

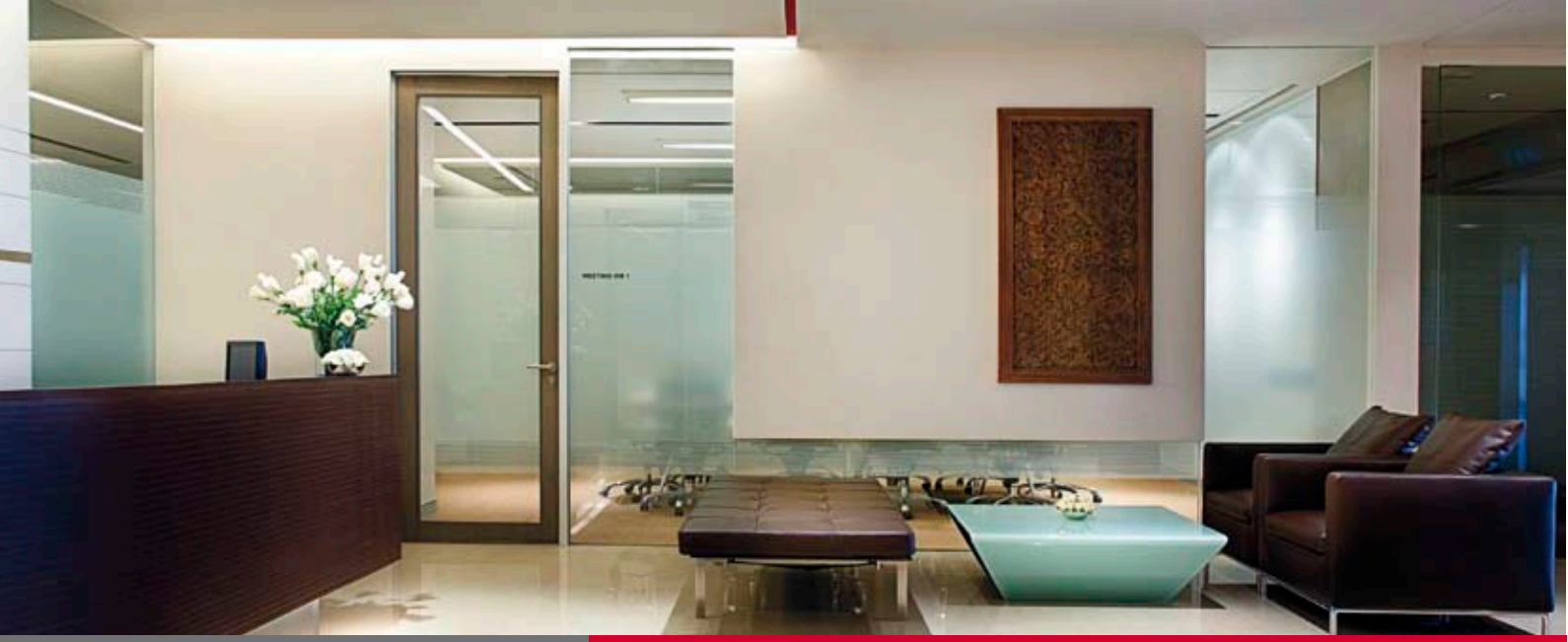
ANNUAL REPORT 2010



Capital Nomura Securities Public Company Limited

NOMURA





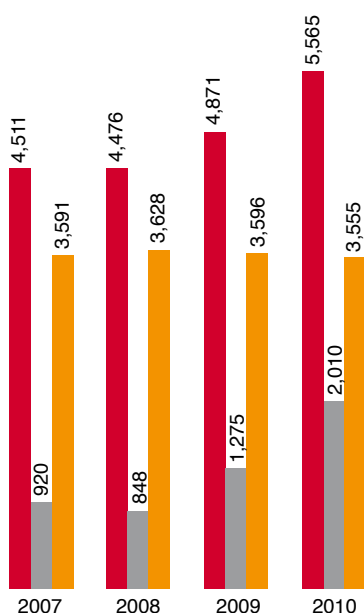
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Financial Highlight

Assets, Liabilities & Shareholders' Equity

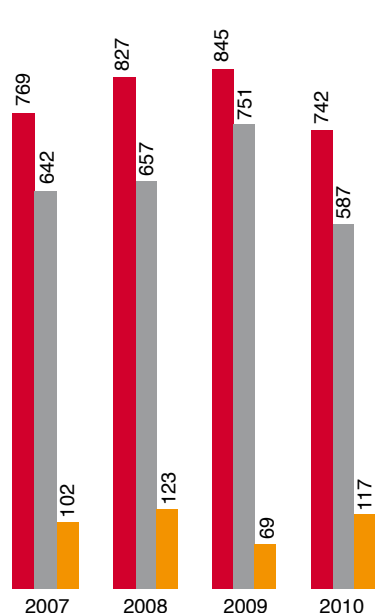
Mil.Baht



■ Assets
■ Liabilities
■ Equity

Operating Performance

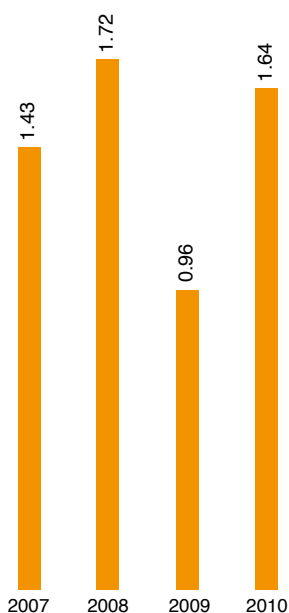
Mil.Baht



■ Total Revenue
■ Total Expenses

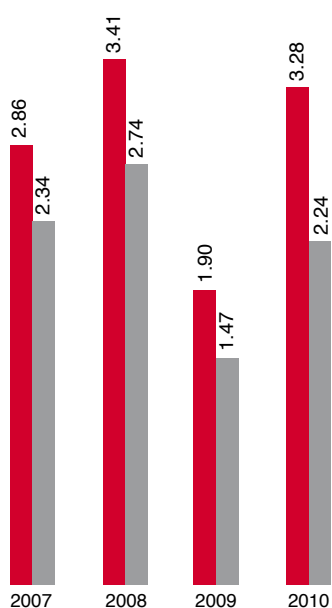
Earnings Per Share

Baht



Return on Equity & Return on Assets

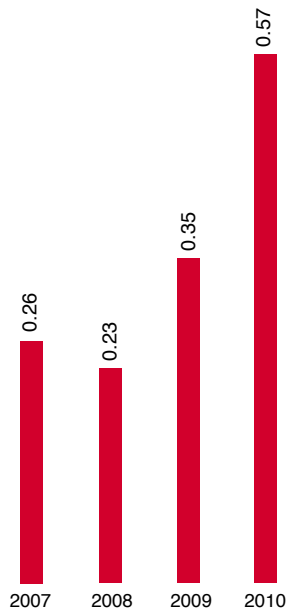
%



■ Return on Equity (ROE)
■ Return on Assets (ROA)

