

A Brief Introduction to The Stock Exchange of Thailand

May 2007



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About the Stock Exchange of Thailand

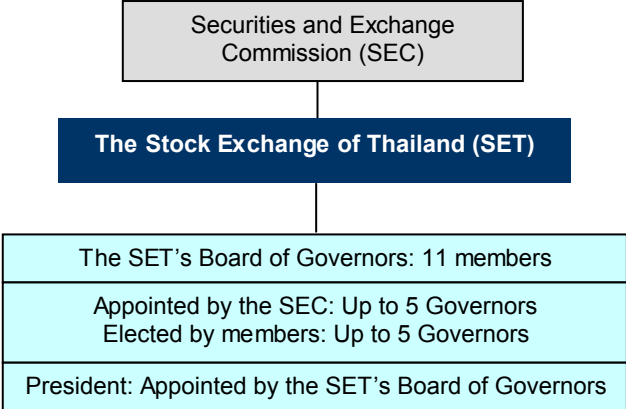
The Stock Exchange of Thailand (SET) is a one-stop center for trading of securities, offering a full range of products, services and trading infrastructure for investors, listed companies and other participants.

The SET was established in 1975 and officially began securities trading on April 30, 1975.

The SET offers investors the advantages of being an all-in-one shop for securities. To provide a greater range of investment alternatives -- in addition to equity instruments listed on the SET -- we offer the products of 3 sister bourses:

- Market for Alternative Investment (MAI), which creates fund-raising opportunities for innovative businesses with high potential growth.
- Bond Electronic Exchange (BEX) is an integrated secondary bond market, covers both wholesale and retail markets; and both corporate and government issues.
- Thailand Future Exchange (TFEX), which aims to be a world-class derivative exchange for the trading and hedging of Thai financial derivatives products. TFEX launched operations on April 28, 2006, with the SET 50 index futures as its first contract.

The SET Board of Governors is comprised of eleven people, five of whom are appointed by the SEC, and five who are elected by SET members. The SET President, appointed by the Board, is an ex-officio member of the Board. The Board is also responsible for formulating the SET policies, and supervising the Exchange's operations; however, certain rules and regulations prescribed by the Board must also be approved by the SEC.





How the Market Operates

Main Indices

- **SET Index**

A composite index calculated based on stock prices on the main board of the SET. It is a market capitalization-weighted index which compares the current market value of all listed common stock against the base date value.

- **SET50 Index**

A market capitalization-weighted price index. The index is computed from the share prices of the top 50 listed companies on the SET with large market capitalization and high liquidity.

- **SET100 Index**

The SET100 index is calculated from the stock prices of the top 100 listed companies using a similar methodology that used for the SET50 Index. It is also revised every 6 months.

- **MAI Index**

The Market for Alternative Investment calculates its MAI Index using a similar methodology as that used for the SET Index.

For further information on indices, please visit http://www.set.or.th/en/products/index/setindex_p1.html

Products

- **Equity**

Common stocks, preferred stocks, non-voting depository receipts (NVDRs), unit trusts, warrants and depository receipts

- **Bond**

Many types of bonds have been traded through BEX, including corporate bonds, government bonds and Asian Bond Fund. While the bond trading system for retail market is operated under the Automatic Order Matching (AOM), the Fixed Income and Related Securities Trading System (Firsts) is utilized for the bond trading activities among institutional investors and dealers.

- **Derivatives**

Currently, there is only SET50 index futures traded on TFEX. SET50 Index Options is expected to be launched by 2007.

Services

- **Back-office services**

The back-office services provided by the Thailand Securities Depository Co., Ltd. (TSD) are securities depository, securities clearing and settlement, securities registration, fund registration and back office service bureau. The back office service bureau was established to provide centralized system to support post trading services for the industry. It aimed to increase efficiency and decrease cost on work process of brokerage firms and overall industry.

- **Internet trading**

To accommodate on-line traders, Settrade.com Co., Ltd, a subsidiary of the SET, has developed internet trading program to facilitate the investors to access the trading via internet.

Trading system

Since 1991, the SET has operated a fully computerized trading system, the “Automated System for the Stock Exchange of Thailand” or “ASSET”. The ASSET has replaced the open outcry system.

In the ASSET trading system, two principal methods of trading are available: Automatic Order Matching (AOM) and Put-Through (PT) systems.

