



THE SET Newsletter

Thai Bourse Welcomes

YNP, KPN, CIG and SAT

In the First Month of the Year of the Chicken



Thailand's automotive industry has been dynamic and attracted a lot of foreign investment, so numerous leading global auto manufacturers have shifted their production bases to Thailand. Due to the government's continual support, the kingdom is becoming known as the "Detroit of Asia". This bright outlook is expected to boost the local auto industry. To prepare for further expansion, many companies in the automotive sector have decided to raise funds through the capital market. Among them are **Yarnapund Pcl. (YNP)**, **KPN Automotive Pcl. (KPN)** and **Somboon Advance Technology Pcl. (SAT)** who entered into the Thai bourse in the first month of the Year of the Chicken.

On the 13th of January, YNP became this year's first listing in the Automotive Sector, under the Industrials Industry Group, on The Stock Exchange of Thailand (SET). It was followed by KPN and SAT, listing on January 26 and 31, respectively. In the meantime, **C.I. Group Pcl. (CIG)**, a leading manufacturer of air conditioner coils, listed in the Market for Alternative Investment (mai) on the 27th of January. Thus, by the month's end, the Thai capital market had four new listings.

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Yarnapund Pcl. (YNP) was the Thai capital market's first new listing in 2005. The company listed its securities on The Stock Exchange of Thailand in the Industrials Industry Group, Automotive Sector. It had THB 1,260 mln. (approx. USD 33 mln.) in paid-up capital. Its securities were comprised of an existing 212 mln. shares plus an additional 40 mln. shares in capital increase, totaling 252 mln. shares, each with a par value of THB 5.00. Of the capital increase portion, 37 mln. shares were sold to the public and the remaining 3 mln. sold to YNP's staff on December 24-28, 2004 at THB 13.40 per share. The securities commenced trading on January 13, 2005, using "YNP" as their trading symbol. Syrus Securities Pcl. and SICCO Advisory Co., Ltd. acted as its financial advisors.

Yarnapund Pcl. (YNP)



Mr. Samphan Phanpanit
Managing Director

YNP: Thailand's leading automotive part manufacturers

YNP manufactures metal molded auto parts, called "press parts", mainly for large trucks. Its main product lines include 1) exhaust systems and equipment 2) accelerators, brake and clutch (ABC) pedal sets, and 3) press parts for cars for the OEM (Original Equipment Manufacturer) and REM (Replacement Equipment Manufacturer) markets. YNP's key customers are global auto manufacturers, including Toyota, GM, Isuzu, Honda, and Hino. The Yarnapund Group has also been authorized to be the sole exhaust equipment distributor in Thailand for Toyota, GM, and Isuzu.

Mr. Samphan Phanpanit, Managing Director of YNP, disclosed: "YNP's constant drive for excellence as well as its extensive accumulated experience in automotive parts manufacturing for over 50 years has enabled it to achieve great recognition throughout Thailand and Southeast Asia. In recognition of YNP's high-quality automotive parts, the firm has received a large number of prestigious awards and certificates. In 2000, it was awarded QS 9000:1998 Certification in recognition for its quality management system for automotive parts manufacturing. YNP also received awards from leading car manufacturers for its quality operations, e.g., the Delivery Performance Award from Siam Toyota Manufacturing Co., Ltd., or the Best Quality Control Group Award from Thai Hino Cooperation."

YNP keeps pace with the automotive industry's growth

Thailand's automotive industry has been so dynamic that numerous leading global auto manufacturers have decided to shift their production bases to the Kingdom. The favorable trend is expected

to fuel YNP's continual growth. In order to expand, YNP plans to increase its annual production capacity to 450 mln. strokes, from 280 mln. strokes per year. Moreover, the company has continued to employ advanced technology to enhance the quality of its products and services. "YNP's cutting-edge technology is an integral part of its vertically-integrated operations. The company has been able to gain access to state-of-the-art design and manufacturing technology by partnering with Sango Co., Ltd. (Japan) and Tenneco Automotive Inc. (USA). Continual technical advancement, therefore, is a hallmark of YNP's commitment to quality," Mr. Samphan said.

YNP has two subsidiaries. YNP Engineering Co. Ltd., is responsible for the design and production of the tools used in the manufacturing process, e.g., dies, jigs, checking fixtures (C/F) and equipment, while, Yarnapund International Co. Ltd. mainly supplies exhaust systems to REMs. Moreover, YNP also formed three joint-venture companies with Japanese and American automotive part developers—YS Pund Co. Ltd., Walker Exhaust (Thailand) Co. Ltd. and Yarnapund Daiso (Thailand) Co. Ltd.

Consolidated financial summary (in THB mln.)

	2003	9M/2004
Total revenues	2,082	2,468
Net profit (loss)	66	(21)

When asked why YNP's performance during the 9M/2004 dropped, Mr. Samphan revealed that it was due to the change of Toyota's pick-up models from the "Hilux Tiger" to the "Vigo" in Q4/2004. "In general, it takes YNP only two weeks to prepare and test its production process for each new model, and this generally causes a slight drop in sales for only a few weeks. However, things were different this time. Since YNP was authorized to be the world's sole exhaust equipment manufacturer for this particular Toyota model, Toyota wanted to make sure that the manufacturing process was of premium quality, without any defects. Therefore, YNP had to repeat its testing and trial processes to achieve customer confidence and satisfaction. Therefore, the company faced losses during Q3/2004. However, YNP expects to post net profits starting in Q4/2004," he said.