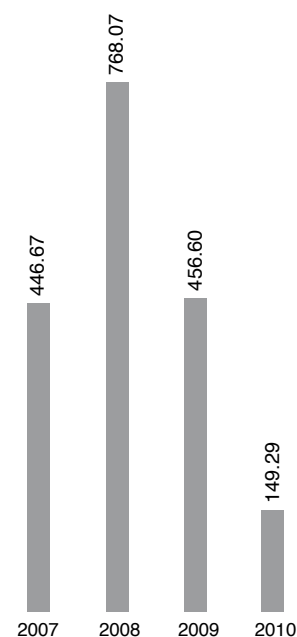
Debt to Equity Ratio

Time



Net Capital Ratio as at August 31

%



Board of Directors



Mr. Suthep Peetakanont
Chairman



Mr. Shinichi Mizuno
President



Mr. Nimit Wongjariyakul
Executive Director



Mr. Naoki Sugaya
Executive Director



Mrs. Chrisana Sae-Leiw
Executive Director



Mr. Yoshinori Go
Director



Mr. Pisit Tesabamroong
Director



Mrs. Wattanee Phanachet
Chairman of the Audit Committee
and Independent Director



Col. Ruangsub Kovindha
Audit Committee Member
and Independent Director



Mr. Prasert Virasathienpornkul
Audit Committee Member
and Independent Director

Message from the Chairman



During fiscal year 2010 (starting from September 1, 2009 until August 31, 2010) the securities business in Thailand and elsewhere was extremely volatile. This was particularly true in the first half of fiscal year 2010 owing to investors' concerns about the stability of global financial markets following the sovereign debt crisis in Europe and heightened fears of a double-dip recession in the United States. Meanwhile, the unstable political situation in Thailand also had an impact on the Stock Exchange of Thailand (SET) during this period. However, by the second half of fiscal year 2010 the flow of foreign funds into emerging markets, as well as renewed investor confidence in the outlook for Thailand's

economy, led to a sustained improvement in daily turnover that helped to boost the SET index to its peak for the fiscal year at the end of August.

On August 31, 2010, the SET index peaked at 913.19 points after having seen its low for the fiscal year on September 2, 2009 at 654.12 points. Meanwhile, the SET's average daily turnover during fiscal year 2010 improved by 58.4% y-y to Baht 23,656.10 million from Baht 14,904.61 million in fiscal year 2009.

As for Capital Nomura Securities Public Company Limited's (CNS) core securities brokerage business, our brokerage fee income in fiscal year 2010 (excluding brokerage fee income from overseas markets and fees from our selling agent business) totaled Baht 523.89 million for a gain of 19% year-on-year. The main reason behind this increase was the significant gain in the SET's total turnover. Meanwhile, our market share stood at 2.55% of the SET's total turnover, which excludes the turnover generated by securities companies' proprietary trading (starting from September 2009 until August 2010). This outcome saw CNS ranked 16th amongst the industry's 36 securities firms.

Our performance by category of customer in the past fiscal year was as follows:

1. Retail investors: In the past fiscal year, the brokerage fee income that CNS earned from its retail client base amounted to Baht 424.35 million for an increase of Baht 53.51 million (or 14.43%) year-on-year. This was equivalent to a market share of 2.93%.
2. Domestic institutional investors: The brokerage fee income that CNS earned from domestic institutional investors amounted to Baht 67.38 million for a gain of Baht 21.42 million (or 46.62%) year-on-year. This was equivalent to a market share of 3.61%.
3. Foreign investors: CNS's brokerage fee income earned from foreign investors amounted to Baht 32.16 million for an increase of Baht 10.14 million (or 46.07%) year-on-year. This was equivalent to a market share of 0.96%.

It should be noted that CNS's Internet trading volume continued to increase in fiscal year 2010 to where it accounted for 30.34% of our total trading volume vs. 22.65% of our total trading volume in fiscal year 2009. For this reason, the management of CNS realizes the importance of the development of our Internet trading business as a means of improving our competitiveness. Hence, we intend to continuously improve CNS's Internet trading system so that it is advanced, fast, stable and easier to use.

Meanwhile, in fiscal year 2010 CNS's brokerage fee income generated by our derivative agent business declined by Baht 11.57 million to Baht 35.50 million from Baht 47.07 million in fiscal year 2009. The main reason behind this decrease was the fact that our customers were less interested in this form of investment. Therefore, we intend to put more effort into promoting this business, including by educating our customers and investors as well as by carrying out more public relations and marketing campaigns aimed at making our derivative agent business better known.

Our investment banking and fixed income business in fiscal year 2010 saw CNS participate as a financial advisor and joint lead underwriter for the IPO of Bangkok Life Assurance Public Company Limited. During the fiscal year we also acted as a financial advisor and lead underwriter for Jubilee Enterprise Public Company Limited. In addition, we acted as a co-underwriter for two more companies during the fiscal year. In total, CNS participated in four of the thirteen IPOs that took place during the fiscal year. Furthermore, we remain mandated as a financial advisor for six companies.

The management of our capital fund during fiscal year 2010 continued to be carried out in a careful and conservative manner by investing in mainly stable instruments. Meanwhile, our funds were carefully utilized to promote our business expansion and to support our core operations, such as credit balance and SBL services. In addition, during the fiscal year CNS started a treasury stock program in order to better manage our liquidity and improve shareholder value. As of 31 August, 2010 we had bought back 3,287,200 shares of treasury stock at an average cost of Baht 29.51 per share for a total of Baht 96.99 million.

Due to the abovementioned factors, our net profit for fiscal year 2010 amounted to Baht 117.10 million for an increase of 48.49% when compared with the previous fiscal year's net profit of Baht 68.61 million.

For fiscal year 2011, CNS will continue to focus on policies and plans that aim to further expand our client base, especially our retail client bases by offering them a broader range of financial products and businesses, such as our mutual fund selling agent business. For example, we plan to develop a new system that will facilitate our retail clients' investments in the products offered by asset management companies, as well as provide them with a wider choice of securities for overseas investment. Other business plans for the coming fiscal year include upgrading the look and function of our website, as well as the efficiency of our internet trading system to where it covers all of the businesses that our clients can do over the internet, such as credit balance, SBL and investing in mutual fund products.

In addition, in the coming fiscal year CNS aims to further upgrade the skills and talents of our human resources across all departments and train new sales personnel to support our business expansion. Furthermore, we will also improve the quality of our research reports and will continue to organize seminars for our clients and staff to make them more aware of our new products and services. Finally, as in previous fiscal years, we will continue to promote good corporate governance, quality leadership and financial discipline as part of our commitment to delivering greater long-term shareholder value.

On the occasion of Capital Nomura Securities Public Company Limited's 40th anniversary that was celebrated in fiscal year 2010 (on May 26, 2010), on behalf of the Board of Directors I would like to express our sincere gratitude to all of our shareholders, clients and staff for their continuous support throughout the fiscal year and over the past four decades. With this continued support, as well as the determined efforts of our management team, I am confident that CNS will be able to achieve its goal of becoming the leading securities company in Thailand.