Trading hours

| Days | Morning Session | Afternoon Session |
|-----------------|--------------------|--------------------|
| Monday - Friday | 10.00 – 12.30 hrs. | 14.30 – 16.30 hrs. |

Trading days for the SET run from the Monday through Friday. The market closes on Saturday, Sunday and all commercial bank holidays. Local time is GMT+7.

Commission Rates

| Products | Commission rates |
|--|---|
| Stocks, warrants, non-voting depository receipts (NVDRs), derivative warrants and transferable subscription rights (TSRs) <ul style="list-style-type: none">▪ For trading except via the Internet▪ For Internet trading | <ul style="list-style-type: none">▪ Negotiable, with a minimum of 0.25% of the trading value, buying or selling▪ Negotiable, with a minimum of 0.15% of the trading value, buying or selling |
| Investment units (unit trusts) or warrants on investment units | <ul style="list-style-type: none">▪ Negotiable, with a minimum of 0.1% of the trading value, buying or selling |
| Debt instruments, investment units of a fixed income fund ¹ , or warrants on such investment units | <ul style="list-style-type: none">▪ Fully negotiable |

Note: ¹ a mutual fund that has invested more than one-half of its investment capital in debt instruments



Clearing and Settlement

The Thailand Securities Depository Co. Ltd. (TSD), a SET subsidiary, operates the settlement and clearing processes for all listed securities on the SET, the MAI and the BEX. Listed corporate bonds are settled on a T+2 basis, while the settlement cycle for other securities, including shares and warrants, is done on a T+3 basis.

Please visit http://www.bex.or.th/en/education/trading_method.html for further information on bonds and http://www.set.or.th/en/education/trading/system_p1.html for further information on other securities.

The Thailand Clearing House Co., Ltd (TCH), a subsidiary of TSD, provides clearing facilities for all derivatives trading on the Thailand Futures Exchange (TFEX), by clearing, settling and guaranteeing all matched transactions. Derivatives and settled on a T+1 basis.

Please visit <http://www.thaiclearing.com>

Tips to Know

Brokerage Houses

Investors can easily trade securities on the SET through any of 39 brokerage houses, many of which are foreign. A list of brokers, including web addresses, is in the appendix.



Foreign Board for Foreign-owned Shares

The foreign board was set up as an alternative board for foreign investors seeking direct ownership of securities, with the main limitation being that the securities held must not exceed the foreign shareholding limit set for that particular company. In general, shares have 49% foreign investment restrictions. The foreign shareholding limit typically leads to demand exceeding supply, resulting in paying a premium for stocks on the foreign board.

However, non-Thais may invest in up to 100% of virtually any listed company through using NVDRs, gaining identical financial benefits as if they owned the securities in their own name, as outlined below.

Non-Voting Depository Receipts (NVDRs)

NVDRs are issued by the Thai NVDR Co. Ltd., a subsidiary wholly owned by the SET, and were introduced in 2001 to stimulate trading activities and help eliminate barriers from foreign investment limits. NVDRs automatically carry the same prices and financial benefits as their underlying securities, which include common stocks, preferred stocks, warrants and Transferable Subscription Rights (TSRs). By investing in NVDRs, investors will receive exactly the same financial benefits, e.g., dividends or right issues, as if they had invested in the underlying security; the only difference between investing in NVDRs and the underlying security is that NVDR holders would not have voting rights. However, Thai NVDR will participate in shareholder meetings and exercise its voting rights for substantive issues such as a consideration to delist from the exchange.

As of May 2007, 593 were securities held by Thai NVDR, covering 94% of all listed securities.

Inward and Outward Remittance of Funds

All securities trading on the SET is handled in Thai baht. There are no direct restrictions on the inward and outward remittance of funds by foreigners. The Bank of Thailand (BoT) does not limit the inward remittance of funds by foreigners. Non-resident investors interested in investing in the SET-listed securities should contact a broker and appoint a custodian bank. For the repatriation of funds, foreign investors must show evidence from the sale of securities to the banks, which are authorized to facilitate the repatriation of proceeds and will report remittances to the BoT.