After its initial public offering, YNP's principal shareholder is the Phanpanit family, holding 71.49% of the company's paid-up capital. The company has a dividend payment policy of no less than 30% of its net profits after reserves. YNP will spend the raised funds to repay debts, to invest in a new manufacturing plant, and as working capital.

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KPN Automotive Pcl. (KPN) is a leading manufacturer and distributor of forged parts and plastic parts used in passenger cars, pick-ups, and motorcycles. The company's large product range includes steering and suspension systems, wheel frames and hubs, ball joints, axles, etc. KPN's major customers are leading automotive assemblers with production bases in Thailand, including Ford, Mazda, Yamaha, Toyota, and Honda. Moreover, the company also exports its products to automotive manufacturers in Malaysia, Australia, Germany, UK, and France.

KPN: One of the biggest names in the automotive manufacturing industry

"The Kasem-Phornthip Narongdej Group, or the KPN Group, was established by Dr. Kasem and Khunying Phornthip Narongdej, who have been in the auto industry for over four decades. With such extensive experience and expertise, KPN has earned an excellent reputation in the automotive manufacturing industry. Furthermore, the firm's products and services are widely accepted for their international quality standards," said **Mr. Nuttawut Phowborom**, Chief Operations Officer of KPN.

Over the years, KPN has established a foothold in the industry and has been recognized worldwide. The company has received many international accolades and certificates, which include:

- 1998: Accredited ISO 9002 from BVQI
- 1999: Accredited QS 9000 from BVQI
- 2000: Awarded Ford Motor 2000 World Excellence Award
Toyota Motors Best Quality Supplier '99 Award
- 2001: Toyota Motors 2000 Overall Outstanding Performance Award
- 2003: Certified with ISO 14001 for environmental management
- 2004: Accredited ISO/TS16949 from URS

Strategic business network helps strengthen KPN's foothold

To provide customers with integrated products and services, KPN has invested in other automotive-related businesses. The company's subsidiaries and related companies are as follows:

Subsidiaries	% held by KPN	Business operation
KPN Plus Co. Ltd.	100%	Franchising motorcycle parts and accessories
KPN Plastics Pcl.	99%	Production of engineering plastic parts for automobiles, motorcycles, electrical and household appliances
KPN-ST Logistics Co. Ltd.	54%	Integrated logistics services and supply-chain solutions

KPN's strategic business network has enabled the company to be one of Thailand's top forged parts manufacturers. Moreover, the KPN Group has also formed a

KPN Automotive Pcl. (KPN)



Mr. Nuttawut Phowborom
Chief Operations Officer

strategic alliance with a leading Singaporean logistics expert—SermCorp Logistics—enabling the Group to provide its services worldwide. In 2003, the KPN Group reached a milestone by operating the nation's first franchise system of motorcycle spare-part stores, with support from its parts production and logistics businesses.


Consolidated financial summary (THB mln.)

	2003	9M/2004
Total revenues	1,442	1,263
Net profits	42	76

In its quest to keep pace with the current expansion in the booming automotive industry, KPN Automotive listed on the Thai bourse in the Industrials Industry Group, Automotive Sector. In 2005, the firm became the second new listing on the Exchange and also in this Sector. The company had THB 500 mln. (approx. USD 12.50 mln.) in paid-up capital. This was comprised of an existing 77.40 mln. shares plus 22.60 mln. shares in capital increase, totaling 100 mln. shares, each with a par value of THB 5.00. The securities commenced trading on January 26, 2005, using **"KPN"** as their trading symbol.

During January 17-19, 2005, the company sold 22.50 mln. shares of its capital increase portion in an initial public offering (IPO) at THB 15.00 per share. KPN also sold the remaining 141,374 shares in its capital increase to its staff at THB 12.75 each. In its IPO, KPN also allotted 3.40 mln. shares, or 14.60% of its total IPO shares, as a green shoe option for the underwriters. Asia Plus Securities acted as its financial advisor.

KPN plans to use the raised funds to purchase machinery and equipment for the expansion of its forged and plastic parts production and to repay debts with financial institutions. A portion will be reserved as working capital. The company also plans to expand its branch network of KPN Plus outlets in 2005-6.

The Narongdej family is KPN's primary shareholder, holding 60.27% of the company's paid-up capital after its IPO. As for its dividend payment policy, KPN will pay out dividends of no less than 40% of its net profits after taxes and legal reserves. 

C.I. Group Pcl. (CIG) produces evaporator coils, condenser coils, and chilled water coils used in air-conditioners, air-coolers, and other heat exchangers. The company's products are made to order for both domestic and export markets, which account for approximately 70% and 30% of CIG's total sales, respectively. The company's local major customers include Trane and Carrier, both of which have been doing business with CIG for over a decade. CIG also exports its products to leading global air-conditioner manufacturers in North America, Australia and New Zealand through its distributors worldwide.

CIG is among Thailand's top-5 leading coil manufacturers

Mr. Theera Poomsanoh, Managing Director of C.I. Group, spoke about the company's leadership position in its business arena. He said: *"Currently, CIG is among Thailand's top 5 leading coil manufacturers, both in terms of sales and production capacity. Determined to further expand its business, CIG has successively increased its production capacity to adequately cope with the rising coil demand. The company's annual production capacity stood at 700 mln. square inches in 2004, up from 420 mln. square inches in 2001."*

Thanks to the internationally-accepted quality standards of its products, CIG is the only coil manufacturer in Thailand that has been certified by the Canadian Standards Association (CSA) and the Underwriters Laboratories Inc. (UL). This has earned the company global recognition, which benefits its marketing plans in the overseas markets, particularly in the North America where quality is considered extremely important.