Suthep Peetakanont
Chairman

Corporate Profile

General Information

Name of the Company :

Capital Nomura Securities Public Company Limited (the “CNS”)

Type of Business :

CNS engages in securities businesses, chiefly securities brokerage, acting as an agent in the futures exchange market, financial advisory, underwriting, securities borrowing and lending and selling agent.

Office Location :

Head Office :

25 Bangkok Insurance Building, 15th-17th Floor, South Sathorn Road, Bangkok 10120

Telephone : +66(0) 2638 5000 +66(0) 2287 6000

Facsimile : +66(0) 2638 5001 +66(0) 2287 6007

Bangna Branch :

589/111 Tower 1 Office, 20th Floor, Bangna-Trad Road, Bangna, Bangkok 10260

Telephone : +66(0) 2725 8600

Facsimile : +66(0) 2745 6220-21

Phra-Pinklao Branch :

7/129 Central Plaza Pinklao Office Building, 9th Floor, Room 902, Baromrajchonnee Road, Arun-Amarin, Bangkok Noi, Bangkok 10700

Telephone : +66(0) 2884 9060

Facsimile : +66(0) 2884 9064 +66(0) 2884 9067

Ratchadaphisek Branch :

19 SCB Park Plaza Tower III East, Mezzanine Floor, Unit B, Ratchadaphisek Road, Ladyao, Chatuchak, Bangkok 10900

Telephone : + 66(0) 2937 8383

Facsimile : + 66(0) 2937 8390-91

Since October 18, 2010, CNS relocated Ratchadaphisek Branch to 123 Suntowers Building B, 23rd Floor, Unit B-2304, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900

Telephone : +66(0) 2638 5920 +66(0) 2287 6920

Facsimile : +66(0) 2617 7800,

and renamed the Branch from Ratchadaphisek Branch to Vibhavadi-Rangsit Branch

Esplanade Branch :	99 Esplanade Building, 2 nd Floor, Room 202-1, Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10310 Telephone : +66(0) 2354 0760 +66(0) 2641 3250 Facsimile : +66(0) 2641 3249
Call Center :	+66(0) 2638 5500
Website :	http://www.cns.co.th and http://www.cnsrealtime.com
Type of Securities :	Ordinary shares
Total Number of Shares :	71,682,300 shares
Registered Capital :	716,823,000 Baht
Paid-up Capital :	716,823,000 Baht
Treasury Stock :	3,287,200 shares (as of August 31, 2010)

Other References

• Share Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Klong Toey, Bangkok 10110

Telephone : +66 (0) 2229 2800

Facsimile : +66 (0) 2654 5427

Call Center : +66 (0) 2229 2888

E-Mail : TSDCallCenter@set.or.th

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

• Auditors

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klong Toey, Bangkok 10110

Telephone : +66 (0) 2264 0777 +66(0) 2661 9190

Facsimile : +66 (0) 2264 0789-90 +66(0) 2661 9192

E-Mail : ErnstYoung.Thailand@th.ey.com

Website : <http://www.ey.com>

By: Mrs Nonglak Pumnoi Certified Public Accountant (Thailand) No. 4172

Background

Capital Nomura Securities Public Company Limited (the “CNS”) was originally registered as a Limited Company on May 26, 1970 under the name of Bangkok Nomura International Securities Company Limited (Company Registration No. 317/2513). It was one of the founding members of The Stock Exchange of Thailand (SET) in 1975. On November 1, 1979 the Company’s name was changed to Bangkok Nomura Finance and Securities Company Limited and on September 23, 1985 it was changed again to Capital Finance and Securities Company Limited.

CNS has been listed on the SET since April 26, 1988 and then CNS returned its finance license to the Ministry of Finance. The Company changed its name to Capital Nomura Securities Company Limited on June 28, 1991. On February 24, 1994 the Company was converted into a “Public Company Limited” under the name of Capital Nomura Securities Public Company Limited (Registration No. 0107537000653).

Major Developments

The significant changes and major developments during the previous three years:

- 2008** CNS set up Overseas Investment Sales Department to serve as an agent to trade shares registered in the overseas markets as per client’s order.
- 2009** CNS relocated head office from 21/3 Thai Wah Tower, South Sathorn Road, Bangkok, 10120 to 25 Bangkok Insurance Building, 15th-17th Floor, South Sathorn Road, Bangkok, 10120
- 2010** On the occasion of CNS’s 40th anniversary in May 26, 2010, CNS aimed at further creating and developing our financial and investment service with the realizing of social responsibility.

Since October 18, 2010, CNS relocated Ratchadaphisek Branch from 19 SCB Park Plaza Tower III East, Mezzanine Floor, Unit B, Ratchadaphisek Road, Ladyao, Chatuchak, Bangkok 10900 to 123 Suntowers Building B, 23rd Floor, Unit B-2304 Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, and renamed the branch from Ratchadaphisek Branch to Vibhavadi-Rangsit Branch

Business Profile

Business Profile in fiscal year 2010

1) Brokerage Business : Securities

CNS is a member of the SET and provides securities brokerage services to both domestic and foreign investors. It aims to expand its brokerage service by extending its customer base through cash and credit balance accounts, as well as internet accounts.

CNS set up the Overseas Investment Sales Department to serve as an agent to trade listed securities in overseas markets and / or securities which was approved by The Securities and Exchange Commission (SEC) for Thai investors to invest.

2) Brokerage Business : Futures

Derivative business is a vital source of revenue to CNS. At present, CNS provides brokerage services for derivative products in Thailand Futures Exchange Market. The derivative products consist of SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures and Single Stock Futures.

CNS's main targets include retail clients and institutional investors. CNS has a high experienced and potential team and also the supporting system which has been capable for higher competitive edges and responded to the clients' needs.

3) Financial Advisory

CNS was granted approval by the SEC to provide financial advisory services within the scope set by the SEC.

4) Underwriting

CNS provides underwriting services which consist of services that provide a guarantee to issuing companies for the sale of securities, i.e. common shares, debentures, warrants, unit trusts and etc. and offered to investors.

5) Securities Borrowing and Lending

CNS was granted permission by the Ministry of Finance to operate a Securities Borrowing and Lending Business. CNS's objective in lending securities to its customers is solely to allow them to short sell securities through the credit balance accounts they have with CNS. These types of transaction are limited to securities listed in the SET50 Index and in the list of securities which CNS allows the customers to purchase through margin accounts (Marginable Securities).

6) Selling Agent Business

CNS acts as a selling agent for leading mutual fund management companies. As a selling agent, CNS has the main objectives to support its core main business and generate more income in a long term.