For further information, please visit

http://www.bot.or.th/bothomepage/General/Laws_Notif_Forms/ExchangeControl/guide_t.htm

Taxation

Foreign investors are subject to taxation on capital gains, dividends and interest earned from their securities investment on the SET, according to the following schedule:

| Types of income | Tax rate |
|---|--|
| Capital gains | - Tax-free for individual investors, but 15% withholding tax for foreign juristic investors ¹ |
| Dividends | - 10% withholding tax |
| Income (capital gain and interest income) from investment in debentures and bonds | - 15% withholding tax |

Note: ¹ Foreign juristic investors are defined as institutions established under foreign law and which do not operate in Thailand

For further information:

Rules & Regulations

Comprehensive rules related to SET and its subsidiaries, including the clearing house, etc.

http://www.set.or.th/en/regulations/rules/listing_p1.html

Listed Companies' Financial Information

Financial statements of all listed companies available for downloading

<http://www.set.or.th/set/downloadreport.do?type=finance&language=en&country=US>



SET Group websites



The Stock Exchange of Thailand

<http://www.set.or.th>



Bond Electronic Exchange

Market for corporate and government bonds

<http://www.bex.or.th>



Family Know-How Co.,Ltd.

Promoting investment culture through mass media

<http://www.moneychannel.co.th>



Market for Alternative Investment

Fund-raising opportunities for innovative businesses with high growth potential

<http://www.mai.or.th>



Settrade.com Co.,Ltd

Securities trading through the internet

<http://www.settrade.com>



Thai NVDR Co.,Ltd.

Issuer of non-voting depository receipts

<http://www.set.or.th/nvdr>



Thailand Futures Exchange Pcl.

Market for derivatives products

<http://www.tfex.co.th>



Thailand Securities Depository Co.,Ltd

Clearing and settlement, depository and registrar services

<http://www.tsd.co.th>



Thailand Securities Institute

Finance and investment training for students, investors and professionals

<http://www.tsi-thailand.org>



Market Statistical Highlights

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 (As of 30 May) |
|--|--------|--------|--------|----------|----------|------------------------|
| Market Data of SET | | | | | | |
| SET Index | 356.48 | 772.15 | 668.10 | 713.73 | 679.84 | 737.40 |
| SET50 Index | 228.40 | 509.06 | 468.68 | 502.85 | 473.27 | 523.40 |
| SET100 Index ^{1/} | | | | 1,092.64 | 1,033.38 | 1,133.78 |
| Market Dividend Yield (%) | 2.72 | 1.81 | 2.75 | 3.37 | 4.23 | 4.01 |
| Market P/E Ratio | 6.98 | 13.65 | 9.40 | 9.40 | 8.10 | 10.45 |
| Market P/BV | 1.36 | 2.71 | 2.00 | 1.91 | 1.65 | 1.72 |
| Newly Listed Companies | 18 | 21 | 36 | 36 | 12 | 2 |
| Number of Listed Companies | 389 | 408 | 440 | 468 | 476 | 478 |
| Total Turnover Value(THB Billion) ^{2/} | 2,047 | 4,670 | 5,024 | 4,031 | 3,956 | 1,212 |
| Daily Average Turnover Value (THB Billion) ^{2/} | 8 | 19 | 21 | 16 | 16 | 12 |
| Total Capitalization Value(THB Billion) ^{3/} | 1,986 | 4,790 | 4,522 | 5,105 | 5,079 | 5,572 |
| Market Data of MAI | | | | | | |
| MAI Index ^{4/} | 127.49 | 343.70 | 188.07 | 158.23 | 193.43 | 212.16 |
| Newly Listed Companies | 6 | 6 | 14 | 14 | 6 | 2 |
| Number of Listed Companies | 9 | 13 | 24 | 36 | 42 | 44 |
| Total Turnover Value (THB Billion) ^{2/} | 14 | 30 | 34 | 36 | 27 | 21 |
| Total Capitalization Value (THB Billion) ^{3/} | 4 | 14 | 12 | 14 | 22 | 26 |
| Market Data for BEX ^{5/} | | | | | | |
| Number of listed bond | | | | | | |
| Government bond | - | - | - | 19 | 490 | 503 |
| Corporate bond | - | 22 | 39 | 73 | 88 | 85 |
| Outstanding Value (THB Billion) | | | | | | |
| Government bond | - | - | - | 489 | 2,799 | 3,110 |
| Corporate bond | - | 153 | 195 | 282 | 343 | 354 |
| Total Turnover (THB Billion) | - | 0.09 | 0.64 | 0.34 | 0.26 | 0.082 |
| Market Data for TFEX ^{6/} | | | | | | |
| Open Interest | - | - | - | - | 7,601 | 10,479 |
| Number of Contracts Traded | - | - | - | - | 198,737 | 233,081 |
| Notional Value Traded (THB Million) | - | - | - | - | 97,899 | 111,149 |

Note ^{1/} The SET100 Index was launched on May 3, 2005.