"Apart from its premium-quality product standards, another of CIG's key competitive advantages lies in its comprehensive variety of made-to-order products. Our products include condenser coils, evaporator coils, and chilled water coils used in air conditioners for residences, office buildings, high-rises and even cars. We also produce coils for industrial purposes, including steam coils, oil coolers and compress air coolers, as well as coils used in air dryers. Hence, CIG can effectively serve its customers' specific requirements and intended uses," Mr. Theera noted.

CIG is the 1st listing in 2005 on the mai

C.I. Group Pcl. became the first listing in 2005 on the Market for Alternative Investment (mai) when it listed its securities on the sister bourse on January 27, 2005. The company's listed securities were comprised of 165 mln. shares (120 mln. existing shares plus 45 mln. shares in capital increase), each with a par value of THB 1.00. This brought their total worth to THB 165 mln. (approx. USD 4 mln.). These securities commenced trading on the mai starting

C.I. Group Pcl. (CIG)



Mr. Theera Poomsanoh
Managing Director

from January 27, 2005 onwards, using **"CIG"** as their trading symbol.

During January 18-20, 2005, CIG sold 45 mln. capital increase shares in its initial public offering (IPO) at THB 2.75. Out of the 45 mln. shares, 41 mln. were sold to the public, while the remaining 4 mln. were sold to its directors and employees. Syrus Securities Pcl. acted as its financial advisor. CIG plans to use THB 62 mln. (approx. USD 2 mln.) of the total funds raised from its IPO to expand its production capacity. The remaining portion of the funds will be used for working capital and debt repayment.

After its IPO, the three principal shareholders of CIG are Mr. Aree Poomsanoh, Mr. Taweesak Wangkorkiat, and Mr. Wongsawat Wongsawang, who hold 28.63%, 18.47%, and 14.38% of the company's paid-up capital, respectively. As for its dividend payment policy, CIG will pay out approximately 50% of its net profits after taxes and legal reserves.

Bright outlook for the air-conditioning industry will boost CIG's growth

Mr. Theera also noted that CIG is ready for further business expansion and is likely to grow in line with the air-conditioning industry, which has consistently shown exceptional growth potential over years. *"The sales of air-conditioners in Thailand have increased annually. In 2003, the sales of air-conditioners reached THB 40,155 mln., a 27% increase over 2002. For the 9M/2004 period, the sales grew by 42% year-on-year. In addition, export sales also have increased due to the privileges Thailand earned from the AFTA. All these favorable factors obviously show a promising outlook for the air-conditioning industry's continued growth. With such a bright outlook, CIG has expanded its production capacity to meet the expected rising demands for coil products, and is now ready to grow in line with our growing industry,"* he concluded. ✍️

CIG's financial highlights (in THB mln.)

	2003	9M/2004
Total revenues	466	454
Net profits	25	36

Somboon Advance Technology Pcl. (SAT) is a leading manufacturer of automotive parts for pick-ups, passenger cars, and trucks (e.g., axle shafts, leaf springs, and drum brakes). The company provides its products and services for many leading global automotive manufacturers, including Mitsubishi, Honda, Toyota, Isuzu, Ford and Mazda. With the expertise and experience gained from its over 60 years of operation, SAT has established an excellent reputation in the automotive industry and is widely recognized for its quality products and services.

SAT sets a stable foothold in the automotive industry

"From a modest automotive part distributor, the Kitaphanich family, who founded SAT, decided to expand its business' horizons into automotive part manufacturing. Since then, SAT has been operating both manufacturing and distributing automotive parts divisions, for the OEM (Original Equipment Manufacturer) and REM (Replacement Equipment Manufacturer) markets. Currently, SAT is the No.1 axle shaft manufacturer in Thailand, holding approximately 80% of the total market share. About 79-80% of all pick-ups manufactured in Thailand use axle shafts produced by SAT. Moreover, the company aims to increase its sales and revenues by expanding its customer base in overseas markets. Our primary prospective markets include Japan and Australia. To serve the rising demands from diversified export markets, SAT also plans to increase its production capacity from 100,000 auto parts to 130,000 parts per month," said **Mr. Verayut Kitaphanich**, President of SAT.

At present, SAT is the only axle shaft supplier for Toyota, one of the largest car manufacturers in Thailand, which has approximately 30% of the total car production capacity in the kingdom.

To provide a comprehensive range of auto part products, SAT has also invested in three subsidiary companies in the same business sector. Although some of SAT's and its subsidiaries products are similar, they have different target customers.

Subsidiaries	Main Products
- Bangkok Spring Industrial Co. Ltd. (BSK)	Leaf springs Stabilizer bars Hot coil springs Cold coil springs Valves Push rods
- SAT Axle Technology Co. Ltd. (SATAT)	Axle shafts
- Somboon Malleable Iron industrial Co. Ltd. (SBM)	Disc brakes Drum brakes Exhaust manifolds Fly wheel comps and fly wheels Brackets

Somboon Advance Technology Pcl. (SAT)



Mr. Verayut Kitaphanich
President

SAT continues to keep pace with the automotive industry

To keep pace with the promising growth trend of the industry, SAT plans to further expand its business. To finance its expansion, the company has listed its securities on The Stock Exchange of Thailand (SET) in the Industrials Industry Group, Automotive Sector. The company had THB 300 mln. (approx. USD 7.5 mln.) worth of paid-up capital. This was comprised of an existing 226 mln. shares and 74 mln. shares in capital increase, totaling 300 mln. shares, with a par value of THB 1.00 per share. The company sold its capital increase shares at their initial public offering (IPO) on January 20-21, 2005 at THB 12.90. The securities commenced trading on January 31, 2005, using **"SAT"** as their trading symbol. Trinity Advisory 2001 Co. Ltd. acted as the company's financial advisor.