Revenue Structure

(Unit : Baht of Million)

Revenue Structure	Fiscal Year 2010		Fiscal Year 2009		Fiscal Year 2008	
	Amount	%	Amount	%	Amount	%
Brokerage Fees - Securities Business	525.73	70.83	440.58	52.12	527.60	63.81
Brokerage Fees - Futures Business	35.50	4.78	47.07	5.57	33.11	4.01
Fee and Service Income	77.90	10.50	249.43	29.51	89.64	10.84
Gain (Loss) on Trading in Securities	18.45	2.49	(9.64)	(1.14)	17.96	2.17
Interest and Dividend Income	37.34	5.03	72.63	8.59	62.54	7.56
Interest on Margin Loans	44.58	6.01	43.11	5.10	90.43	10.94
Other Income	2.69	0.36	2.16	0.25	5.57	0.67
Total revenue	742.19	100.00	845.34	100.00	826.85	100.00

Market and Competitive Conditions

Policies and significant marketing strategies

CNS aims at being one of the country's leading securities firms providing quality, fully-integrated and state-of-the-art services to the Company's existing and potential customers. The Company plans to develop the quality of its marketing staff to be ready for new innovation of financial instruments, for example, debt and derivatives. Moreover, the Company has continuously developed its quality of research papers and Information Technology (IT) system up to higher standard, serving as one of the competitive tools for tapping higher market share on the continuing basis.

Condition of industry

Securities trading on the SET during the fiscal year 2010 (September 2009 to August 2010) improved from the fiscal year 2009 (September 2008 to August 2009). This is evidenced by the total SET trading turnover during the fiscal year 2010 that increased by 58.06% to Baht 5,724.78 billion (including proprietary trading) from Baht 3,621.82 billion recorded for the fiscal year 2009. The average daily trading value rose by 58.79% to Baht 23.66 billion from Baht 14.90 billion. As for the market's direction, the SET index has continued to improve from that of last year. The SET index rose by 39.79% or 259.94 points, from the closing of 653.25 points on August 31, 2009 to 913.19 points as of August 31, 2010. Factors influencing the investment climate were:

Thailand's economic outlook

The Thai economy for 2010F is projected to grow by 7.0% compared to a 2.2% contraction seen in 2009. In 1H10 the economy expanded by 10.6% on a year on year basis due mainly to strong domestic demand both in terms of private consumption and private investment that expanded by 5.3% and 17.2% respectively. Meanwhile, for a production side, operators had increased their inventories. Hence, the inventory for the first half of 2010 expanded by 110.0% from the same period of last year. However, CNS anticipated that the Thai economy will grow at a slower pace during 2H10, following the expected slower growth in economies of the major developed countries, i.e. US., Japan and Europe, when the positive results of their measures initiated in 2009 to stimulate economies begin to fade. Meanwhile, operators in the private sector are unlikely to increase their inventories as much as in the first half of the year when the increase in inventory was a reason for the GDP growth of 4.3% out of 10.6% reported for the period. CNS forecast GDP growth of 4.5% for 3Q10F and 3.0% for 4Q10F. Hence, the Company estimated 2010F average GDP growth of 7.0%. Meanwhile, in terms of the country's economic stability, CNS anticipated that the country's headline inflation would rise by 3.8% vs. a decrease of 0.9% seen in 2009 owing mainly to the increase in the oil price. Meanwhile, the CNS estimated that Thailand would continue to book a current account surplus amounting to 12.4 billion US dollars in 2010F for 4.0% of 2010F GDP vs. the current account deficit of 20.3 billion US dollars in 2009 or 7.8% of 2009 GDP.

Earnings of listed companies

The abovementioned economic recovery benefited the industries that are related to domestic consumptions as the domestic purchasing power as well as consumption has begun to recovery. The budget reimbursement of the government has also helped boost the country's economy. In addition, the bright outlook for the global economy as well as regional economies brought about higher re-stocking. Meanwhile, the cost cut at many listed companies caused these companies to book better gross profit margins. Nevertheless, the products which are basic raw material, such as energy products, e.g. oil, coal, and natural gas, still show slow recovery as the global economy has just gone through the economic crisis, especially the crisis in the US. Hence, the earnings results of listed companies in the energy sector still show slower growth than the earnings results of the domestic consumption-related sectors. Finally, for an overall picture, we expect all SET-listed companies' financial positions to remain strong, which should be evidenced by the expected continual declines in their debt to equity ratios.

Foreign investment

During the fiscal year 2010, investment in stock markets worldwide including the Thai Stock Markets began to recover after being negatively impacted by the financial crisis in the US. that in turn caused economic recession worldwide. This, coupled with the decrease in the commission fee based on the sliding scale, caused the average daily market turnover of the SET to increase to Baht 23.66 billion from Baht 14.90 billion in 2009. The total market trading value for the fiscal year 2010 amounted to Baht 11,449,552 million (including proprietary trading), increasing from Baht 7,243,642 million in the fiscal year 2009. In the fiscal year 2010, the trading value of foreign institutional investors rose to Baht 2,240,831 million from Baht 1,452,082 million in the fiscal year 2009. Meanwhile, the trading value of retail investors rose to Baht 6,945,639 million in the fiscal year 2010 from Baht 4,378,022 million in the fiscal year 2009. In addition, the trading value of the domestic institutional investors rose to Baht 821,382 million in the fiscal year 2010 from Baht 489,344 million in the fiscal year 2009.

Trading value classified by types of investors*

(Unit : Baht of Million)

Fiscal Year 2010 (Sep 09 - Aug 10)	Buy		Sell		Total Buy & Sell		Net Buy (Sell)
	Amount	%	Amount	%	Amount	%	Amount
Domestic institutions	411,465	7.19	409,917	7.16	821,382	7.18	1,548
Proprietary trading	724,191	12.65	717,509	12.54	1,441,700	12.59	6,682
Foreign institutions	1,126,047	19.67	1,114,784	19.47	2,240,831	19.57	11,263
Retail clients	3,463,073	60.49	3,482,566	60.83	6,945,639	60.66	(19,493)
Total	5,724,776	100.00	5,724,776	100.00	11,449,552	100.00	-

Source : The Stock Exchange of Thailand (SET)

* Trading value of securities companies' proprietary trading included

Competition of securities brokerage business

During the fiscal year 2010, securities brokerage business had encountered the more intense competition, especially those brokerages whose focus is geared towards individual retail customers. Their key strategy to compete their competitors was enhancing the quality of Information Technology (IT) services, research papers as well as the online Internet trading system. However, some securities companies still used the human resource strategy by recruiting high volume marketing officers from other firms. For foreign customers, the securities company tried to find or increase trading volume under the Exclusive Partner agreement. All of these business strategies were prepared for changing of brokerage commission to sliding scale during 2010-2011 and liberalization afterward.

Nevertheless, Thailand's macroeconomics would still grow solidly despite some fragility caused by both internal and external factors, such as the political uncertainty, the risk about double-dip recession and etc. Despite these negative factors, foreign inflows had continued rising and maintained the accumulative buy position in the Thai stock market given strong financial positions of the Thai listed companies. In addition, solid financial status of listed corporate firms which could offer a high dividend payout of 4% should help liven up the investment climate in the SET. CNS has expected total trading turnover in the SET to eventually improve from a year earlier, underpinned by such catalysts as recovery in global economy and the recovery of Thai economy boosted by the government's measures to stimulate economy. These factors are expected to boost the investments in the SET.

