



Welcome address

by Pakorn Malakul Na Ayudhya,

Chairman, The Stock Exchange of Thailand (SET)

September 17, 2008

Plaza Athenee, Bangkok

- Deputy Minister of Finance, on behalf of Deputy Prime Minister and Minister of Finance, Dr. Suchart Thadathamrongvej
- Distinguished Speakers and Guests, Ladies and Gentlemen,

It is a great pleasure for CLSA Securities (Thailand) Co., Ltd. and The Stock Exchange of Thailand (SET) to co-host the fourth *Thailand Focus*, the largest and most comprehensive Thai investment conference ever staged each year.

On behalf of CLSA and SET, I would like to warmly welcome each and every conference delegate to Thailand and to *Thailand Focus 2008: Diversifying the Thai Portfolio*.

For this premier event, the Thai capital market is deeply honored that Dr. Suchart Thadathamrongvej, Deputy Minister of Finance, has consented to be our guest of honor and keynote speaker on behalf of H.E. Deputy Prime Minister and Minister of Finance Surapong Suebwonglee, who is in an urgent meeting of Parliament. His topic is “*Pushing Thailand Forward—The Vision*”. Following by this session, Bank of Thailand Governor Tarisa Watanagase will share her views on

“Securing Thailand’s Future with Capital Market Development”. Also, Minister of Tourism and Sports Weerasak Kowsurat will speak on “Eco-Tourism and Sustainable Tourism Development” at tomorrow morning’s session of Thailand Focus. As tourism is one of the key driver of Thailand’s economy, the minister’s talk is a must-attend event for all of us.

As in past events, we have brought together a wide array of other outstanding speakers. For example, We have the Secretary General of The Board of Investment of Thailand, Mr. Satit Chanjavanakul, and The Chairman of the Securities and Exchange Commission and the former Bank of Thailand Governor, Mr. Vijit Supinit, both will deliver the interesting topics within this morning. Notwithstanding, the tomorrow presence of Dr. Supachai Panitchpakdi, the Secretary General of UNCTAD and ex-Director general of the World Trade Organization who will deliver the speech on the topic of “Opportunities and Challenges for Thailand—The Global Perspective” is one of the important session.

This year’s topic is *Thailand Focus 2008: Diversifying the Thai Portfolio*, an occasion which offers a comprehensive and unique opportunity to examine Thai investment opportunities. The conference will acquaint participants with the characteristics of our capital market and provide updates on key developments in Thailand’s public and private sectors.

As well as covering government initiatives, this event will offer you important information on blue-chip listed companies and will alert you to other investment alternatives - which typify Thailand’s commercial depth and distinctiveness. Usually, people think of Thailand in terms of services or as the “rice bowl of Asia”. However, this country offers a feast of unique investment opportunities in sectors as diverse as agribusiness, food and beverage, tourism and leisure and healthcare services, all of which have recorded favorable growth rates. For instance, in the first half of 2008,

the net profits of the Agribusiness and Food Sectors rose by 383% and 97% year-on-year, Also during the first half of 2008, the Healthcare Services Sector enjoyed a rise in total net profit of 46% year-on-year, while the Tourism and Leisure Sector's net profit soared 73% year-on-year.

Ladies and gentlemen,

As we become an increasingly significant regional market, we feel the impact of globalization. The current global economic disturbances, due initially to the subprime problem, have spread throughout the world. Despite this turbulence, our macroeconomic indices continue to rise steadily, thanks in-part to falling oil prices. According to the Office of the National Economic and Social Development Board (NESDB), Thailand's GDP growth in the first half of 2008 reached an estimated of 5.7 %, a favorable improvement from 4.3% of the same period of last year. This improvement reflects heightened economic activity in Thailand, as evidenced by the improvement of private consumption, private investment and manufacturing production indices.

Furthermore, the Thai capital market has proved to be resilient and competitive, with global impacts softened by the strong fundamentals underlying Thai listed firms. Remarkably, H1/2008 saw the overall net profit of listed companies climb by 48% over the same period last year. In addition, Thai public firms' financial risk has steadily declined, evidenced by an interest coverage ratio of the second quarter of this year at 8.7 times - an increasing of 2.1 times from the same period of last year.

Since SET's inauguration 33 years ago, we have constantly been aware of ever-accelerating change in the world around us. Thus we are demutualizing ourselves, and will list ourselves by the year 2011. In January 2009, we will restructure to clearly separate our core business activities. This restructuring will

also involve establishing the so-called Capital Market Development Fund as our not-for-profit entity responsible for market development. The detail will emphasize more in the SET's presentation session in this afternoon.

Over the past three decades, SET has evolved to become an integrated market covering a full range of products, traded on the equity, bond and futures markets, offering investors an impressive array of choices. Until now, our initiatives include exchange-traded funds (ETFs), futures contracts and stock options. For this year, we introduced our second ETF, which is called M-TRACK, based on the SET Energy Sector index, with strong support from interested parties, and will launch stock futures before the end of this year. Our next initiative, the first commodity products, gold futures, is well under the preparation stage. We strongly determined to strive for developing the SET to become a forefront of Asian Exchange.

In terms of international linkages, we are looking forward to strengthening strategic alliances with ASEAN exchanges in cross-border trading, listing and product and service expansion. Our ASEAN-linked trading platform will support closer working relationships with neighboring countries. The platform preparation is going well and it will be available for use by domestic and international investors very soon.

In closing, I would like to emphasize SET's determination to maintain market stability. With the current low P/E but strong performances of Thai Listed Companies, we see the opportunity in the very near future when our political situation clears up. Consequently, the Exchange is working closely with asset management companies to set up 12 matching funds to invest not only in blue-chip firms, but also in medium and small companies with good fundamentals. Total assets under management are estimated to be THB 8,200 million, or USD 240 million. These funds will be ready to trade start by next month on ward.

Ladies and gentlemen,

Thailand Focus 2008 offers a unique chance for you, as major fund managers and others deeply involved in the capital market, to familiarize yourselves with our economy and stock market. Over the next three days, we will provide opportunities for you to gain first-hand information from and interact directly with all the key players, including policy makers and business leaders. Be assured that we will do our utmost to make your time with us as productive as possible.

On this auspicious occasion, may I now invite Dr. Suchart Thadathamrongvej, Deputy Minister of Finance, to deliver the opening address and keynote speech for *Thailand Focus 2008- Diversifying the Thai Portfolio*.