Managerial consolidated financial summary (in THB mln.)

	2003	9M/2004
Total revenues	2,573	2,365
Net profits	224	641

SAT plans to use approximately THB 955 mln. (approx. USD 25 mln.) of the raised funds to expand its production capacity and repay a portion of its debts in Q1/2005. After the IPO, SAT's major shareholders are Somboon Holding Co. Ltd. and the Thailand Equity Fund, which hold 26.67% and 10.00% of the company's paid-up capital respectively. The company's dividend payment policy is to pay out dividends of no less than 30% of its net profits after taxes and legal reserves. ✍️

The Securities Analysts Fair 2005

The Stock Exchange of Thailand (SET), in collaboration with the Association of Securities Companies (ASCO) and the Securities Analysts Association (SAA), hosted the 3rd annual **"Securities Analysts Fair 2005"** on January 17, 2005 at the Queen Sirikit National Convention Center. At the Fair, over 60 Thai and foreign securities analysts provided comprehensive information about the direction and trends of the stock market as well as information at the industry level.

The Fair's highlights included the assembling of numerous experts and analysts who shared their views on the post-election stock market as well as its expected trends in 2005. There were an additional 10 interesting seminar topics as well, which were:

- "Thai Stock Market in the Year of the Chicken to March On After the Elections"
- "The Master Plan...The New Face of the Financial Sector"
- "Communication Industry After the Introduction of the National Telecommunication Committee"
- "How Foreign Institutions View the Thai Stock Market"
- "Energy and Petrochemicals in the Year of the Chicken... Promising or Not?"
- "A Focus on Stocks in the Construction & Property Development Industries"
- "Stocks that Yield Good Dividends"
- "Interest, Inflation, and Exchange Rates: Challenge Factors in 2005"
- "Interesting Stocks Outside the Blue-chip Group"
- "Stocks with Good Prospects"

Stock gurus provided insight into the Thai stock market's direction and projected trends for 2005

At the seminar sessions, several stock gurus and analysts agreed that the Thai stock market would remain bullish in 2005. More interestingly, the SET Index was expected to reach 800 points by mid-2005. However, fair participants were warned of several factors that may negatively impact the positive trend of the Thai bourse, including the rise in global oil prices and local interest rates.

At a seminar session, **Dr. Kongkiat Opaswongkarn**, Chief Executive Officer, Asia Plus Securities, suggested that investors should keep their eyes on the government's investment plans, which generally have a large impact on investment



from the private sector, as well as the world's ever-changing economic situations. He also noted: "The Thai stock market currently exhibits the potential to remain bullish in 2005. This is partly due to the US dollar's depreciation, resulting in an influx



of investment in the Thai bourse from foreign investors. I believe that the new government will continue its existing emphasis on boosting investment from the private sector, which should benefit the Thai capital market. Furthermore, Thai listed firms have consistently produced impressive performances. This will consequently make the Thai stock market become more attractive among both global and local investors. For these reasons, the SET Index is expected to reach 800 points by end- H1/2005."

Dr. Supavud Saicheua, Managing Director, Phatra Securities, also stated in the same seminar forum that the SET Index was expected to reach 780 points by this year's end. However, there are several major underlying factors that might affect the stock market's current positive trends for 2005. The worrying components included the new government's monetary and fiscal policies, the impact of the tsunami catastrophe on the nation's overall economy, the rise in global oil prices and inflation rates in Q2/2005, as well as the situation in the three southern provinces.

Also at the Fair, **Dr. Piyasvasti Amranand**, Chairman, Kasikorn Asset Management, commented on the investment sentiment in the Thai stock market. He said: "The privatization plan for state enterprises, particularly the Electricity Generating Authority of Thailand (EGAT), is expected to be pushed forward again by the new government. This will make the stock market become more attractive in the investors' point of view.



Equipped with the new listings of big enterprises, the Thai capital market will have more diversified investment products, attracting more investment from both foreign and local investors. It is expected that the SET Index will reach 770-800 points by mid-2005."

Meanwhile, **Dr. Anusorn Tamajai**, Chief Executive Officer & Director, BT Asset Management, stated that the

stock market in 2005 is likely to be more bullish than the previous year. *“It is expected that blue chip stocks are likely to give terrific investment returns. This is partly a result of the strong fundamentals found in Thailand’s listed firms, which posted an impressive growth in 2004. Moreover, stock prices in the Thai stock market are relatively low, compared with other regional markets in terms of P/E ratios. Consequently, global investors are attracted to invest in this potentially lucrative market. Hence, the SET Index could reach 750 points in H1/2005 and could possibly push as high as 900 points by the year-end,”* he said.

Apart from gaining useful investment information from several stock gurus and analysts, fairgoers were also given a **‘Collection of Securities Research Reports’**. This volume included useful information about the listed companies’ operational performances, plans, and operational risks, as well as the analysts’ assessments of their strengths, weaknesses and future potential. Furthermore, fairgoers could visit a **‘Stock Clinic’** where they could seek investment advice free of charge from approximately 40 analysts from 18 securities companies. Finally, fair participants could apply to use the **e-Dividends** service of the Thailand Securities Depository Co. Ltd. (TSD) without any surcharge. ✍

SET to Continue to Upgrade Listed Companies’ Corporate Governance

Improving corporate governance (CG) among listed companies in Thailand has been a core objective of Thai securities regulators and participants for years. Over the past decade, progressive measures and policies have been introduced to improve transparency and information disclosure, strengthen the rights of stakeholders and clearly identify the different roles and responsibilities played by management and board directors.