The Stock Exchange of Thailand's Data (SET)

	Fiscal Year 2010 Sep 09 - Aug 10	Fiscal Year 2009 Sep 08 - Aug 09	Change	
			Amount	%
Total Turnover				
Value (Baht of Billion)	5,724.78	3,621.82	2,102.96	58.06
Average Daily Turnover (Baht of Billion)	23.66	14.90	8.76	58.79
SET Index (Point)				
Open at the beginning of the year	653.25	684.44	(31.19)	(4.56)
High (Close)	913.19	675.22	237.97	35.24
Low (Close)	654.12	384.15	269.97	70.28
Close at the end of the year	913.19	653.25	259.94	39.79
Average Dividend Yield (%)*	3.29	4.21	(0.92)	(21.85)
P/E Ratio (Time)*	14.28	24.95	(10.67)	(42.77)
Market Capitalization (Baht of Billion)*	7,380.11	5,195.45	2,184.66	42.05
Listed Securities (Mai Included)				
No. of listed securities*	682	656	26	3.96
No. of listed companies*	538	530	8	1.51
No. of newly listed companies	13	10	3	30.00

Source : The Stock Exchange of Thailand (SET)

* Figures of August

Top five securities firms in terms of market share

In reference to the market share of securities brokerage business, the top five securities firms ranked by the top five trading turnover accounted for 33.72% of total turnover, up from 29.82% recorded for the fiscal year 2009. Note that those brokerage firms focusing on the individual retail customers saw an increase in their market share while those focusing on the foreign institutional investors saw a drop in their market shares. Note that the market share would vary depending on the change in proportion of each investor type.

CNS's market share and types of clients

CNS's market share of the securities business during the fiscal year 2010 stood at 2.48% of the total market turnover of Baht 7,280.11 billion, which ranked 16th out of total 36 brokerage firms and reflected a decrease relative to the previous fiscal year when CNS's market share stood at 2.70%, which ranked 15th out of 38 brokerages firms.

If classified by types of clients, CNS's main client group fell into individual retail category which accounted for 79.91% of CNS's total trading turnover, for a decrease from the fiscal year 2009 when this type of clients accounted for 83.97% of CNS's total trading turnover. Meanwhile, the proportion of domestic institutional clients increased to 11.65% from 9.60% and that of foreign clients rose from 6.43% to 8.44% of the Company's total trading volume.

(Unit : Baht of Million)

Trading Values Classified by Types of Investors	Fiscal Year 2010		Fiscal Year 2009		Fiscal Year 2008	
	Amount	%	Amount	%	Amount	%
Individual Retails	203,163	79.91	163,374	83.97	180,437	78.26
Domestic Institutions	29,611	11.65	18,668	9.60	25,065	10.87
Foreign Investors	21,450	8.44	12,510	6.43	25,059	10.87
Total*	254,224	100.00	194,552	100.00	230,561	100.00

Note : Total trading values include those of SET and MAI

* Total values exclude CNS's investment portfolios.

In regard to CNS's client base classified by trading turnover, the proportion of online Internet trading clients increased while the cash trading and credit balance clients declined. The Internet trading clients increased to 30.34% in 2010 from 22.65% in 2009 because the commission rate of online Internet trading was cut to not more than 60% of the minimum commission fee at 0.25%. By contrast, the proportion of credit balance trading declined from 18.38% in the fiscal year 2009 to 12.00% in the fiscal year 2010. Meanwhile, the cash trading clients still represented the largest share of 57.66%, though declining from the previous fiscal year at 58.97%.

(Unit : Baht of Million)

Company's Total Trading Turnover Category	Fiscal Year 2010		Fiscal Year 2009		Fiscal Year 2008	
	Amount	%	Amount	%	Amount	%
Cash Account	147,091	57.66	115,274	58.97	157,200	67.86
Internet Online Account	77,389	30.34	44,275	22.65	37,020	15.98
Margin Loan Account	30,634	12.00	35,933	18.38	37,430	16.16
Total	255,114	100.00	195,482	100.00	231,650	100.00

Note : Total trading turnover includes those of SET and MAI

Market share from stock brokerage business

For the fiscal year 2010, CNS's market share from its stock brokerage business stood at 2.48% vs. 2.70% reported for 2009. Meanwhile, the Company's trading volume for the fiscal year 2010 amounted to Baht 255,114 million (proprietary trading is included), for a gain of 30.51% from Baht 195,482 million booked for the fiscal year 2009.

Market share of derivative market

As for Thailand future market, which has been launched since 2006 and currently there are two major products, namely Futures and Options on the SET50 Index, Gold's price at London Market, CNS gained 1.38% market share in the fiscal year 2010, declining from 2.45% in the fiscal year 2009. Meanwhile, CNS's total trading turnover in the future market in the fiscal year 2010 increased by 7.03% to Baht 53,511 million from Baht 49,998 million in the fiscal year 2009.

Market share of equity brokerage business

Fiscal Year 2010 (Sep 2009 - Aug 2010)				Fiscal Year 2009 (Sep 2008 - Aug 2009)			
Ranking	Broker	Market Share* (%)	Turnover** (Baht of Million)	Ranking	Broker	Market Share (%)	Turnover (Baht of Million)
1	KIMENG	12.17	1,249,781.14	1	KIMENG	9.93	719,329.14
2	CGS	6.28	644,517.97	2	ASP	5.75	416,609.78
3	ASP	5.38	552,348.74	3	PST	4.74	343,425.81
4	KTZ	5.15	529,119.45	4	BFITSEC	4.71	341,086.47
5	PST	4.74	487,215.27	5	PHATRA	4.69	339,899.64
6	TNS	4.67	479,771.75	6	TNS	4.17	302,143.97
7	BLS	4.50	461,911.48	7	BLS	4.00	289,518.15
8	PHATRA	4.19	430,426.21	8	KTZ	3.97	287,838.05
9	CS	4.10	421,300.01	9	KGI	3.94	285,339.29
10	FSS	3.95	405,939.29	10	AYS	3.84	278,392.91
11	KGI	3.90	400,998.89	11	CGS	3.27	236,915.77
12	UBS	3.46	355,642.88	12	CS	3.08	223,070.62
13	KS	3.25	333,834.24	13	ZMICO	2.92	211,378.37
14	SCBS	2.96	304,135.59	14	UBS	2.89	209,242.68
15	TSC	2.67	273,947.64	15	CNS	2.70	195,481.91
16	CNS	2.48	254,443.99	16	TSC	2.59	187,771.19
17	UOBKHST	2.39	245,802.64	17	SCBS	2.47	179,110.32
18	DBSV	2.37	243,563.46	18	AIRA	2.25	162,860.57
19	AYS	2.36	242,278.65	19	MACQ	2.24	162,083.45
20	MACQ	2.23	229,352.99	20	ACLS	2.11	152,533.28
21	GLOBEX	2.22	228,287.09	21	KS	2.09	151,328.01
22	CLSA	1.87	191,719.14	22	DBSV	1.97	142,439.20
23	KKS	1.53	157,155.09	23	CLSA	1.82	131,770.47
24	SICSEC	1.46	150,076.92	24	UOBKHST	1.80	130,027.78
25	JPM	1.39	142,611.89	25	GLOBEX	1.79	129,328.25
26	SCIBS	1.19	122,339.02	26	KKS	1.57	113,856.77
27	TRINITY	1.16	119,602.27	27	SICSEC	1.52	109,869.85
28	BFITSEC	1.06	108,361.91	28	JPM	1.48	106,972.46
29	AIRA	1.04	106,629.36	29	FINANSA	1.47	106,381.41
30	CIMBS	0.89	91,352.03	30	TRINITY	1.40	101,713.94
31	US	0.81	83,586.08	31	FSS	1.30	94,503.46
32	FES	0.80	81,862.64	32	FES	1.19	86,015.82
33	IVG	0.72	74,331.27	33	SCIBS	1.03	74,525.61
34	ACLS	0.38	38,596.58	34	MERCHANT	0.89	64,415.39
35	MERCHANT	0.27	27,789.67	35	IVG	0.88	63,655.37
36	CIMB-GK	0.00	493.66	36	US	0.71	51,791.82
				37	BTSEC	0.64	46,600.12
				38	CIMB-GK	0.20	14,415.74

