities		(359,381)	225,691	(358,870)	229,536
Unrealised gains (loss) on available-for-sale securities from Securities Investor Protection Fund		(1,113)	1,606	(1,113)	1,606
Other payables from purchase of assets		30,513	12,862	30,513	12,862

The accompanying notes on pages 10 to 55 are an integral part of these financial statements.

**1 General information**

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517. The principal business activities of the SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. The SET commenced its trading of securities on 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 62 Rachadaphisek Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110, Thailand.

For reporting purposes, the SET and its subsidiaries are referred to as the Group.

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprised the operation of securities listing, trading system, clearing and settlement, depository, including supervision and monitoring of securities trading activities, listed companies and member companies.
- 2) Derivatives markets comprised the operation of trading and clearing of future contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprised the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services comprised the operation of securities registrar and fund registrar.

The consolidated and entity financial statements were authorised for issue by the Board of Governors of the Stock Exchange of Thailand on 15 February 2012.

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2011 and 2010 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2011	2010
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	99.99	99.99
Thai Trust Fund Management Co., Ltd. (1)	Mutual fund management	Thailand	99.99	99.99
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	99.99	99.99
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	99.99	99.99
Siam DR Co., Ltd.	Investment management in Depository Receipts	Thailand	99.99	99.99
Thailand Futures Exchange Public Company Limited	Futures exchange centre	Thailand	99.99	99.99
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and futures contracts	Thailand	99.99	99.99

**The Stock Exchange of Thailand and its Subsidiaries**  
**Notes to the Consolidated and Entity Financial Statements**  
**For the years ended 31 December 2011 and 2010**

**1 General information (cont.)**

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2011 and 2010 are as follows: (cont.)

			Ownership interest (%)	
Name of entity	Type of business	Country of incorporation	2011	2010
<b>Jointly-controlled entity</b>				
Family Know-how Co., Ltd.	Provision of services and advice in respect of media production related to finance and investment	Thailand	50.00	50.00
<b>Associates</b>				
Clearing Fund (2)	Fund	Thailand	17.71	19.04
TSFC Securities Public Company Limited	Granting of credit to businesses involved with securities and securities borrowing and lending	Thailand	24.66	24.66

**(1) Thai Trust Fund Management Company Limited**

As at 31 December 2011, Thai Trust Fund Management Company Limited ("the Subsidiary") has outstanding 5 mutual fund balances issued by the Subsidiary. On 30 November 2011, the Subsidiary's Board of Directors approved the principal of withdrawal of funds issued by the Subsidiary, including various operations relating to the cancellation of the Subsidiary. In addition, the Boards delegated to the management to consider the dissolution of the Subsidiary Company. However, the operations related to the cancellation of the mutual fund depend on various factors such as the approval from SEC on the exemption criteria. Therefore, Thai Trust Fund Management Company Limited prepared the financial statements as at 31 December 2011 by using the going concern basis.

**(2) Clearing Fund**

The SET has no control over the Clearing Fund's operations, but has influences in policy and operation. The Clearing Fund operates under the Regulations of the Clearing Fund (No. 1) B.E. 2541, which require that a one-time payment of Baht 100 million be made as an initial contribution by the SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future. Therefore, the investment in the Clearing Fund is classified as investment in an associate.

**2 Basis of preparation**

The consolidated and entity 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.

The consolidated and entity financial statements have been prepared under the historical cost convention, except for certain items, such as investments in available-for-sale and trading securities, which are presented at fair value.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Comparative figures have been reclassified to conform with changes in presentation in the current year are disclosed in Note 33.

An English version of the consolidated and entity financial statements has 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.

### **3 Summary of significant accounting policies**

#### **3.1 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards**

- a) The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are effective for accounting periods beginning on or after 1 January 2011:

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

- b) The following new accounting standards, amendments to accounting standards and new interpretation are effective for accounting periods beginning on or after 1 January 2013. The Group has not adopted them early:

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its shareholders

**3 Summary of significant accounting policies (cont.)**

**3.1 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards (cont.)**

The Group's management has determined that these new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards will not have a significant impact on the financial statements being presented. The standards that are expected to have an impact on the Group are as follow.

- TAS 1 (revised 2009) prohibit the presentation of items of income and expenses in the statement of changes in fund balance, requiring "non-owner changes fund balance" to be presented separately from owner changes in fund balance. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of revenues and expenses and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 January 2011. The Group chooses to present two statements (the statement of revenues and expenses and statement of comprehensive income).
- TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements using the tax rates that are expected to apply during the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard retrospectively from 1 January 2013 with an expected to incur of deferred tax account and changes in retained earnings and income tax expense. Management is currently assessing the impact of applying this standard.

**3 Summary of significant accounting policies (cont.)**

**3.2 Investments in subsidiaries, jointly-controlled entities and associates**

**3.2.1 Subsidiaries**

Subsidiaries are all the entities over which the SET has the power to govern the financial and operating policies. Subsidiaries are consolidated from the date on which control is transferred to the SET and are no longer consolidated from the date on which that control ceases.

All related party transactions, balances and unrealised gains and losses on transactions between the SET and its subsidiaries have been eliminated.

In the SET's financial statements, investments in subsidiaries are accounted for using the cost method. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

**3.2.2 Jointly-controlled entity**

The interest in a jointly controlled entity is accounted for using the equity method in the consolidated and the cost method in the entity financial statements.

**3.2.3 Associates**

Associates are the entities which the SET influences, but does not control. In the consolidated financial statements, investments in associates are initially recognised at cost and are subsequently accounted for using the equity method of accounting.

The SET's share of its associates' post-acquisition profits or losses is recognised in the statements of revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the SET's share of losses in an associate equals or exceeds its interest in the associate, the SET does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the SET and its associates are eliminated to the extent of the SET's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the SET's financial statements, investment in associates are accounted for using the cost method.

Allowance, if any, is recorded for impairment in investment in subsidiaries, jointly-controlled entity and associates in the statements of revenues and expenses.

A list of the SET's principal subsidiaries, jointly-controlled entity and associates is provided in Note 1.

**3 Summary of significant accounting policies (cont.)**

**3.3 Foreign currencies**

Items included in the financial statements of each of the Group's entities are measured using Thai Baht. The consolidated financial statements are presented in 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 statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of revenues and expenses.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the revaluation reserve in equity.

**3.4 Underlying assets**

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. and Siam DR Co., Ltd. (subsidiaries). The financial liabilities are the Non-Voting Depository Receipts (NVDRs) and Depository Receipts (DRs). The subsidiaries will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus the subsidiaries are responsible for issuing and selling NVDRs or DRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). The subsidiaries who are the holders will then receive financial benefits and will be responsible for paying all such financial benefits on to the investors in the NVDRs or DRs. These benefits are not recognised as revenue or expense of the subsidiaries.

**3.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturity), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with original maturities of three months or less.



### **3 Summary of significant accounting policies (cont.)**

#### **3.6 Investments**

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of revenues and expenses.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in fund balances. Impairment losses and foreign exchange differences are recognised in the statement of revenues and expenses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in fund balances is recognised in the statement of revenues and expenses. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the statement of revenues and expenses.

Investments in specific mutual funds established for specific purposes, which have a policy of investing in marketable securities and other equity instruments, are classified as general investments and stated in the statements of financial position at cost less impairment losses.

Investments in equity securities which are not marketable in the statements of financial position are stated at cost less impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date for marketable equity securities. The fair value of debt securities is calculated by reference to the risk-free yield curve adjusted by the appropriate risk premium.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount together with the associated gain or loss that was reported in fund balances is recognised in the statement of revenues and expenses.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

#### **3.7 Accounts receivable and accrued income**

Accounts receivable and accrued income are carried at original invoice amount less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognised as part of other expenses in the statement of revenues and expenses.

**3 Summary of significant accounting policies (cont.)**

**3.8 Property, plant and equipment**

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Land improvements	5 years
Buildings	10 - 30 years
Building improvements	2 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 10 years
Vehicles	7 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

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

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

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

**3.9 Intangible assets**

Intangible assets, computer software, that are acquired by the Group, which have finite useful lives, are recognised at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 - 10 years

Costs associated with developing or maintaining computer software are recognised as expenses as incurred in the statement of revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognised as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

### **3 Summary of significant accounting policies (cont.)**

#### **3.10 Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of revenues and expenses unless it reverses a previous revaluation credited to fund balances, in which case it is charged to fund balances.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in fund balances and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in fund balances is recognised in the statement of revenues and expenses even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of revenues and expenses is the difference between the acquisition cost and current fair value, less any impairment losses on that financial asset previously recognised in the statement of revenues and expenses.

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of revenues and expenses. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in fund balances.

An impairment loss in respect of other non-financial assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3.11 Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of revenues and expenses over the period of the borrowings on an effective interest basis.

#### **3.12 Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**3 Summary of significant accounting policies (cont.)**

**3.13 Employee benefits**

**Defined contribution plans**

The Group participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of revenues and expenses in the year to which they are related.