The Stock Exchange of Thailand (SET) has played a particularly crucial role in supporting initiatives to improve CG among listed companies. Listed firms have been encouraged to adopt 15 core CG principles. These 15 principles were publicized in early 2002 by the National Committee on Corporate Governance, and from recent research by the SET, 90% of listed companies have already conformed to all 15 principles. However, in 2005, the SET is determined to further upgrade listed firms’ CG standards to reach those of their foreign listed counterparts.

The SET has recently announced that it will continue to improve CG among Thai listed companies, including continuing to support the Thai Institute of Directors Association (Thai IOD) in assessing the CG of all listed companies in the Thai capital market, through the CG Baseline Project. Moreover, the SET intends to add more principles to the guidelines to make them even more aligned with those of the OECD (Organization for Economic Co-operation and Development).

In addition, the SET has already budgeted THB 30 mln. (approx. USD 0.75 mln.) to further develop listed companies’ CG standards, particularly in the areas of the accountability of the board of directors and stakeholders’ rights. The SET also plans to further assist listed companies in rising their average CG scores by 5% in 2005. At present, the combined average of all listed companies CG scores is 60% while those listed on the SET50 have a combined average CG grade of 65%. This attempt to raise the overall CG scores of listed

companies will be applied to companies listed on both the SET and the Market for Alternative Investment (mai). The plan is to have listed companies on the SET50 spearhead the move, because they are best prepared to assume the responsibilities of being role models.

To achieve successful and sustainable development of CG in Thailand, the SET will push all units related to the capital markets to play expanded roles in conforming to CG principles. Two examples of these expanded roles include the promoting of both the use of CG estimates among securities analysts in their investment advice and the disclosure of exercised votes by investors’ representatives among institutional investors.

Apart from monitoring listed companies’ implementation of the 15 core CG principles, the SET will further encourage listed firms to assume a stricter self-supervision role. In this way, the listed companies, their assigned contact persons, and the SET can work with one another more closely. Having a “contact person” acting as a middleman between a given listed company’s executives and the SET is important to successfully implementing CG. To help the self-supervision process work better, the contact person should have a comprehensive understanding about the SET and its rules and regulations, as this understanding will enable the contact person to help the listed company better conform to the relevant regulations. To assist the contact persons, the SET will organize special training for them plus other activities to help encourage and strengthen the relationship between them and the SET.

As part of its efforts to improve CG standards among listed companies in Thailand, the SET has encouraged listed firms to conform to the CG principles in every possible way. Consequently, Thailand’s listed firms’ CG standards will continue to become more in line with internationally-accepted levels. This will eventually create more confidence among both local and foreign investors in the transparency of the Thai stock market. ✍

TSD Ready for T+2 Clearing and Settlement Period by June 1, 2005

The Thailand Securities Depository Co., Ltd. (TSD) has announced that the clearing and settlement period will be reduced from the present three business days after the transaction date (T+3) to only two business days after the transaction date (T+2). The shortening of the settlement period will be effective from June 1, 2005 onwards, enabling investors to get their sales earnings faster.

Mrs. Nongram Wongwanich, the TSD President, said: *“Shortening the clearing and settlement period to T+2 will not only bring our system in line with international standards, but also improve the Thai capital market’s efficiency in clearing and settlement. The new T+2 period will also help increase trading liquidity as well. Foreign markets currently using the T+2 standard include Germany, Hong Kong, Korea, Taiwan, and India.*

“For foreign investors transferring their funds through their custodians, the TSD is consulting with the Bank of Thailand (BOT), asking for a relaxation of the requirement that commercial banks get the BOT’s permission prior to exchanging foreign currencies into Baht for securities investment purposes. If this is approved, it will reduce the custodian banks’ operational work. The BOT has already agreed in principle. The regulations and the related rules have been being amended and are expected to be ready for official announcement sometime in February 2005,” said Mrs. Nongram.

The Stock Exchange of Thailand (SET) and the TSD will also encourage the brokers and investors to utilize the Electronic

Fund Transfer (EFT) system more, so that they will be able to more conveniently transfer their purchases or sales through any banks’ online system. Presently, only 11% of investors are still using cheque-clearing and they can all easily change to the electronic fund transfer at no additional expense.

“Securities settlements will continue to be easily done, as 68% of the securities deposited at the TSD are in our scripless system. Securities deposited in our scripless system can be transferred quickly and safely, thanks to the assurances provided by our state-of-the art security system. Shortening the settlement period to T+2 will not have any effect on the order confirmations between the brokers and their clients, because the brokers will still be able to send confirmation documents to their clients at T+1 as usual,” Mrs. Nongram continued.

The TSD will work to make sure that all related parties completely understand all relevant rules and are ready for the change before the implementation of this new standard. The ‘Rules, Conditions and Procedures for Operation as a Clearing House’ will also be amended, and the TSD will submit them for approval by the Securities and Exchange Commission (SEC). ✍



Mrs. Nongram Wongwanich
TSD President

ROYNET’s Securities Will Be Delisted on March 5, 2005

The Board of Governors of The Stock Exchange of Thailand (SET) announced the delisting of Roynet Plc. (ROYNET) from the Market for Alternative Investment (mai), effective from March 5, 2005 onwards. This was by virtue of section 171(4) of the Securities and Exchange Act B.E. 1992. ROYNET violated section 56 by failing to submit its financial statements. This is considered a serious violation and constitutes a case of neglect on ROYNET’S part in complying with the SET’s rules. The SET will allow investors to continue to trade ROYNET’s securities during February 3 - March 4, 2005 before the delisting will take effect on March 5, 2005.