Source : The Stock Exchange of Thailand (SET)

* Compared with total market excluding proprietary trading (effective November 2, 2009 onwards)

** Proprietary trading is excluded from trading value of each broker (effective November 2, 2009 onwards)

Market share of derivative business

Fiscal Year 2010 (Sep 2009 - Aug 2010)				Fiscal Year 2009 (Sep 2008 - Aug 2009)			
Ranking	Broker	Market Share (%)	Turnover (Baht of Million)	Ranking	Broker	Market Share (%)	Turnover (Baht of Million)
1	GBS	13.59	526,040.55	1	KEST	11.69	238,590.55
2	PST	9.32	360,720.15	2	PST	10.12	206,640.00
3	KEST	8.17	316,037.65	3	TNITY	8.87	181,032.92
4	TNITY	5.53	214,215.16	4	KGI	8.01	163,428.03
5	AFC	4.54	175,871.38	5	BLS	4.24	86,591.98
6	PHATR	4.40	170,482.89	6	PHATR	4.22	86,192.38
7	KGI	4.18	161,628.68	7	GBS	3.36	68,603.71
8	MTSGF	4.17	161,535.60	8	KKS	3.33	68,036.61
9	ASP	3.75	145,036.23	9	ASP	3.19	65,205.74
10	KTZ	3.31	128,297.26	10	AYS	3.03	61,875.42
11	CGS	2.99	115,813.38	11	TNS	2.98	60,750.66
12	BLS	2.86	110,813.76	12	JPM	2.76	56,236.90
13	YLG	2.74	106,195.33	13	SSEC	2.71	55,223.36
14	TNS	2.63	101,623.83	14	ACLS	2.68	54,775.16
15	CS	2.52	97,635.49	15	CNS	2.45	49,997.90
16	FSS	2.37	91,744.20	16	SCBS	2.32	47,398.19
17	SCIBS	2.34	90,448.69	17	UBS	2.26	46,036.71
18	JPM	2.21	85,422.18	18	MPSEC	2.13	43,394.52
19	HGF	1.97	76,194.42	19	ZMICO	2.04	41,556.53
20	BSEC	1.93	74,795.11	20	CS	1.68	34,203.76
21	CNS	1.38	53,511.20	21	BSEC	1.62	32,972.13
22	KS	1.32	50,986.75	22	KTZ	1.60	32,633.02
23	SCBS	1.22	47,185.60	23	KS	1.57	32,070.43
24	AYS	1.11	42,888.85	24	TSC	1.46	29,708.00
25	UOBFT	1.05	40,470.96	25	CGS	1.18	24,100.07
26	KKS	1.02	39,377.74	26	SCIBS	1.17	23,911.30
27	ACLS	0.99	38,476.72	27	FSL	1.09	22,247.09
28	GTWM	0.88	33,914.55	28	FSS	1.04	21,293.78
29	SSEC	0.84	32,422.64	29	DBSV	0.69	14,082.20
30	UBS	0.76	29,232.62	30	MTSGF	0.66	13,390.62
31	TSC	0.71	27,545.26	31	AIRA	0.63	12,848.46
32	DBSV	0.60	23,285.76	32	AFC	0.60	12,341.11
33	CLSAT	0.49	19,088.80	33	FES	0.51	10,468.89
34	AIRA	0.48	18,711.66	34	HGF	0.44	9,028.52
35	FES	0.43	16,685.48	35	YLG	0.37	7,621.52
36	US	0.37	14,362.61	36	UOBKH	0.34	7,011.66
37	MPSEC	0.27	10,473.05	37	CIMBS	0.34	6,904.42
38	UOBKH	0.26	10,229.43	38	UOBFT	0.21	4,366.58
39	CIMBS	0.19	7,242.42	39	CLSAT	0.16	3,213.13
40	IVG	0.10	3,835.28	40	US	0.11	2,196.00
41	FSL	0.00	0.00	41	GTWM	0.09	1,748.50
				42	IVG	0.05	1,103.33
				43	AYD	0.00	0.00

Source : The Stock Exchange of Thailand (SET)

Risk Factors

Risk from dependency on a few high volume-trade accounts

One of the major risks involved in the securities trading business includes a heavy reliance on high-volume trade accounts. In addressing this issue, over the past years CNS has implemented measures to minimize such risk in response to changes in the investment atmosphere and customer base. CNS has expanded its client base by raising the portion of local and foreign institutional clients, while maintaining its retail client base which is the main target client. This is supported by CNS's Research Department which arranges a series of investment seminars and road-show to convey information to the local and foreign institutional clients.

Risk from The fluctuation in the Stock Exchange of Thailand (SET)

CNS's core revenue is dependent on the condition of the equity market and investors' overall confidence in the SET. When the SET becomes highly volatile, giving rise to a decline in average trading volume, CNS's revenue (e.g. brokerage fees and investment banking fees including investment advisory fees and fees on warranties of securities sales) will be affected and so will the revenue for the entire securities industry. Nonetheless, CNS has a policy to restructure its business and service revenue by not depending heavily on any particular line of business. In addition, CNS has improved its approach to providing services suitable to various market circumstances (e.g. advisory services for debt restructuring and mergers) to offset the shortfall in securities brokerage revenue that is highly sensitive to the volatility in the SET.

Risk with regard to human resources

The securities brokerage business is highly vulnerable to staff turnover, especially marketing officers and CNS is fully aware of such risk and has a clear policy of offering appropriate compensation and remuneration in accordance with the SET's requirements. In addition, CNS has a policy to continually educate its marketing staff on investment knowledge and services.