**Defined benefit plans**

The Group provides for post employment retirement benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is measured, using the corridor method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised as income or expense in the statement of revenues and expenses if the net cumulative unrecognised actuarial gain and losses at the end of the previous reporting period exceeding the greater of 10% of the present value of the defined benefit obligation at that date (before deducting plan assets) and 10% of the future value of the plan assets at that date.

In determining the appropriate discount rate, the Group considers the interest rates in which the benefits will be paid to the staff.

**Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**3.14 Provisions**

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs relating to the ongoing activities are not classified as provisions.

**3 Summary of significant accounting policies (cont.)**

**3.15 Lease-where a Group is the lessee**

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are charged to the statement of revenues and expenses for the accounting period in which they are incurred.

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.

**3.16 Revenue**

Revenue excludes value added taxes.

Service income is recognised upon performance of services.

Where there are long-outstanding receivables from listing fee and registrar fee collection over three months, the Group considers the collectability of the receivables as doubtful and ceases revenue recognition on fees of related companies immediately.

Membership fees comprise initial and annual fees. The initial fees are recognised as revenue on a straight-line basis over a period of five years starting from the first day on which the service is rendered. Annual fees are recognised upon performance of services.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised in the statement of revenues and expenses when the Group's right to receive payment is established.

Other income is recognised when the right to receive payment is established.

**3.17 Dividend payment**

Dividends paid are recorded in the consolidated financial statements in the period in which they are approved by the Group's shareholders.

**3.18 Directors' remuneration**

Directors' remuneration comprises the benefits paid to the Board of Governors of the SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

**3.19 Income tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### **4 Financial risk management**

##### **Financial risk management policies**

The Group is exposed to normal business risks from changes in interest rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

##### **Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings.

##### **Credit risk from investments and deposits**

Credit risk is the potential loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

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

The investment policies framework regarding types and proportion of investments for 2011 and 2010 is summarised as follows:

##### **1) Investments in debt securities**

<b>Type of investment</b>	<b>Proportion of total investment</b>
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% per institution
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% per issuer
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% per mutual fund

**4 Financial risk management (cont.)**

**Credit risk from investments and deposits (cont.)**

The investment policies framework regarding types and proportion of investments for 2011 and 2010 is summarised as follows: (cont.)

2) Investments in equity securities

<u>Type of investment</u>	<u>Proportion of total investment</u>
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 10% per mutual fund

3) Investments in property funds

<u>Type of investment</u>	<u>Proportion of total investment</u>
Property funds	Not to exceed 10% of project value, and amount not to exceed 2% of total investments

4) Investments in foreign investment funds

<u>Type of investment</u>	<u>Proportion of total investment</u>
Foreign investment funds	Not to exceed 3% of total investments (2010: not to exceed 2% of total investments)

Investments in each asset management company should not exceed 40% of total investments.

**Liquidity risk**

The Group has high liquidity. The Group does not have a policy to seek outside funding in the near future. The Group's policy is to invest in low risk and high return financial institutions.

**Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investor and stakeholder confidence.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders depending on subsidiaries' operating performance.

**Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of other short-term receivables is taken to approximate the carrying value.

**4 Financial risk management (cont.)**

**Determination of fair values (cont.)**

The carrying amounts of the following financial assets and financial liabilities are approximate to their fair values. These consist of cash and cash equivalents, accounts receivable and accrued income, accrued interest receivable, margin deposits and benefits payables, accounts payable and accrued expenses, fees received in advance and short-term borrowings from subsidiaries.

The fair value of investments in debt and equity securities, which are held for trading, held-to-maturity and available-for-sale, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only as described in notes 8 and 14 to the financial statements.

**5 Critical accounting estimates, assumptions and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances as follows.

**5.1 Impairment of receivables**

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.

**5.2 Property, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Group's property and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values differ from previous estimations or it will write-off or write-down technically obsolete assets or assets which have been abandoned or sold.

**5.3 Impairment of investments**

The Group maintains an impairment of investments on a regular basis to reflect the fair value of investments. The impairment of investments is significantly impacted by the management's assessment, such assessment being based on a significant or prolonged decline in the fair value.

**5.4 Employee benefits**

The Group has committed to pay benefits to employees at retirement age. The present value of employee benefit liabilities recognised in the statement of financial position is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary inflation and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the interest rates of government bonds denominated in the currency in which the benefits will be paid.



## **6 Related party transactions and balances**

Related parties are those parties linked to the Group. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The pricing policies for particular types of transactions are explained below:

<b>Transaction</b>	<b>Pricing policy</b>
Service income	Contractually agreed price
Purchase of services	Cost plus margin
Interest expense	With reference to the deposit rate of financial institutions

Transactions with related parties for the years ended 31 December 2011 and 2010 were as follows:

	<b>(Unit : Baht'000)</b>			
	<b>Consolidated</b>		<b>SET</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Service income</b>				
Subsidiaries	-	-	1,380,562	1,158,842
Jointly-controlled entity	13,305	32,043	13,285	30,067
Associate	949	881	-	-
<b>Total</b>	<b>14,254</b>	<b>32,924</b>	<b>1,393,847</b>	<b>1,188,909</b>
<b>Purchase of services</b>				
Subsidiaries	-	-	1,886	1,912
Jointly-controlled entity	168,232	161,005	168,232	161,005
<b>Total</b>	<b>168,232</b>	<b>161,005</b>	<b>170,118</b>	<b>162,917</b>
<b>Interest income</b>				
Subsidiaries	-	-	3,076	2,262
Jointly-controlled entity	711	1,387	711	1,387
<b>Total</b>	<b>711</b>	<b>1,387</b>	<b>3,787</b>	<b>3,649</b>
<b>Interest expense</b>				
Subsidiaries	-	-	11,177	9,680

**6 Related party transactions and balances (cont.)**

Balances as at 31 December 2011 and 2010 with related parties were as follows:

		<b>(Unit : Baht'000)</b>	
		<b>Consolidated</b>	<b>SET</b>
		<b>2011</b>	<b>2010</b>
		<b>2011</b>	<b>2010</b>
<b>Accounts receivable</b>			
Jointly-controlled entity		596	117
<b>Accrued income</b>			
Subsidiaries		-	-
Jointly-controlled entity		411	303
Total		411	303
<b>Other current assets</b>			
Jointly-controlled entity		17	36,760
<b>Payables and accrued expenses</b>			
Subsidiaries		-	-
Jointly-controlled entity		14,125	9,107
Total		14,125	9,107
<b>Other current liabilities</b>			
Subsidiaries		-	-

		<b>(Unit : Baht'000)</b>	
		<b>Interest rate</b>	<b>SET</b>
		<b>(% per annum)</b>	
		<b>2011</b>	<b>2010</b>
		<b>2011</b>	<b>2010</b>
Short-term borrowings from subsidiaries		2.00	1.50
		559,400	530,400

The Group has a policy to centrally manage its investments through the SET to maximise its efficiency and overall returns. Investments from subsidiaries represent loans in the form of one-year promissory notes, which bear interest at the rate for deposits set by financial institutions (the interest rate may be revised as appropriate).

Movements of short-term borrowings from subsidiaries for the years ended 31 December 2011 and 2010 were as follows:

		<b>(Unit : Baht'000)</b>	
		<b>SET</b>	
		<b>2011</b>	<b>2010</b>
<b>Subsidiaries</b>			
At 1 January		530,400	565,850
Increase		29,000	220,000
Decrease		-	(255,450)
At 31 December		559,400	530,400

**6 Related party transactions and balances (cont.)**

**Sponsorship for jointly-controlled entity**

Under the shareholder agreement between the SET and a company, the SET will be a principal sponsor of a jointly-controlled entity's program by a limited amount not exceeding Baht 214 million per annum for a period of three years starting from 1 January 2010. The SET sold its entire assets in studio units to its jointly-controlled entity at the net book value as at 31 December 2009 and also offered a soft loan for payment for the assets for a period of two years exempting the repayment of principal for the first year. The loan bears interest at the average one-year fixed deposit rate of four major banks plus 2%. The principal portions of 25% and 75% will be due for repayment in the first and second years, respectively, from the date on which the jointly-controlled entity receives all of the studio units from the SET. As at 31 December 2011, the SET had received all loan amount.

**Contributions to the Stock Exchange of Thailand Foundation**

In 2006 the Board of Governors of the SET approved the establishment of the Stock Exchange of Thailand Foundation (SOF) and appointed the members of the Board of Governors as directors of the Board of the SOF. In addition, the Board of Governors of the SET approved the appropriation of one-third of annual revenues over expenses of the SET to the SOF for its social activities.

The SOF was registered and incorporated on 9 August 2006 with the objective of conducting activities for the development of society, communities and the environment. The 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 affecting Thai youth and Thai society. In addition, the activities support projects and programmes relating to education.