As a special advisory to investors, the SET recommends that all investors considering purchasing ROYNET shares be

cautious in their evaluation of the value of the company before investing. Investors should be aware that ROYNET’s financial statement showed that its shareholders equity was equal to (THB 59.34) mln. (as of September 30, 2004). The company also had a net loss from its operations and has continued to generate more debt. ROYNET had been under the rehabilitation process, but the management and business of the company was still unclear. This information is important for helping investors evaluate the true value of the company, make their investment decisions and better understand the changes in the trading prices of the company’s securities on the stock market. ✍

Change in Names and Symbols of Listed Companies and Member Companies

Date	Before Changing	Symbol	After Changing	Symbol
Listed Companies				
04/01/2005	Interlink Communication Public Company Limited	ICT	Interlink Communication Public Company Limited	ILINK
28/01/2005	Capetronic International (Thailand) Public Company Limited	CAPE	Wyncoast Industrial Park Public Company Limited	WIN
Brokerage Firms				
07/01/2005	Asset Plus Securities Public Company Limited	ASSET	Kasikorn Securities Public Company Limited	KSEC

SET Prepares to More Proactively Supervise Securities Trading

The Stock Exchange of Thailand (SET) has disclosed that it will apply a more proactive approach towards trading surveillance. An improved surveillance system will lead to more effective preventive measures against price manipulation, and hence reduce the potential damages that investors may suffer.

The improvement in the SET's surveillance system will be on both the technological and human resource sides. Trading surveillance will be assisted by the use of a more technologically advanced Alert System and a new ATOMS (Automated Tools for Market Surveillance) System. These new high-technology systems will permit the SET to more quickly detect and effectively track a wider range of suspicious trading behaviors, e.g., unusual volumes or values of securities that have been submitted through inappropriate trading orders. The SET will scrutinize each case and send any cases deemed questionable to the Securities and Exchange Commission (SEC) for further legal enforcement. With regards to human resources, the number and capability of the SET's surveillance staff will be enhanced. This enhancement will better enable the SET's surveillance personnel to cope with all future innovative products and services, as well as the expected increase in the number of new listed companies that the SET and the mai (Market for Alternative Investment) target at 90 for 2005.

To assure quick, timely, and effective surveillance to prevent any large-scale damage, the SET is also striving for a more effective preventive approach by watching more closely

the listed companies, securities companies and investors who are most likely to be involved in irregular trading. The SET will pursue any suspicious trading behavior by first making inquiries

to the securities companies suspected of being involved and require them to appropriately deal with any such behavior so as to prevent any violations against Thai law or the SET's rules.

In addition to the monitoring and analyzing of information likely to affect stock trading, the SET will watch closely the trading conditions that tend to be associated with irregular price changes, abnormally high concentrations in specific stocks, price supports or manipulations. Apart from trading surveillance, the SET will also investigate any violations of the SET's rules by member companies and licensed traders. In addition to these other measures, the SET has also imposed the *Rules and Procedures for Charging Brokerage or Agent's Fees for the Buying or Selling of Listed Securities and the Members' Good Corporate Governance Guidelines*.

As a result, the SET is expected to more efficiently be able to prevent any potentially serious damage to the Thai capital market. This will enable the Thai market to become more in line with the other Exchanges in Asia as well as Australia. ✍



Direct Internet Trading Orders Will Be Effective by April 2005

The SET Board of Governors has approved the acceptance of trading orders sent directly by investors via the Internet. The approval by the SET of this new practice will become effective by April 2005. Once direct Internet trading is implemented, sending orders through remote terminals or any other similar systems will be permanently terminated. The measures overseeing this self-execution system plus the complementary order screening system will also be operational by April 2005.