Risk from doubtful debt and bad debt

CNS minimizes this risk by directing its marketing staff to assess clients' financial status prior to opening accounts, as well as by prohibiting clients from borrowing funds to purchase high-risk securities. Instead, CNS provides margin loans only for purchases of securities that appear on the 'Marginable Securities List'. CNS cautiously screens clients by providing suitable credit lines that correspond to their financial status to avoid bad debt problems. It also recognizes the importance of debt collection by reviewing clients' financial status and controlling their credit lines closely. Simultaneously, all members of marketing staff are instructed to follow the rules and regulations set forth by CNS.

Risks from underwriting business and engaging in financial advisory services

● Risk from underwriting business

CNS may suffer losses from the remaining under-subscribed securities being transferred to CNS's investment portfolio. Such losses might arise as a result of an inappropriate guarantee with regard to quantity and share price associated with the stock market's high volatility, as well as fluctuations in interest rates and foreign exchange rates; all of which could possibly undermine investors' interest in the newly listed companies. In an attempt to minimize such risk, CNS conducts preliminary studies in order to obtain information on securities issuers, as well as analyzing and investigating different categories of businesses and industry trends that include a detailed examination of operating results and future prospects. CNS also evaluates the interests of clients or investors in the quantity of offered securities. This information will then be used as one of the criteria for deciding whether to underwrite such securities.

● Risk from being a financial advisor

In providing this kind of service, CNS and its clients must be mutually responsible for disclosing accurate, sufficient and detailed information to the public. This responsibility applies to the issuance of securities and sales offerings, the filing of listing applications, the acquisition of securities for business takeovers, as well as the full disclosure of information to shareholders of listed companies in any transaction that is governed by the SEC and the SET (including related transactions, the acquisition or sale of securities, tender offers, etc). Thus, CNS is very selective with respect to its clientele and studies clients' preliminary information before accepting the job. In addition, CNS prudently determines the appropriate steps with respect to the due diligence process and keeps its staff fully informed on regulations issued by the SEC and the SET, as well as rules and regulations with regard to financial advisory services. In this way each operational process is taken care of to ensure that the services provided by CNS to its clients are in their best interests.

Risk from brokerage fee liberalization

The SET and the SEC had set the minimum fee collection of 0.25% of trade value for general securities trades and of 0.20% of trade value for internet securities trades, effective from January 14, 2002. However, the SEC announced new trade fee rates. The new rates were set at 0.15% of trade value through a cash balance (100% warranty) or credit balance account (minimum warranty of 50%) and at 0.20% of trade value for those who did not trade through either account. Note that the minimum fee of 0.25% of trade value for normal trading from January 14, 2007 to January 13, 2010 and during the next two years (January 14, 2010 - December 31, 2011) will be on a sliding scale. Although the new rates of minimum fees and future trading fee liberalization will affect the Company's profitability, CNS is aware of this risk and is preparing to enhance its competitive advantage when the brokerage fee liberalization comes into effect, in terms of financial status and business strategies. For example, CNS will diversify its source of income to other businesses, apart from the brokerage business as well as improving of quality of research reports and marketing officers' services and knowledge.

Risk from legal issues

In engaging in the securities business, CNS is regulated by the SEC and the SET. Accordingly, CNS has to comply with applicable laws, rules and regulations in relation to securities business (e.g. The Securities and Exchange Act B.E. 2535 and the Derivative Act B.E. 2546). Furthermore, CNS has to comply with other relevant laws, such as the Anti-Money of Laundering Act B.E. 2542 and other rules and regulations.

Complying with the aforementioned laws, rules and regulations, particularly the amendments or additions thereof, may affect CNS's performance. In many cases, the cost of compliance may significantly increase. In some cases changes to the laws and regulations leads to intensified competition in the securities businesses. For example, the liberalization of the existing securities business licensing system within 5 years will result in an unlimited number of licenses being granted from January 1, 2012 onwards. In addition, changes to the brokerage fee policy from setting the minimum brokerage fee to freely negotiate fee system will be implemented from January 1, 2012.

Shareholders Structure

CNS's registered capital is Baht 716,823,000 of which Baht 716,823,000 is fully paid up and divided into 71,682,300 ordinary shares with a par value of Baht 10.

As of August 31, 2010, CNS had a treasury stock totaling 3,287,200 shares or 4.59% of CNS's registered, issued and paid-up shares.

As of August 31, 2010 the Thai NVDR Company Limited, a subsidiary of the SET, had issued Non-Voting Depository Rights (NVDR) of CNS's shares totaling 6,234,500 units. This was equivalent to 8.70% of CNS's registered shares, up 74.71% or up from 3,568,400 units as of August 31, 2009 which was equal to 4.98% of CNS's registered shares. The NVDR holders receive the same financial rights as investing in CNS shares, but they cannot exercise voting rights during any shareholders' meetings, except for the right to vote to de-list CNS from the SET.

The amount of the CNS's ordinary shares issued as NVDRs is subject to change and it is not under the control of CNS. Investors can check the amount of NVDRs on the SET : www.set.or.th/nvdr

Top Ten Shareholders as of November 27, 2009 (latest book closing date)

Name	No. of shares	Percentage
1. Nomura Holdings, Inc.	18,000,000	25.11
2. Nomura Asia Holding N.V.	9,256,500	12.91
3. The Thai NVDR Co., Ltd.	4,406,800	6.15
4. Kim Eng Securities (Thailand) Public Co., Ltd.	3,546,700	4.95
5. Mr. Prasart Mahakitsiri	1,163,000	1.62
6. Morgan Stanley & Co. International Plc	838,100	1.17
7. Mr. Vachira Tayanaraporn	720,100	1.01
8. Mellon Nominees (UK) Limited	642,000	0.90
9. Danske Bank A/S	550,000	0.77
10. Mr. Jin Voramahaphuti	512,000	0.71

Note : Investors can check latest top ten major shareholders from CNS's website prior to the annual general shareholders' meeting.

Shareholders classified by nationality as of November 27, 2009 (latest book losing date)

Shareholder	No. of Shareholder	No. of Share	Percentage
Thai	3,771	41,058,264	57.28
Foreigner	42	30,624,036	42.72
Total	3,813	71,682,300	100.00

Influence of Major Shareholders over the Company's Management Policies

Nomura Holdings, Inc. and Nomura Asia Holding N.V., which hold 27,256,500 shares in CNS (which was equivalent to approximately 38.02 % of CNS's share capital as of its latest book closing on November 27, 2009) have two representatives as executive directors of CNS and one representative as non-executive director of CNS.