In 2011 the SET appropriated its annual revenues over expenses of Baht 358.9 million (2010: Baht 467.3 million) to the SOF.

**Directors' remuneration**

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees.

The directors' remuneration for the year 2011 amounted to Baht 18.7 million (2010: Baht 18.9 million).

**7 Cash and cash equivalents**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Cash on hand	562	365	546	346
Cash deposits - savings and current accounts	318,931	497,883	221,435	299,435
Highly liquid short-term investments	45,150	5,000	-	-
Total	364,643	503,248	221,981	299,781

The effective interest rates on short-term bank deposits ranged from 0.125% - 1.90% per annum in 2011 (2010: range from 0.10% - 0.70% per annum).

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**8 Short-term investments, net**

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2011	2010	2011	2010
<b>Investments managed by SET</b>					
General investments		48,362	132,891	48,362	132,891
<u>Less</u> Allowance for impairment losses	14	(22,423)	(22,423)	(22,423)	(22,423)
		25,939	110,468	25,939	110,468
Trading securities		267,924	453,709	267,924	453,709
Held-to-maturity debt securities	14	6,855,074	2,848,169	6,162,314	2,628,692
		7,148,937	3,412,346	6,456,177	3,192,869
<b>Investments managed by private funds</b>					
Held-to-maturity debt securities		1,069,150	458,852	1,031,815	436,867
Trading securities		1,234,591	1,786,974	1,126,176	1,666,240
		2,303,741	2,245,826	2,157,991	2,103,107
Total		9,452,678	5,658,172	8,614,168	5,295,976

Movements of short-term investments for the years ended 31 December 2011 and 2010 were as follows:

		(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
Opening net book value		5,658,172	5,347,301	5,295,976	4,609,597
Purchases		6,765,832	15,246,692	4,739,395	13,612,813
Disposals		(4,671,474)	(15,161,579)	(4,340,541)	(13,154,379)
Transfer/adjustments		1,700,148	248,181	2,919,338	250,368
<u>Less</u> Allowance for impairment losses		-	(22,423)	-	(22,423)
Closing net book value		9,452,678	5,658,172	8,614,168	5,295,976

**Investments managed by the SET**

Savings accounts carried interest at rates ranging from 0.25% - 0.87% per annum in 2011 (2010: ranging from 0.25% - 0.50% per annum)

Fixed deposit accounts represent fixed deposits at banks which have maturities not over 12 months and carried interest at rates ranging from 1.75% - 4.50% per annum in 2011 (2010: ranging from 1.13% - 3.00% per annum).

Bill of Exchange at financial institutions due within one year and carried interest at rates ranging from 3.00% - 4.60% per annum in 2011 (2010: nil).

Investment in a specific purpose fund represents investment in an open-ended fund (Note 14). The fund has an automatic redemption from the sixth year (2011) unless approval is obtained from the investment committee for redemption before the redemption restriction term.

Investments in money market funds represent investments in two open-ended funds (2010: five open-ended funds). The investment policy emphasises investments in short-term debt securities.

Government bonds, Bank of Thailand bonds, state enterprise bonds and debentures, which had coupon rates ranging from 2.59% - 6.10% per annum in 2011 (2010: ranging from 5.10% - 5.15% per annum) and market yields ranging from 3.12% - 3.49% per annum in 2011 (2010: ranging from 2.21% - 2.40% per annum).

Treasury bills (zero coupons) which had market yields ranging from 1.84% - 1.93% per annum in 2010.

**8 Short-term investments, net (cont.)**

**Investments managed by private funds**

Investments in private funds are managed by two asset management companies. The investment policy for private funds is subject to the SET's regulations on deposits at financial institutions and investment policies.

The return rates for investments managed by private funds ranged from 0.68% - 1.18% per annum in 2011 (2010: ranging from 0.90% - 1.44% per annum).

**9 Accounts receivable and accrued income, net**

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
<b>Accounts receivable</b>					
Related parties	6	596	117	596	117
Other parties		68,014	70,369	36,118	34,461
		68,610	70,486	36,714	34,578
<u>Less</u> Allowance for doubtful accounts		(19,232)	(19,233)	(8,652)	(8,653)
		49,378	51,253	28,062	25,925
<b>Accrued income</b>					
Related parties	6	411	303	343,892	151,941
Other parties		164,320	161,097	49,298	67,888
		164,731	161,400	393,190	219,829
Net		214,109	212,653	421,252	245,754

Aging analysis for accounts receivable is as follows:

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
<b>Related parties</b>					
Within credit terms	6	596	117	596	117
		596	117	596	117
<b>Other parties</b>					
Within credit terms		36,679	41,860	21,703	21,492
Overdue:					
Less than 3 months		9,075	9,244	2,983	4,316
3 - 6 months		2,098	-	1,851	-
6 - 12 months		686	32	679	-
Over 12 months		19,476	19,233	8,902	8,653
		68,014	70,369	36,118	34,461
<u>Less</u> Allowance for doubtful accounts		(19,232)	(19,233)	(8,652)	(8,653)
		48,782	51,136	27,466	25,808
Net		49,378	51,253	28,062	25,925

The normal credit terms granted by the Group range from 15 to 30 days.

**10 Other current assets**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Thai Stock Market Flood Relief Fund	179,906	-	179,906	-
Loans to employees	45,994	38,468	45,994	38,468
Financial benefits to unitholders	36,249	40,683	-	-
Capital Market Academy Flood Relief Fund	26,222	-	26,222	-
Prepaid expenses	19,138	17,512	18,988	17,223
Inventory - publication	3,766	2,370	3,766	2,370
Other receivables from disposals of investments in mutual funds	-	105,859	-	105,859
Other receivables from sale of all assets in studio units	-	36,760	-	36,760
Others	4,793	14,388	7,735	9,593
Total	<u>316,068</u>	<u>256,040</u>	<u>282,611</u>	<u>210,273</u>

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**11 Investments in subsidiaries**

Investments in subsidiaries as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

		(Unit : Baht'000)						
		SET						
Ownership interest		Paid-up capital		Cost method		Dividend income		
%								
2011	2010	2011	2010	2011	2010	2011	2010	
Subsidiaries								
Thailand Securities Depository Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000	72,000	250,000
Thai Trust Fund Management Co., Ltd.	99.99	99.99	100,000	100,000	100,000	100,000	-	7,500
Thai NVDR Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000	-	-
SETTRADE.COM Co., Ltd.	99.99	99.99	80,000	80,000	74,591	74,591	20,400	55,999
Siam DR Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000	-	-
Thailand Futures Exchange Public Company Limited	99.99	99.99	100,000	100,000	100,000	100,000	20,000	20,200
Thailand Clearing House Co., Ltd.	99.99	99.99	100,000	100,000	102,700	102,700	22,000	-
Total					597,291	597,291	134,400	333,699

**12 Investments in jointly-controlled entity, net**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
<b>Jointly-controlled entity</b>				
At 1 January	44,500	28,347	25,000	25,000
Dividend received	(10,437)	-	-	-
Dividend income	4,442	-	-	-
Share of net profit from investments under equity method	19,990	16,153	-	-
At 31 December	<u>58,495</u>	<u>44,500</u>	<u>25,000</u>	<u>25,000</u>



12 Investments in jointly-controlled entity, net (cont.)

Investments in jointly-controlled entity as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

		(Unit : Baht'000)							
		Consolidated							
Ownership interest		Paid-up capital		Equity method		Dividend income			
%									
2011	2010	2011	2010	2011	2010	2011	2010		
<b>Jointly-controlled entity</b>									
Family Know-how Co., Ltd.		50	50	50,000	50,000	58,495	44,500	4,442	-

		(Unit : Baht'000)							
		SET							
Ownership interest %		Paid-up capital		Cost method		Dividend income			
		2011	2010	2011	2010	2011	2010		
Jointly-controlled entity									
	Family Know-how Co., Ltd.	50	50	50,000	50,000	25,000	25,000	14,879	-

Details of the investments and rights to receive dividends are provided in Note 31.1.

**12 Investments in jointly-controlled entity, net (cont.)**

The following summary of the financial information in respect of the interest in the jointly-controlled entity as at 31 December 2011 and 2010 and for the years then ended which has been accounted for using the equity method represents the Group's share:

	<b>(Unit : Baht'000)</b>	
	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
Current assets	131,274	112,508
Non-current assets	28,163	46,968
Total assets	159,437	159,476
Current liabilities	42,264	69,291
Non-current liabilities	4,620	4,116
Total liabilities	46,884	73,407
Total revenues	228,087	229,784
Total expenses	158,954	191,263
Net profit	44,421	29,370

**13 Investments in associates, net**

	<b>(Unit : Baht'000)</b>			
	<b>Consolidated</b>		<b>SET</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Associates</b>				
At 1 January	492,327	467,684	396,769	385,806
Reversal of impairment losses (addition)	(164)	10,963	(164)	10,963
Share of profit from investments - recognised in statements of revenues and expenses	3,535	17,305	-	-
Share of loss for investment - recognised in other comprehensive income	(391)	(3,625)	-	-
At 31 December	<u>495,307</u>	<u>492,327</u>	<u>396,605</u>	<u>396,769</u>

During 2010 the SET reversed the impairment losses in respect of investment in an associate amounting to Baht 10.9 million as the recoverable amount of the investment is increasing.