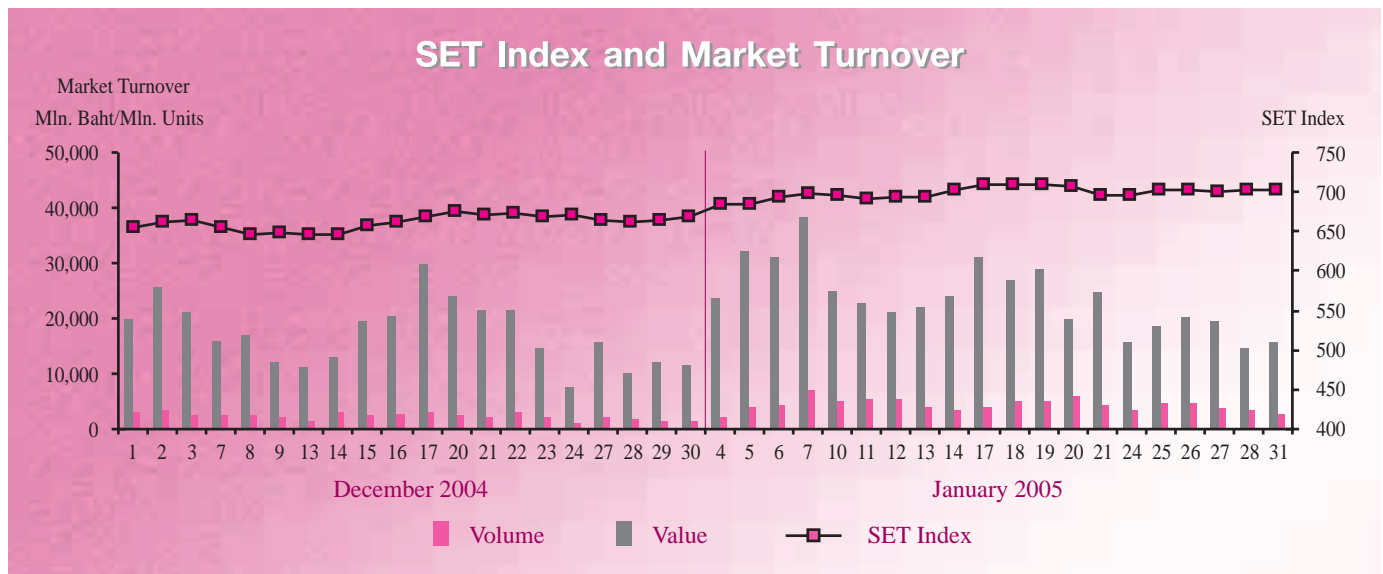
Since the new direct Internet trading orders may be executed at or outside the brokers' offices, investors will consequently be able to transmit their trading orders more conveniently. Permitting clients to send their orders directly via the Internet is also in line with the brokers' services in

overseas markets. According to the SET's study on self-execution practices in five markets—South Korea, Taiwan, Hong Kong, England, and the U.S.A.—it has been found that investors are allowed to execute their own orders only if they do so via the Internet. Specifically in Asia, investors using Internet trading services account for a high proportion of the total trading turnover.

Terminating using the remote terminal system has been approved by the committee whose members are representatives from the Association of Securities Companies (ASCO) and the SET's member companies currently providing such services. This approval was again ratified at the SET's member companies' meeting on January 13, 2005. ✍

Listed Debentures in January 2005

Securities Name	Listing Date	Debentures Type	Maturity Date	Rating	Coupon	Coupon Rate	No. of Listed Bonds	Par Value (Baht/Unit)	Total Nominal Value
Quality Houses Pcl. No. 2/2004 QH09DA	26/1/2005	Unsecure	3/12/2009	BBB	Floating	Year 1-3: 5.10%, Year 4-5: Avg. MLR of 4 largest banks -0.75%	1,000,000	1,000.00	1,000.00



The Stock Price Indices in January 2005

Index	High (Date)	Low (Date)	Close	
			January 2005	Compared with December 2004 (%)
SET	709.55 (18)	683.50 (5)	701.91	↑ 5.06%
SET50	50.06 (18)	48.19 (5)	49.14	↑ 4.84%
mai	203.09 (31)	186.67 (5)	203.09	↑ 7.99%

Stock Market Turnover in January 2005

	Volume (Mln. Shares)				Value (Mln. Baht)				
	January 2005		Compared with December 2004 (%)		January 2005		Compared with December 2004 (%)		
	SET	mai	SET	mai	SET	mai	SET	mai	
Total	84,371.95	807.98	↑ 97.98%	↑ 175.56%	Total	472,643.37	3,187.36	↑ 38.60%	↑ 104.07%
Daily Average	4,218.60	159.37	↑ 97.98%	↑ 987.11%	Daily Average	23,632.17	159.37	↑ 38.60%	↑ 104.09%

Statistics of Listed Debentures in January 2005

Issues	Listed Debentures		Total Turnover	
	Units	Total Par Value (Mln. Baht)	Units	Value (Mln. Baht)
40	204,770,000	195,323.10	61,000	62.63

Transactions by Type of Investors**

Unit : Mln. Baht

Type of Investors	December 2004				January 2005			
	Buy	%	Sell	%	Buy	%	Sell	%
Foreigners (corporate & individual)	95,746.62	27.95	72,052.83	21.03	156,265.75	32.84	108,330.21	22.77
Local Institutions*	31,093.10	9.08	44,689.20	13.04	34,362.97	7.22	53,071.35	11.15
Local Investors	215,745.91	62.97	225,843.60	65.93	285,202.00	59.94	314,429.16	66.08
Total	342,585.63	100.00	342,585.63	100.00	475,830.72	100.00	475,830.72	100.00

* Including securities companies, mutual funds, banks, finance firms, insurance companies, juridical entities and provident funds

** Including transactions of the mai

Top Ten Securities with Highest Market Value in January 2005

Rank	Securities		Market Value	
			Mln. Baht	% of Total
1	PTT	PTT	514,693.21	11.23
2	Advanced Info Service	ADVANC	312,216.73	6.81
3	The Siam Cement	SCC	304,800.00	6.65
4	Bangkok Bank	BBL	204,232.10	4.46
5	PTT Exploration & Production	PTTEP	188,159.73	4.11
6	Kasikornbank	KBANK	130,344.20	2.84
7	Shin Corporation	SHIN	128,483.00	2.80
8	Krung Thai Bank	KTB	114,033.44	2.49
9	Thai Oil	TOP	106,081.45	2.31
10	The Siam Commercial Bank	SCB	84,717.51	1.85
Total			2,087,761.37	45.55