^{2/} Excluding debentures and convertible debentures

^{3/} Excluding depository receipts, unit trusts, derivative warrants, debentures and convertible debentures

^{4/} The MAI Index was launched on September 3, 2002.

^{5/} Bond Electronic Exchange (BEX) started trading on November 26, 2003.

^{6/} Thailand Futures Exchange (TFEX) started trading on April 28, 2006.

Brokerage Houses

| Company Name | Symbol |
|--|---------|
| ADKINSON SECURITIES PCL. * www.adkinsononline.com | ASL |
| APEX SECURITIES CO., LTD.** www.apexsec.com | APEX |
| ACLS SECURITIES CO., LTD.* www.acsec.co.th | ACLS |
| ASIA PLUS SECURITIES PCL. * www.asiaplus.co.th | ASP |
| AYUDHYA SECURITIES PCL.* www.ays.co.th | AYS |
| BFIT SECURITIES PCL.* www.bfitsec.net | BFITSEC |
| BT SECURITIES CO., LTD.* www.btsecurities.com | BTSEC |
| BUALUANG SECURITIES PCL.* www.bualuang.co.th | BLS |
| CIMB-GK SECURITIES (THAILAND) CO., LTD. www.cimb.com.my | CIMB-GK |
| CAPITAL NOMURA SECURITIES PCL.* www.cns.co.th | CNS |
| CLSA SECURITIES (THAILAND) LTD. www.clsa.com | CLSA |
| CREDIT SUISSE SECURITIES (THAILAND) LTD. www.credit-suisse.com | CS |
| DBS VICKERS SECURITIES (THAILAND) CO., LTD.* www.dbsvitrade.com | DBSV |
| FAR EAST SECURITIES CO., LTD.* www.fes.co.th | FES |
| FINANSA SECURITIES LTD.* www.finansa.com | FINANSA |
| GLOBLEX SECURITIES CO., LTD. * www.GloblexSecurities.com | GLOBLEX |
| I V GLOBAL SECURITIES PCL.* www.ivs.co.th | IVG |
| JPMORGAN SECURITIES (THAILAND) LTD. www.jpmorgan.com | JPM |
| KASIKORN SECURITIES PCL.* www.kasikornsecurities.com | KS |
| KGI SECURITIES (THAILAND) PCL.* www.kgiworld.co.th | KGI |

Remark:

* With Internet Trading Services

** Temporarily Suspend the Operation

| Company Name | Symbol |
|---|----------|
| KIATNAKIN SECURITIES CO., LTD. * www.kks.co.th | KKS |
| KIM ENG SECURITIES (THAILAND) PCL.* www.kimeng.co.th | KIMENG |
| KTB SECURITIES CO., LTD.* www.ktbstoday.com | KTBS |
| MERCHANT PARTNERS SECURITIES LTD.* www.merchant.co.th | MERCHANT |
| PHATRA SECURITIES PCL.* www.phatrasecurities.com | PHATRA |
| PHILLIP SECURITIES (THAILAND) PCL.* www.phillip.co.th | PST |
| PRUDENT SIAM SECURITIES CO., LTD.* www.pssec.co.th | PSS |
| SCB SECURITIES CO., LTD. * www.scbsec.com | SCBS |
| SEAMICO SECURITIES PCL.* www.seamico.com | ZMICO |
| SIAM CITY SECURITIES CO., LTD.* www.scs.co.th | SCIBS |
| SICCO SECURITIES PCL.* www.ssec-online.com | SICSEC |
| SYRUS SECURITIES PCL.* www.syrus.co.th | SYRUS |
| THANACHART SECURITIES PCL.* www.TNSitrade.com | TNS |
| TISCO SECURITIES CO., LTD. * www.tiscosec.com | TSC |
| TMB MACQUARIE SECURITIES (THAILAND) LTD.* www.tmbmacquarie.co.th | TMBMACQ |
| TRINITY SECURITIES CO., LTD * www.trinitythai.com | TRINITY |
| UBS SECURITIES (THAILAND) LTD. www.ubswarburg.com | UBS |
| UNITED SECURITIES PCL.* www.unitedsec.com | US |
| UOB KAY HIAN SECURITIES (THAILAND) PCL. * www.uobkayhian.co.th | UOBKHST |