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**13 Investments in associates, net (cont.)**

Investments in associates as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

(Unit : Baht'000)										
	Ownership interest %		Consolidated							
			Paid-up capital		Cost method, net		Equity method		Dividend income	
			2011	2010	2011	2010	2011	2010	2011	2010
Associates										
Clearing Fund	17.71	19.04	963,045	882,340	100,000	100,000	173,923	170,615	-	-
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	296,605	296,769	321,384	321,712	-	-
Total					396,605	396,769	495,307	492,327	-	-

(Unit : Baht'000)												
	Ownership interest %		SET									
			Paid-up capital		Cost method		Impairment		At cost, net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Associates												
Clearing Fund	17.71	19.04	963,045	882,340	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	300,000	300,000	(3,395)	(3,231)	296,605	296,769	-	-
Total					400,000	400,000	(3,395)	(3,231)	396,605	396,769	-	-

**14 Long-term investments, net**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Available-for-sale investments	3,735,463	4,005,015	3,732,613	4,002,045
Held-to-maturity debt securities	1,527,718	4,204,723	1,509,708	4,111,455
General investments	68,641	88,627	68,641	88,627
<u>Less</u> Allowance for impairment losses	(2,450)	(2,450)	(2,450)	(2,450)
Total	5,329,372	8,295,915	5,308,512	8,199,677

Fixed deposit accounts represent fixed deposits at banks which have maturities of over one year and carried interest at rates ranging from 2.25% - 3.75% per annum in 2011 (2010: ranging from 1.75% - 3.75% per annum).

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

Investments in general mutual funds represent investments in 21 open-ended funds, which have a policy of emphasising investment in equity securities of listed companies (2010: 16 funds) and one debt fund (2010: one fund).

Investments in property funds represent 9 closed-end mutual funds (2010: 9 funds). These funds were established for acquiring, leasing and transferring properties and/or their leasehold rights and providing for income-generating properties. All these property funds are listed and traded on the Stock Exchange of Thailand.

Investments in foreign investment funds represent investments in 7 open-ended funds (2010: 6 funds). The Feeder Fund policy is to emphasise investment in foreign fund securities.

Government bonds, Bank of Thailand bonds, state enterprise bonds and debentures which had maturities over one year to ten years, and coupon rates ranging from 3.00% - 5.00% per annum in 2011 (2010: ranging from 2.59% - 6.10% per annum) and market yields ranging from 3.09% - 5.08 % per annum in 2011 (2010: ranging from 2.54% - 4.45% per annum).

Investments in specific-purpose funds represent investments in three open-ended venture capital funds (2010: three open-ended venture capital funds). This investment is carried at cost under generally accepted accounting principles due to the redemption restriction for the first five years. The details are as follows:

- 1) In 2005, invested in an investment fund established by the government to strengthen and facilitate the recovery of businesses which suffered from the tsunami. The specific-purpose fund has a policy of investing in securities of businesses involved in the tourism industry that had been affected by the tsunami in the six southern provinces. The fund has an automatic redemption from the sixth year (2011) unless approval is obtained from the investment committee for redemption before the redemption restriction term. The investment portion that will be redeemed in 2011 is presented as short-term investments (Note 8).
- 2) In 2007, invested in a non-retail fund, which primarily invests directly in energy, alternative and renewable energy firms and businesses that support the government's energy policies. The fund is an open-ended fund and has an automatic redemption from the sixth year (2013) when the fund disposes of its assets, and then no further re-investment.
- 3) In 2008, invested in a non-retail fund which primarily invests directly in businesses and industries which have potential growth the majority of which was long-term investment. The fund has an automatic redemption from the fourth year (2012).

The specific-purpose investments in 2 and 3 have a commitment subscription for additional investment until the end of the contract (Note 30).

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**14 Long-term investments, net (cont.)**

Movements of long-term investments for the years ended 31 December 2011 and 2010 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Opening net book value	8,295,915	6,090,034	8,199,677	6,062,334
Acquisitions	1,975,736	3,547,734	1,975,716	3,480,734
Disposals	(2,883,149)	(1,324,406)	(1,588,673)	(1,323,406)
Transfer/adjustments	(1,699,749)	(240,688)	(2,919,338)	(247,071)
Unrealised gain (loss) on available-for-sale securities	(359,381)	225,691	(358,870)	229,536
<u>Less</u> Allowance for impairment losses	-	(2,450)	-	(2,450)
Closing net book value	5,329,372	8,295,915	5,308,512	8,199,677

As at 31 December 2011 and 2010 held-to-maturity debt securities classified by maturity were as follows:

	(Unit : Baht'000)			
	Consolidated			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
<b>2011</b>				
Held-to-maturity debt securities				
Government bonds	756,813	-	1,070	757,883
Bank of Thailand bonds	30,117	149,924	-	180,041
State enterprise bonds	50,082	-	-	50,082
Debentures	110,195	433,561	50,000	593,756
Deposits at banks and Bill of exchanges	5,907,867	893,163	-	6,801,030
Total	6,855,074	1,476,648	51,070	8,382,792
<b>2010</b>				
Held-to-maturity debt securities				
Government bonds	15,000	676,417	1,081	692,498
Bank of Thailand bonds	-	30,529	100,000	130,529
State enterprise bonds	-	50,257	-	50,257
Treasury Bills	684,597	-	-	684,597
Debentures	5,000	451,965	40,000	496,965
Deposits at banks and Bill of exchanges	2,143,572	2,854,474	-	4,998,046
Total	2,848,169	4,063,642	141,081	7,052,892

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**14 Long-term investments, net (cont.)**

	(Unit : Baht'000)			
	SET			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
<b>2011</b>				
Held-to-maturity debt securities				
Government bonds	756,813	-	1,070	757,883
Bank of Thailand bonds	30,117	149,924	-	180,041
State enterprise bonds	50,082	-	-	50,082
Debentures	110,195	420,561	50,000	580,756
Deposits at banks and Bill of exchanges	5,215,107	888,153	-	6,103,260
<b>Total</b>	<b>6,162,314</b>	<b>1,458,638</b>	<b>51,070</b>	<b>7,672,022</b>
<b>2010</b>				
Held-to-maturity debt securities				
Government bonds	15,000	676,417	1,081	692,498
Bank of Thailand bonds	-	30,529	100,000	130,529
State enterprise bonds	-	50,257	-	50,257
Treasury Bills	679,605	-	-	679,605
Debentures	-	438,965	40,000	478,965
Deposits at banks and Bill of exchanges	1,934,087	2,774,206	-	4,708,293
<b>Total</b>	<b>2,628,692</b>	<b>3,970,374</b>	<b>141,081</b>	<b>6,740,147</b>

The fair value of held-to-maturity debt securities were as follows:

	(Unit : Baht'000)			
	Consolidated			
	Due			
	Amortised cost, net		Fair value	
	2011	2010	2011	2010
Government bonds	757,883	692,498	770,984	728,677
Bank of Thailand bonds	180,041	130,529	187,379	136,389
State enterprise bonds	50,082	50,257	49,833	49,850
Treasury Bills	-	684,597	-	684,575
Debentures	593,756	496,965	597,954	504,152
Deposits at banks and Bill of exchanges	6,801,030	4,998,046	6,801,030	4,998,046
	8,382,792	7,052,892	8,407,180	7,101,689
<u>Less</u> Current portion	(6,855,074)	(2,848,169)	(6,868,488)	(2,163,932)
	<u>1,527,718</u>	<u>4,204,723</u>	<u>1,538,692</u>	<u>4,937,757</u>
	(Unit : Baht'000)			
	SET			
	Due			
	Amortised cost, net		Fair value	
	2011	2010	2011	2010
Government bonds	757,883	692,498	770,984	728,677
Bank of Thailand bonds	180,041	130,529	187,379	136,389
State enterprise bonds	50,082	50,257	49,833	49,850
Treasury Bills	-	679,605	-	679,584
Debentures	580,756	478,965	584,711	485,603
Deposits at banks and Bill of exchanges	6,103,260	4,708,293	6,103,260	4,708,293
	7,672,022	6,740,147	7,696,167	6,788,396
<u>Less</u> Current portion	(6,162,314)	(2,628,692)	(6,175,728)	(1,949,363)
	<u>1,509,708</u>	<u>4,111,455</u>	<u>1,520,439</u>	<u>4,839,033</u>

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**14 Long-term investments, net (cont.)**

The fair value of investments in specific-purpose funds are as follows:

	(Unit : Baht'000)					
	Consolidated and SET's financial statements					
	Cost		Fair value		Impairment	
	2011	2010	2011	2010	2011	2010
Investments in specific-purpose funds	104,667	209,182	93,641	183,572	(24,873)	(24,873)
<u>Less</u> Current portion (Note 8)	<u>(48,362)</u>	<u>(132,891)</u>	<u>(43,116)</u>	<u>(110,468)</u>	<u>(22,423)</u>	<u>(22,423)</u>
	56,305	76,291	50,525	73,104	(2,450)	(2,450)

**15 Property, plant and equipment, net**

(Unit : Baht'000)						
	Consolidated					Total
	Land and land improvements	Buildings and buildings improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process	
<b>As at 31 December 2009</b>						
Cost	2,254,685	1,532,576	1,050,862	3,151	66,879	4,908,153
<u>Less</u> Accumulated depreciation	(302)	(422,994)	(835,377)	(273)	-	(1,258,946)
Net book amount	<u>2,254,383</u>	<u>1,109,582</u>	<u>215,485</u>	<u>2,878</u>	<u>66,879</u>	<u>3,649,207</u>
<b>For the year ended 31 December 2010</b>						
Opening net book amount	2,254,383	1,109,582	215,485	2,878	66,879	3,649,207
Additions	900	59,738	30,767	3,891	167,280	262,576
Disposals/write-off	(1,240,000)	(32,144)	(39,892)	(3,891)	-	(1,315,927)
Transfers	-	197,915	(3,960)	-	(200,030)	(6,075)
Depreciation charge	(153)	(67,794)	(89,251)	(469)	-	(157,667)
Closing net book amount	<u>1,015,130</u>	<u>1,267,297</u>	<u>113,149</u>	<u>2,409</u>	<u>34,129</u>	<u>2,432,114</u>
<b>As at 31 December 2010</b>						
Cost	1,015,585	1,700,914	895,559	3,151	34,129	3,649,338
<u>Less</u> Accumulated depreciation	(455)	(433,617)	(782,410)	(742)	-	(1,217,224)
Net book amount	<u>1,015,130</u>	<u>1,267,297</u>	<u>113,149</u>	<u>2,409</u>	<u>34,129</u>	<u>2,432,114</u>
<b>For the year ended 31 December 2011</b>						
Opening net book amount	1,015,130	1,267,297	113,149	2,409	34,129	2,432,114
Additions	-	20,352	54,961	2,679	33,321	111,313
Disposals/write-off	-	-	(6,583)	(1,191)	-	(7,774)
Transfers/adjustments	-	22,814	17,195	-	(40,566)	(557)
Depreciation charge	(313)	(79,220)	(37,846)	(149)	-	(117,528)
Closing net book amount	<u>1,014,817</u>	<u>1,231,243</u>	<u>140,876</u>	<u>3,748</u>	<u>26,884</u>	<u>2,417,568</u>
<b>As at 31 December 2011</b>						
Cost	1,015,585	1,738,753	891,870	4,639	26,884	3,677,731
<u>Less</u> Accumulated depreciation	(768)	(507,510)	(750,994)	(891)	-	(1,260,163)
Net book amount	<u>1,014,817</u>	<u>1,231,243</u>	<u>140,876</u>	<u>3,748</u>	<u>26,884</u>	<u>2,417,568</u>

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**15 Property, plant and equipment, net (cont.)**

	<b>(Unit : Baht'000)</b>					
	<b>SET</b>					
	<b>Land and land improvements</b>	<b>Buildings and buildings improvements</b>	<b>Furniture, fixtures and office equipment</b>	<b>Motor vehicles</b>	<b>Work in process</b>	<b>Total</b>
<b>As at 31 December 2009</b>						
Cost	2,254,685	1,529,863	899,931	3,151	66,879	4,754,509
<u>Less</u> Accumulated depreciation	(302)	(421,915)	(703,357)	(273)	-	(1,125,847)
Net book amount	<u>2,254,383</u>	<u>1,107,948</u>	<u>196,574</u>	<u>2,878</u>	<u>66,879</u>	<u>3,628,662</u>
<b>For the year ended 31 December 2010</b>						
Opening net book amount	2,254,383	1,107,948	196,574	2,878	66,879	3,628,662
Additions	900	59,738	30,767	3,891	167,280	262,576
Disposals/write-off	(1,240,000)	(31,437)	(39,862)	(3,891)	-	(1,315,190)
Transfers	-	197,914	(3,959)	-	(200,030)	(6,075)
Depreciation charge	(153)	(67,582)	(78,787)	(469)	-	(146,991)
Closing net book amount	<u>1,015,130</u>	<u>1,266,581</u>	<u>104,733</u>	<u>2,409</u>	<u>34,129</u>	<u>2,422,982</u>
<b>As at 31 December 2010</b>						
Cost	1,015,585	1,699,196	754,977	3,151	34,129	3,507,038
<u>Less</u> Accumulated depreciation	(455)	(432,615)	(650,244)	(742)	-	(1,084,056)
Net book amount	<u>1,015,130</u>	<u>1,266,581</u>	<u>104,733</u>	<u>2,409</u>	<u>34,129</u>	<u>2,422,982</u>
<b>For the year ended 31 December 2011</b>						
Opening net book amount	1,015,130	1,266,581	104,733	2,409	34,129	2,422,982
Additions	-	20,352	54,961	2,679	33,321	111,313
Disposals/write-off	-	-	(6,527)	(1,191)	-	(7,718)
Transfers/adjustments	-	22,814	17,195	-	(40,566)	(557)
Depreciation charge	(313)	(79,048)	(34,614)	(149)	-	(114,124)
Closing net book amount	<u>1,014,817</u>	<u>1,230,699</u>	<u>135,748</u>	<u>3,748</u>	<u>26,884</u>	<u>2,411,896</u>
<b>As at 31 December 2011</b>						
Cost	1,015,585	1,737,037	770,139	4,639	26,884	3,554,284
<u>Less</u> Accumulated depreciation	(768)	(506,338)	(634,391)	(891)	-	(1,142,388)
Net book amount	<u>1,014,817</u>	<u>1,230,699</u>	<u>135,748</u>	<u>3,748</u>	<u>26,884</u>	<u>2,411,896</u>

The gross amount of the Group's and the SET's fully depreciated plant and equipment that was still in use as at 31 December 2011 totalled Baht 540.9 million and Baht 450.0 million respectively (2010: Baht 590.1 million and Baht 487.1 million respectively).



16 Intangible assets, net

	(Unit : Baht'000)		
	Consolidated		
	Computer software	Work in process	Total
<b>As at 31 December 2009</b>			
Cost	838,569	-	838,569
<u>Less</u> Accumulated amortisation	(524,280)	-	(524,280)
Net book amount	314,289	-	314,289
<b>For the year ended 31 December 2010</b>			
Opening net book amount	314,289	-	314,289
Additions	13,240	19,328	32,568
Disposals/write-off	(30,012)	-	(30,012)
Transfers	8,419	(2,346)	6,073
Amortisation charge	(126,065)	-	(126,065)
Closing net book amount	179,871	16,982	196,853
<b>As at 31 December 2010</b>			
Cost	789,690	16,982	806,672
<u>Less</u> Accumulated amortisation	(609,819)	-	(609,819)
Net book amount	179,871	16,982	196,853
<b>For the year ended 31 December 2011</b>			
Opening net book amount	179,871	16,982	196,853
Additions	31,362	74,506	105,868
Disposals/write-off	(53)	-	(53)
Transfers/adjustments	10,117	(12,379)	(2,262)
Amortisation charge	(77,302)	-	(77,302)
Closing net book amount	143,995	79,109	223,104
<b>As at 31 December 2011</b>			
Cost	823,761	79,109	902,870
<u>Less</u> Accumulated amortisation	(679,766)	-	(679,766)
Net book amount	143,995	79,109	223,104

16 Intangible assets, net (cont.)

	(Unit : Baht'000)		
	SET		
	Computer software	Work in process	Total
<b>As at 31 December 2009</b>			
Cost	741,460	-	741,460
<u>Less</u> Accumulated amortisation	(445,038)	-	(445,038)
Net book amount	296,422	-	296,422
<b>For the year ended 31 December 2010</b>			
Opening net book amount	296,422	-	296,422
Additions	13,240	19,328	32,568
Disposals/write-off	(30,068)	-	(30,068)
Transfers	8,419	(2,346)	6,073
Amortisation charge	(116,692)	-	(116,692)
Closing net book amount	171,321	16,982	188,303
<b>As at 31 December 2010</b>			
Cost	708,956	16,982	725,938
<u>Less</u> Accumulated amortisation	(537,635)	-	(537,635)
Net book amount	171,321	16,982	188,303
<b>For the year ended 31 December 2011</b>			
Opening net book amount	171,321	16,982	188,303
Additions	31,362	74,506	105,868
Disposals/write-off	(53)	-	(53)
Transfers/adjustments	10,117	(12,379)	(2,262)
Amortisation charge	(73,103)	-	(73,103)
Closing net book amount	139,644	79,109	218,753
<b>As at 31 December 2011</b>			
Cost	743,027	79,109	822,136
<u>Less</u> Accumulated amortisation	(603,383)	-	(603,383)
Net book amount	139,644	79,109	218,753

The gross amount of the Group's and the SET's fully amortised intangible assets that were still in use as at 31 December 2011 totalled Baht 154.0 million and Baht 115.7 million respectively (2010: Baht 151.4 million and Baht 113.0 million respectively).