Top Ten Most Actively Traded Securities (Main Board) in January 2005

Rank	Securities		Number of Securities	Turnover Value	
				Mln. Baht	% of Total
1	PTT	PTT	101,669,896	18,390.83	4.10
2	Thai Oil	TOP	336,314,648	17,163.82	3.83
3	The Siam Cement	SCC	57,017,470	14,912.29	3.33
4	Thoresen Thai Agencies	TTA	352,692,330	13,533.82	3.02
5	Italian-Thai Development	ITD	1,211,709,429	13,071.11	2.92
6	Krung Thai Bank	KTB	1,275,756,418	12,760.57	2.85
7	True Corporation	TRUE	1,319,177,032	12,140.12	2.71
8	Siam City Bank	SCIB	438,239,685	11,454.65	2.56
9	Bangkok Bank	BBL	102,043,203	11,250.70	2.51
10	Kasikornbank	KBANK	178,908,031	10,043.70	2.24
Total			5,373,528,142	134,721.61	30.07

* Excluding transactions on Foreign Board and the mai

Top Ten Most Actively Traded Securities (Foreign Board) in January 2005

Rank	Securities		Number of Securities	Turnover Value	
				Mln. Baht	% of Total
1	Bangkok Bank	BBL-F	3,806,551	7,594.22	31.04
2	Kasikornbank	KBANK-F	119,121,500	7,058.93	28.86
3	Siam Cement	SCC-F	22,520,030	6,464.68	26.43
4	Land and Houses	LH-F	144,020,470	1,610.96	6.59
5	Bank of Ayudhya	BAY-F	34,437,400	459.93	1.88
6	Electricity Generating	EGCOMP-F	2,765,000	223.66	0.91
7	Kiatnakin Finance	KK-F	4,665,274	175.65	0.72
8	Thai Union Frozen Products	TUF-F	4,067,600	106.80	0.44
9	Banpu	BANPU-F	631,000	106.78	0.44
10	Tisco Finance	TISCO-F	3,606,000	100.18	0.41
Total			399,640,825	23,901.79	97.72

* Excluding transactions of the mai

Top Ten Outstanding Non-Voting Depository Receipts (NVDRs) By Percentage of Paid-up Capital (as of 31 January 2005)

Rank	Securities		Number of NVDRs	% of Paid-up Capital
1	Golden Land Property Development	GOLD	222,117,495	35.25
2	Univentures	UV	133,183,849	25.31
3	Univentures	UV-W1	43,323,000	25.04
4	Aapico Hitech	AH	54,148,400	22.56
5	Home Product Center	HMPRO-W1	80,618,428	21.67
6	Tisco Finance	TISCO	111,639,120	20.91
7	Siam Panich Leasing	SPL	43,119,085	20.06
8	Land and Houses	LH	1,561,749,437	19.15
9	Bangkok Bank	BBL	328,992,138	17.24
10	M.K. Real Estate Development	MK	142,297,624	16.42

Top Ten Outstanding Non-Voting Depository Receipts (NVDRs) By Number of NVDRs (as of 31 January 2005)

Rank	Securities		Number of NVDRs	% of Paid-up Capital
1	Land and Houses	LH	1,561,749,437	19.15
2	The Thai Military Bank	TMB	499,328,867	3.75
3	Quality Houses	QH	391,295,045	5.21
4	Krung Thai Bank	KTB	331,674,867	1.53
5	Bangkok Bank	BBL	328,992,138	17.24
6	Kasikornbank	KBANK	325,186,387	13.72
7	Hemraj Land and Development	HEMRAJ	308,656,800	5.29
8	Bank of Ayudhya	BAY	248,020,305	8.64
9	Asian Property Development	AP	236,323,286	10.39
10	Golden Land Property	GOLD	222,117,495	35.25

SET Launched “Smart Go 2005”



The Stock Exchange of Thailand organized a “Smart Go 2005” program to help perspective companies prepare themselves for listing on the bourse. Participants included executives and management teams from **DSG International Pcl. (DSGT)**, **Asia Sermkij Leasing Pcl. (ASK)**, **Index Event Agency Pcl. (INDEX)** and **Sahamit Machinery Pcl. (SMIT)**. ✍

The mai Organizes Conference to Declare its 2005 Working Policies

The Market for Alternative Investment (mai) organized a conference for financial advisors, listed companies’ executives and prospective listed companies to make public its working policies for 2005 and unveil the new privileges for listed companies. In addition, the mai encouraged listed companies to join in activities that will be held to promote the mai as an attractive source for fundraising for investors. The conference drew a great deal of attention from management and executives of listed companies on the mai. ✍



Four New Listings Are Welcomed to the Bourse

In January, the Thai stock market welcomed four new listed companies. Three of them listed on the main market—**Yarnapund Pcl. (YNP)**, **KPN Automotive Pcl. (KPN)**, and **Somboon Advance Technology Pcl. (SAT)**. Meanwhile, **CI Group Pcl. (CIG)** listed on the Market for Alternative Investment (mai). ✍



“SET Corner” Opens at Chulalongkorn, Ramkhamhaeng and Kasetsart Universities

Mr. Kittiratt Na-Ranong, SET President, presided over the introduction of new “SET Corners” in the Faculties of Law and of Education, Chulalongkorn University on January 6th and February 2nd, respectively and in the Central Library, Ramkhamhaeng University on February 1st, and Bidyalankarana Library, Kasetsart University on February 9th.

“SET Corners” is part of the University Networking project, which disseminates information about finance and investment among students, faculty members and to the general public. The SET will set up “SET Corners” in every university nationwide. ✍



Faculty of Law, Chulalongkorn



Faculty of Education, Chulalongkorn



Central Library, Ramkhamhaeng



Bidyalankarana Library, Kasetsart