## **17 Assets for margin deposits and benefits**

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at 31 December 2011 and 2010, the details of investments for which margin deposits were placed by members amounting to Baht 6,053.0 million and Baht 3,612.0 million, respectively are as follows:

	<b>2011</b>	<b>2010</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Savings and fixed deposits accounts	5,615,318	3,327,080
Bonds	384,251	260,278
Accrued benefits	53,449	24,657
Total	<u>6,053,018</u>	<u>3,612,015</u>

The Group presented margin deposits placed by members separately in the account "Assets for margin deposits and benefits" in current assets in the statement of financial position and presented liabilities in the same amount in the account "Margin deposits and benefits payables" in current liabilities in the statement of financial position.

## **18 Assets for clearing system protection and benefits**

The assets for clearing system protection are established to secure the clearing system of TCH against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise the following :

### **18.1 Securities Deposit**

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for general clearing members is not less than Baht 5 million per member and for gold related products clearing members is not less than Baht 4 million per member). TCH will invest the proceeds from the Securities Deposit and return any benefits derived from the Securities Deposit, after deducting management fees, to members in accordance with the announced rates and procedures. Assets held as Securities Deposit will be returned to members after their membership is terminated.

### **18.2 Clearing fund contributions comprising contributions from:**

- (1) The SET amounting to Baht 100 million
- (2) Members of TCH:
  - Initial contributions according to the announced rates (currently the initial contribution for general clearing members is not less than Baht 5 million per member and for gold related products clearing members is not less than Baht 1 million per member)
  - Monthly contributions at a value of not less than Baht 1,000

Securities Deposit and benefits are the right of the payers according to the proportion of their contributions. When the membership is terminated, the member's Securities Deposit and benefits on contributions will be returned.

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**18 Assets for clearing system protection and benefits (cont.)**

Assets for clearing system protection and benefits as at 31 December 2011 and 2010 consist of:

	(Unit : Baht'000)					
	Consolidated					
	Securities Deposit and benefits		Clearing fund and benefits		Total	
	2011	2010	2011	2010	2011	2010
Investments managed by a subsidiary	731,183	475,294	-	-	731,183	475,294
Investments managed by private funds						
Savings accounts	3,263	372	3,867	1,264	7,130	1,636
Other debt instruments	79,001	18,000	143,001	32,000	222,002	50,000
Trading securities	125,125	181,202	272,221	343,621	397,346	524,823
	938,572	674,868	419,089	376,885	1,357,661	1,051,753
Accrued interest receivable	6,253	2,095	1,981	2,057	8,234	4,152
Other assets	58	116	5,279	948	5,337	1,064
Total	944,883	677,079	426,349	379,890	1,371,232	1,056,969

The SET's assets for clearing system protection and benefits as at 31 December 2011 and 2010 totalled Baht 122.9 million and Baht 120.1 million, respectively are as follows:

<b>(Unit : Baht'000)</b>		
	<b>SET</b>	
	<b>2011</b>	<b>2010</b>
<b>Clearing fund and benefits</b>		
Contributions	100,000	100,000
Benefits	22,862	20,098
<b>Total</b>	<b>122,862</b>	<b>120,098</b>

Assets for clearing system protection and benefits payable as at 31 December 2011 and 2010 consist of:

<b>(Unit : Baht'000)</b>		
	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
<b>Securities Deposit and benefits</b>		
Contributions	929,000	675,000
Benefits (semi-annually distribute to members)	15,883	2,079
	944,883	677,079
<b>Clearing fund and benefits</b>		
Contributions	253,184	234,499
Benefits	50,303	25,293
	303,487	259,792
<b>Total</b>	<b>1,248,370</b>	<b>936,871</b>

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**19 Accounts payable and accrued expenses**

		(Unit : Baht'000)			
		Consolidated		SET	
	Note	2011	2010	2011	2010
Related parties	6	14,125	9,107	14,283	9,434
Other parties		678,384	744,573	664,549	732,482
Total		692,509	753,680	678,832	741,916

**20 Other current liabilities**

		(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
Thai Stock Market Flood Relief Fund		179,084	-	179,084	-
Withholding tax payable		73,331	151,438	68,666	81,482
Income tax payable		67,070	10,319	-	-
Dividend payables		56,580	42,716	-	-
Financial benefits payable to unitholders		36,249	40,683	-	-
Capital Market Academy Flood Relief Fund		26,222	-	26,222	-
Provision for employee benefits from accumulated annual leave		20,854	19,510	20,854	19,510
Other retention payables		13,663	30,492	13,659	30,488
Ngoen-Thong-khong-Mee-Kha Fund		10,426	12,419	10,426	12,419
Pending donation for disaster		686	22,741	686	22,741
Others		21,730	38,162	13,172	24,195
Total		505,895	368,480	332,769	190,835

**21 Provision for employee benefits**

		(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
Obligations in statement of financial position					
Retirement benefits		123,342	120,110	123,342	120,110
Other benefits		25,880	-	25,880	-
Total		149,222	120,110	149,222	120,110
Charge in the statement of revenues and expenses					
Retirement benefits		16,272	15,046	16,272	15,046
Other benefits		25,880	-	25,880	-
Total		42,152	15,046	42,152	15,046

**21 Provision for employee benefits (cont.)**

The amounts of liabilities recognised in the statement of financial position are determined as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Present value of obligations				
Retirement benefits	145,295	118,972	145,295	118,972
Other benefits	25,880	-	25,880	-
	171,175	118,972	171,175	118,972
Unrecognised actuarial gain (loss)				
Retirement benefits	(21,953)	1,138	(21,953)	1,138
Liabilities in the statement of financial position	149,222	120,110	149,222	120,110

Movements of the provision for employee benefits are as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Beginning balance	120,110	119,602	120,110	119,602
Current service cost	10,053	9,563	10,053	9,563
Interest costs	5,832	5,483	5,832	5,483
Past service cost	26,267	-	26,267	-
Transfer from jointly-controlled entity	428	-	428	-
	162,690	134,648	162,690	134,648
<u>Less</u> Benefits paid	(13,468)	(14,538)	(13,468)	(14,538)
Ending balance	149,222	120,110	149,222	120,110
<u>Less</u> Current portion	(5,630)	(7,104)	(5,630)	(7,104)
Total non-current	143,592	113,006	143,592	113,006

The principal actuarial assumptions used are as follows:

	2011	2010
Discount rate as of 31 December	3.80%	4.80%
Salary increase rate - permanent employees	5.00% - 10.00%	6.00%
Salary increase rate - contract employees	4.50%	4.50%
Average turnover rate	0.00% - 9.00%	6.40%
Pre-retirement mortality rate	0.08% - 1.03%	0.11% - 1.48%
Retirement age	60 years old	60 years old

## **22 Fund balances**

Details of fund balances are as follows:

### **Securities Clearing Reserve Fund**

In 1997, the Board of Governors of the SET approved an appropriation of general funds of Baht 2,000 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of the SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on the SET.

### **Clearing and Settlement of Derivatives Market Reserve Fund**

In 2004, the Board of Governors of the SET approved an appropriation of general funds of Baht 300 million to the Clearing and Settlement of Derivatives Market Reserve Fund in order to assure contingent losses from the clearing and settlement system of futures contracts at Thailand Clearing House Co., Ltd.

### **Indemnity Fund**

In 1993 and 2002, the Board of Governors of the SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

### **SET Building Construction Fund**

In 1992, the Board of Governors of the SET approved an appropriation of general funds of Baht 580 million for the construction of SET buildings. Construction of the office buildings was completed in 1998. The remaining fund balance of Baht 246.3 million is reserved for further construction of a parking building.

In 2008, the Board of Governors of the SET approved the construction of the car park building from the above mentioned remaining fund balance. The total construction cost paid in 2011 was Baht 7.3 million (2010: Baht 157.4 million).

As at 31 December 2011, SET Building Construction Fund had balance Baht 8.1 million (2010: Baht 15.4 million)

### **Staff Welfare Fund**

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

### **Securities Investor Protection Fund**

In 2004, the Board of Governors of the 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 investor confidence in trading listed securities on the SET through the members of the SIPF. As at 31 December 2011, 32 companies were SIPF members (2010: 33 companies).

The assets of SIPF consist of:

- 1) the initial fund from the SET of Baht 300 million, which was appropriated from broker seat admission fees;
- 2) the cumulative membership entrance fees and monthly fees collected from the members (commencing from 1 January 2005) of up to Baht 200 million; and
- 3) the future benefits generated from investments in the SIPF.

**22 Fund balances (cont.)**

**Securities Investor Protection Fund (cont.)**

In July 2010, the SIPF member contributions fully collected reached Baht 200 million, thus meeting the target set by the SIPF regulations. The SET has not collected additional contributions since August 2010.

The fund will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

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

	<b>(Unit : Baht'000)</b>	
	<b>Consolidated and SET's financial statements</b>	
	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and investments	466,644	345,347
Accrued interest receivable	3,764	1,707
Other current assets	-	45
<b>Total current assets</b>	<b>470,408</b>	<b>347,099</b>
<b>Non-current assets</b>		
Long-term investments	147,429	251,110
<b>Total assets</b>	<b>617,837</b>	<b>598,209</b>
<b>Liabilities and fund balances</b>		
<b>Non-current liabilities</b>		
Contributions from members	201,315	201,315
Benefits on contributions from members	30,857	23,479
Other non-current liabilities	-	5
<b>Total non-current liabilities</b>	<b>232,172</b>	<b>224,799</b>
<b>Fund balances</b>		
Initial fund	300,000	300,000
Fund balances	85,665	73,410
<b>Total fund balances</b>	<b>385,665</b>	<b>373,410</b>
<b>Total liabilities and fund balances</b>	<b>617,837</b>	<b>598,209</b>

The SIPF's statements of revenues and expenses for the years ended 31 December 2011 and 2010 are presented in Note 23 to the financial statements "Results of fund operations".



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**23 Results of fund operations**

Details of the results of fund operations which are included as part of the consolidated and the SET's statements of comprehensive income are as follows:

	(Unit : Baht'000)			
	Consolidated financial statements			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
<b>For the year ended 31 December 2011</b>				
<b>Revenues</b>				
Operating revenues	-	-	3,244,912	3,244,912
Investment income, net	1,720	13,484	750,532	765,736
Other income	-	-	160,956	160,956
<b>Total revenues</b>	<b>1,720</b>	<b>13,484</b>	<b>4,156,400</b>	<b>4,171,604</b>
<b>Expenses</b>				
Operating expenses	-	116	2,545,208	2,545,324
Contributions to the Stock Exchange of Thailand Foundation	-	-	358,937	358,937
Income tax	-	-	157,680	157,680
<b>Total expenses</b>	<b>-</b>	<b>116</b>	<b>3,061,825</b>	<b>3,061,941</b>
<b>Revenues over expenses</b>	<b>1,720</b>	<b>13,368</b>	<b>1,094,575</b>	<b>1,109,663</b>
Total other comprehensive loss - available-for-sale financial assets	-	(1,113)	(359,381)	(360,494)
<b>Total comprehensive income</b>	<b>1,720</b>	<b>12,255</b>	<b>735,194</b>	<b>749,169</b>
<b>For the year ended 31 December 2010</b>				
<b>Revenues</b>				
Operating revenues	-	-	2,639,287	2,639,287
Investment income, net	900	11,766	866,577	879,243
Gain from disposal of assets	-	-	421,914	421,914
Other income	-	-	205,875	205,875
<b>Total revenues</b>	<b>900</b>	<b>11,766</b>	<b>4,133,653</b>	<b>4,146,319</b>
<b>Expenses</b>				
Operating expenses	-	131	2,482,458	2,482,589
Contributions to the Stock Exchange of Thailand Foundation	-	-	467,261	467,261
Income tax	-	-	68,375	68,375
<b>Total expenses</b>	<b>-</b>	<b>131</b>	<b>3,018,094</b>	<b>3,018,225</b>
<b>Revenues over expenses</b>	<b>900</b>	<b>11,635</b>	<b>1,115,559</b>	<b>1,128,094</b>
Total other comprehensive income - available-for-sale financial assets	-	1,606	225,691	227,297
<b>Total comprehensive income</b>	<b>900</b>	<b>13,241</b>	<b>1,341,250</b>	<b>1,355,391</b>

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**23 Results of funds operations (cont.)**

Details of the results of fund operations which are included as part of the consolidated and the SET's statements of comprehensive income are as follows: (cont.)

	(Unit : Baht'000)			
	SET			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
<b>For the year ended 31 December 2011</b>				
<b>Revenues</b>				
Operating revenues	-	-	1,202,854	1,202,854
Investment income, net	1,720	13,484	860,045	875,249
Other income	-	-	1,489,503	1,489,503
<b>Total revenues</b>	<b>1,720</b>	<b>13,484</b>	<b>3,552,402</b>	<b>3,567,606</b>
<b>Expenses</b>				
Operating expenses	-	116	2,341,400	2,341,516
Contributions to the Stock Exchange of Thailand Foundation	-	-	358,937	358,937
<b>Total expenses</b>	<b>-</b>	<b>116</b>	<b>2,700,337</b>	<b>2,700,453</b>
<b>Revenues over expenses</b>	<b>1,720</b>	<b>13,368</b>	<b>852,065</b>	<b>867,153</b>
Total other comprehensive loss - available-for-sale financial assets	-	(1,113)	(358,870)	(359,983)
<b>Total comprehensive income</b>	<b>1,720</b>	<b>12,255</b>	<b>493,195</b>	<b>507,170</b>
<b>For the year ended 31 December 2010</b>				
<b>Revenues</b>				
Operating revenues	-	-	1,116,943	1,116,943
Investment income, net	900	11,766	1,168,874	1,181,540
Gain from disposal of assets	-	-	421,914	421,914
Other income	-	-	1,299,141	1,299,141
<b>Total revenues</b>	<b>900</b>	<b>11,766</b>	<b>4,006,872</b>	<b>4,019,538</b>
<b>Expenses</b>				
Operating expenses	-	131	2,283,925	2,284,056
Contributions to the Stock Exchange of Thailand Foundation	-	-	467,261	467,261
<b>Total expenses</b>	<b>-</b>	<b>131</b>	<b>2,751,186</b>	<b>2,751,317</b>
<b>Revenues over expenses</b>	<b>900</b>	<b>11,635</b>	<b>1,255,686</b>	<b>1,268,221</b>
Total other comprehensive income - available-for-sale financial assets	-	1,606	229,536	231,142
<b>Total comprehensive income</b>	<b>900</b>	<b>13,241</b>	<b>1,485,222</b>	<b>1,499,363</b>

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**24 Operating revenues**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Trading fees	1,134,191	896,646	719,227	703,603
Stock registrar fees	620,645	571,827	-	-
Member services fees	351,905	236,236	-	-
Clearing fees	339,398	240,476	-	-
Listing fees	280,094	241,032	280,094	241,032
Information service fees	172,473	146,642	140,740	115,487
Depository fees	136,691	101,129	-	-
Membership fees	119,821	122,190	23,200	23,400
Fund registrar fees	50,101	49,688	-	-
Customisation and IT support fees	39,593	33,421	39,593	33,421
Total	3,244,912	2,639,287	1,202,854	1,116,943

**25 Investment income, net**

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
Interest income		478,508	282,346	304,333	208,339
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	6	-	-	(11,177)	(9,680)
Assets for clearing system protection - members' portion		(148,690)	(59,842)	-	-
Others		(395)	(325)	(395)	(325)
Interest income, net		329,423	222,179	292,761	198,334
Dividend income from					
Mutual funds		301,087	365,355	300,867	365,115
Subsidiaries	11	-	-	134,400	333,699
Jointly-controlled entity	12	4,442	-	14,879	-
Other entities		1,735	2,335	1,735	2,335
Realised gain from investments		125,073	286,043	122,766	282,414
Unrealised loss from investments		(9,344)	(2,021)	(5,479)	(5,709)
Impairment losses on investments		-	(17,377)	-	(17,377)
Reversals (addition) of impairment losses	13	(164)	10,963	(164)	10,963
Net		752,252	867,477	861,765	1,169,774

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**26 Other income**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
Educational activities income	41,318	54,435	41,318	54,435
Revenues from fees and management funds	24,385	25,963	6,266	5,483
Service income	14,254	32,924	1,393,847	1,188,909
Gain from disposal of assets	-	421,914	-	421,914
Other income	57,474	59,095	48,072	50,314
Total	137,431	594,331	1,489,503	1,721,055

**27 Employee benefit expenses**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
<b>Management</b>				
Salaries and other benefits	149,122	127,549	149,122	127,549
Contributions to provident fund	12,000	10,717	12,000	10,717
	161,122	138,266	161,122	138,266
<b>Other employees</b>				
Salaries and other benefits	886,352	887,824	886,395	887,856
Contributions to provident fund	54,124	50,286	54,124	50,286
	940,476	938,110	940,519	938,142
Total	1,101,598	1,076,376	1,101,641	1,076,408

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at the rate of 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**28 SEC fees**

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

For 2011, the Board of the SEC required to charge fees at a rate of 0.002% of the trading value of the current year and additional fees, which charge on total equity of listed companies who have never issued securities for sale under the approval of the SEC, at the same rate that the SEC charge from the listed companies who issued securities and submit report to the SEC according to clause 56 of the SEC Act. In 2011 and 2012, the SEC will charge at 50% and 70% of the amount calculated (2010: the Board of the SEC required to charge fees at a rate of 0.002% of the trading value of the prior year).

The Board of the SEC also approved to charge fees from Thailand Future Exchange (Public) Co., Ltd. for operating as the center on the trading of future contracts. In 2011 - 2013, the SEC charged at a fixed rate of Baht 2 million per annum.

However, if there is an event changes or problems of implementation during the period, terms and conditions may be revised.

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**29 Other expenses**

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2011	2010	2011	2010
Fees and compensation expenses		56,721	46,866	54,363	44,879
Travelling and vehicle expenses		36,003	31,046	36,003	31,046
Contributions to capital market institutions		27,778	29,471	27,875	29,501
Expenses related with flood situation		14,163	-	14,163	-
Loss from written-off assets		5,583	29,993	5,527	29,993
Loss from written-off fire damaged assets	32	-	22,850	-	22,144
Airtime costs		-	20,000	-	20,000
Other expenses		36,057	27,226	29,071	25,863
<b>Total</b>		<b>176,305</b>	<b>207,452</b>	<b>167,002</b>	<b>203,426</b>

**30 Commitments with non-related parties**

	(Unit : Baht'000)			
	Consolidated		SET	
	2011	2010	2011	2010
<b>Capital commitments</b>				
Computer and software	42,325	7,821	42,325	7,821
Buildings and other constructions	2,712	30,046	2,712	30,046
<b>Total</b>	<b>45,037</b>	<b>37,867</b>	<b>45,037</b>	<b>37,867</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	11,715	11,515	11,715	11,515
After one year but within five years	21,263	17,812	21,263	17,812
<b>Total</b>	<b>32,978</b>	<b>29,327</b>	<b>32,978</b>	<b>29,327</b>
<b>Land lease commitments</b>				
Within one year	13,525	11,687	13,525	11,687
After one year but within five years	54,100	54,100	54,100	54,100
Over 5 years	190,352	203,877	190,352	203,877
<b>Total</b>	<b>257,977</b>	<b>269,664</b>	<b>257,977</b>	<b>269,664</b>
<b>Derivative trading and clearing system maintenance commitments</b>				
Within one year	25,466	24,237	25,466	24,237
After one year but within five years	58,889	80,285	58,889	80,285
<b>Total</b>	<b>84,355</b>	<b>104,522</b>	<b>84,355</b>	<b>104,522</b>

Moreover, the SET has an obligation relating to capital commitment subscription in two specific-purpose funds. The Asset Management Company will make additional investments from the SET after the initial investment amounting to Baht 18.4 million and Baht 6.9 million. The additional payment has not exceed Baht 50 million and Baht 30 million respectively unless the payment was made in the full amount of capital commitment subscription or due in terms of 10 years (3 August 2017) and 8 years (11 August 2016) respectively (Note 14).

### **31 Contingent liabilities and contingent assets**

#### **31.1 Contingent assets**

##### **Jointly-controlled entity**

The SET restructured the business of Family Know-how Co., Ltd. (Family Know-how) by entering into a joint venture arrangement with another company, which holds 50% of the registered share capital in Family Know-how. The SET holds 2,500,000 preference shares and the other company holds 2,500,000 ordinary shares. During the period from 1 January 2010 to 31 December 2012, preference shareholders will be entitled to receive dividends before ordinary shareholder from the operating result of Family Know-how. It will receive 10% of the net profit before legal reserve, and also receive dividends from the remaining net profit according to proportion of share holding in Family Know-how. After this period, all shares will have equal right and status.

As at 31 December 2011, the SET has accrued dividend income which it has the right to receive at 10% of Family Know-how's net profit for year 2011 amounting to Baht 4.4 million (2010: Baht 2.9 million).

#### **31.2 Contingent liabilities**

##### **(a) SET**

As at 31 December 2011, the SET has letters of guarantee issued by banks totalling Baht 4.4 million (2010: Baht 4.4 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

The SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2010: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, the SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH to the end of the credit period. In addition, the SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at 31 December 2011, TCH had not drawn down the overdraft credit line.

##### **(b) Subsidiaries**

During 2009, a subsidiary of the SET was named in a civil lawsuit as joint defendant (together with other individuals and juristic persons/entities) for alleged wrongful acts. The plaintiff is seeking compensation for alleged damages relating to the forgery of ordinary share certificates and for the defendants to be jointly responsible for compensation totalling Baht 223 million. In 2011, the civil court has considered the dismissal of the case. The outcome of the case has not presently been finalised and it's under the appeal of the plaintiff. The management of the subsidiary has assessed the current status of the litigation and anticipates that the case will not give rise to any significant loss to the subsidiary. Therefore, the subsidiary has not recorded any potential losses in the financial statements for the years ended 31 December 2011 and 2010.

The Group is a defendant in various pending legal cases with third parties from normal operations. In the opinion of management, after taking appropriate legal advice, the anticipated outcome is that these legal cases will not give rise to any significant losses.

**32 Loss from written-off fire damaged assets**

On 19 May 2010, the Stock of Exchange building was fire damaged as a result of political demonstrations and part of the building and some office equipment were damaged.

As at 31 December 2010, the Group has recognised the net book value of damaged assets of Baht 22.9 million and Baht 22.1 million in the consolidated and SET's financial statements respectively.

The Group has all risk insurance covering the building and office equipment and is currently under the claim process with the insurance company. The Group has not recognised the claim in the financial statements for 2011 and 2010.

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**33 Reclassification of accounts**

Certain amounts in the consolidated and entity financial statements for the year ended 31 December 2010 have been reclassified to conform with changes in presentation in 2011. The reclassifications are as follows:

	(Unit : Baht'000)					
	Consolidated			SET		
	As previously reported	Reclassification	After reclassification	As previously reported	Reclassification	After reclassification
<b>Statements of financial position</b>						
<b>Current assets</b>						
Cash at banks for dividend payables	8,372	(8,372)	-	-	-	-
Short-term investments, net	5,690,649	(32,477)	5,658,172	-	-	-
Other current assets	215,191	40,849	256,040	-	-	-
Assets for clearing system protection and benefits	1,056,969	-	1,056,969	-	120,098	120,098
Refundable deposits	6,982	-	6,982	127,070	(120,098)	6,972
<b>Current liabilities</b>						
Dividend payables	8,372	(8,372)	-	-	-	-
Income tax payable	10,319	(10,319)	-	-	-	-
Withholding tax payable	151,438	(151,438)	-	81,482	(81,482)	-
Other current liabilities	198,351	170,129	368,480	109,353	81,482	190,835
<b>Statements of revenues and expenses</b>						
<b>Revenues</b>						
Trading fees	896,646	(896,646)	-	703,603	(703,603)	-
Clearing and depository fees	341,605	(341,605)	-	-	-	-
Stock registrar fees	571,827	(571,827)	-	-	-	-
Listing fees	241,032	(241,032)	-	241,032	(241,032)	-
Member services fees	236,236	(236,236)	-	-	-	-
Service income	32,924	(32,924)	-	1,188,909	(1,188,909)	-
Gain from disposal of assets	421,914	(421,914)	-	421,914	(421,914)	-
Operating revenues	-	2,639,287	2,639,287	-	1,116,943	1,116,943
Other income	491,434	102,897	594,331	282,540	1,438,515	1,721,055
<b>Expenses</b>						
Fee and compensation expenses	50,351	(50,351)	-	48,365	(48,365)	-
Technology expenses	109,399	3,485	112,884	102,804	3,486	106,290
Depreciation	157,667	(157,667)	-	146,991	(146,991)	-
Amortisation	126,065	(126,065)	-	116,692	(116,692)	-
Depreciation and amortisation	-	283,732	283,732	-	263,683	263,683
Other expenses	160,113	47,339	207,452	158,074	45,352	203,426
Donation and social activities contribution, net	467,734	(467,734)	-	467,734	(467,734)	-
Contributions to the Stock Exchange of Thailand Foundation	-	467,261	467,261	-	467,261	467,261
<b>Statements of cash flows</b>						
<b>Cash flows from investing activities</b>						
Cash inflow on short-term borrowings from subsidiaries	-	-	-	220,000	(220,000)	-
Repayment of short-term borrowings from subsidiaries	-	-	-	(255,450)	255,450	-
Interest paid	-	-	-	(9,680)	9,680	-
<b>Cash flows from financing activities</b>						
Cash inflow on short-term borrowings from subsidiaries	-	-	-	-	220,000	220,000
Repayment of short-term borrowings from subsidiaries	-	-	-	-	(255,450)	(255,450)
Interest paid	-	-	-	-	(9,680)	(9,680)