Details of Nomura Holdings, Inc. :-

Common Stock Issued : 3,719,133,241 shares (As of March 31, 2010)

Listings : The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Osaka, Nagoya and Singapore stock exchanges. The shares are also listed on the New York Stock Exchange in the form of American Depositary Receipts. (As of March 31, 2010)

Number of shareholders : 428,652 (As of March 31, 2010)

Top Ten Major Shareholders of Nomura Holdings, Inc. (As of March 31, 2010)

Shareholder's Name	Number of shares (Thousands)	Percentage
1. Japan Trustee Services Bank, Ltd. (Trust Account)	204,709	5.50
2. The Master Trust Bank of Japan, Ltd. (Trust Account)	169,143	4.55
3. JP Morgan Chase Bank 380055	84,722	2.28
4. The Chase Manhattan Bank N.A. London S.L. Omnibus Account	79,900	2.15
5. State Street Bank and Trust Company	67,218	1.81
6. The Bank of New York Mellon as Depositary Bank for DR Holders	66,856	1.80
7. SSBT OD05 Omnibus Account China Treaty Clients	48,051	1.29
8. Japan Trustee Services Bank, Ltd. (Trust Account 9)	39,699	1.07
9. State Street Bank and Trust Company 505225	39,387	1.06
10. The Bank of New York, Treaty JASDEC Account	34,411	0.93

Note : As of March 31, 2010 Nomura Holdings, Inc. had 49,025 thousand shares of treasury stock (not included in the above top ten major shareholders).

Shareholder of Nomura Asia Holding N.V.

Shareholder's Name	Number of shares	Percentage
1. Nomura Holdings, Inc.	1,400,000	100.00
Total	1,400,000	100.00

Management Shareholding as of August 31, 2010

Name	No. of Shares	Change During the Fiscal Year 2010 Increase/(Decrease)
Mr. Suthep Peetakanont	0	-
Mr. Shinichi Mizuno	0	-
Mr. Nimit Wongjariyakul	0	-
Mr. Naoki Sugaya	0	-
Mrs. Chrisana Sae-Leiw	0	-
Mr. Yoshinori Go	0	-
Mr. Pisit Tesabamroong	0	-
Mrs. Wattanee Phanachet	0	-
Mr. Prasert Virasathienpornkul	0	-
Col. Ruangsub Kovindha	0	-
Mrs. Krittika Tharamart	10,133*	10,133*
Miss Varangkna Wasuwanich	0	-
Mr. Thanomsak Saharatchai	18,518*	18,518*
Mr. Yoshikazu Yonenaga	0	-
Mrs. Patcharin Karsemarnuntana	0	-

Remark : * CNS Shareholding of 2 Executives was from Employee Joint Investment Program (EJIP)

Dividend Policy

CNS has a policy to propose dividend payment to its shareholders at least 60% of its net profit on an annual basis, except for cases when CNS needs to set aside a larger budget for business expansion or other significant activities. However, CNS's dividend payment is subject to shareholders' approval.

Historical data of dividend payments over the past 5 years

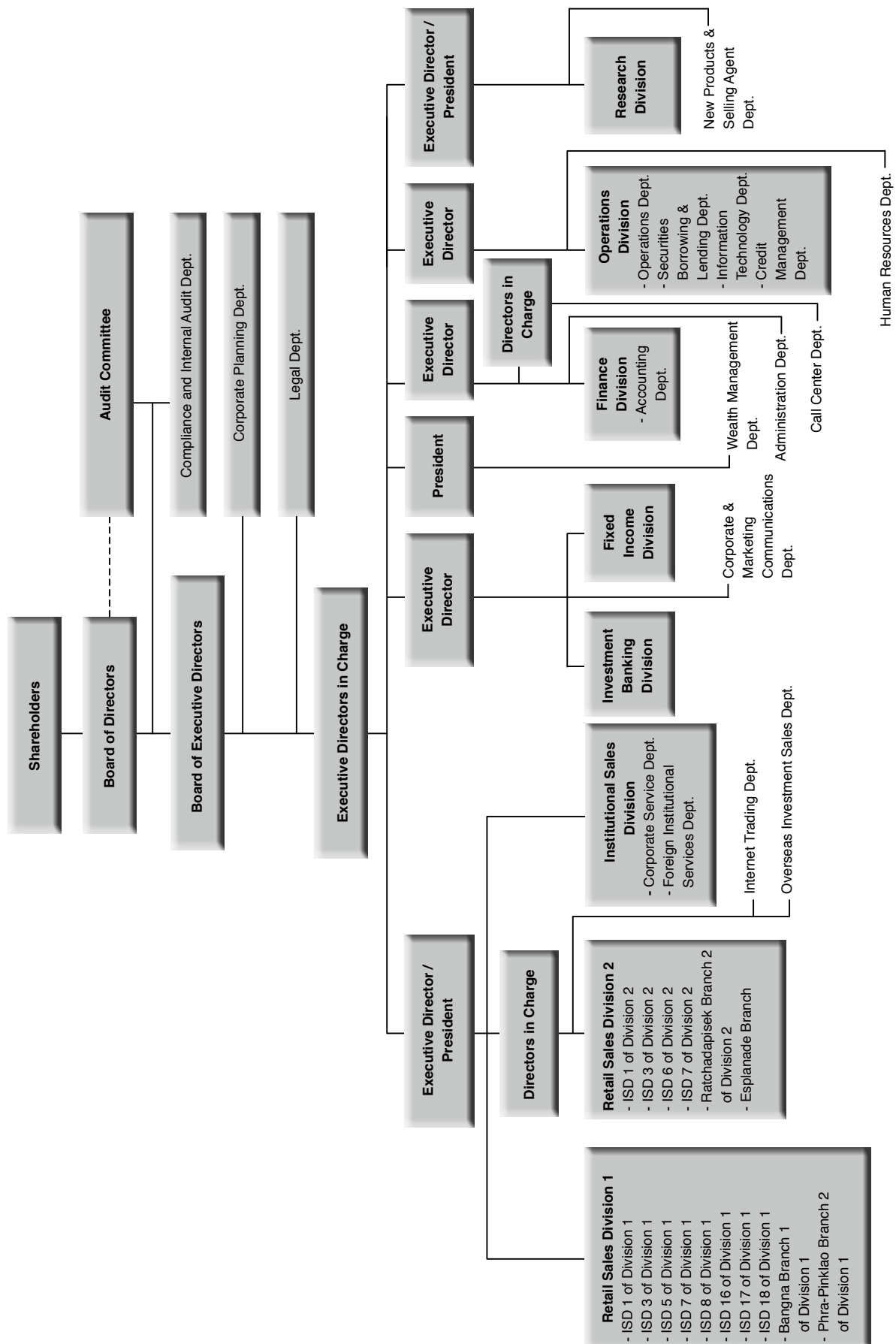
Dividend payment for the performance of fiscal year	2005	2006	2007	2008	2009
Dividend payment per share (Baht)	2.30	1.20	1.20	1.50	0.95
Net income (Baht of million)	170.38	106.59	102.39	123.13	68.61
Dividend payout ratio (%)	96.77	80.70	84.01	87.33	99.25

Legal Disputes

At August 31, 2010, CNS did not face any legal disputes that would affect more than 5% of CNS's shareholders equity or have a significant impact on its business.

Organization Structure

As of August 31, 2010



Management Structure

CNS's management structure consists of a Board of Directors, a Board of Executive Directors, an Audit Committee, a Credit Review Committee, a Marginable Securities Committee and Executives. The roles and responsibilities are clearly separated between each committee and the management as per the following details :

Board of Directors

As of August 31, 2010, there were 10 members of the Board of Directors which consisted of independent directors, directors who represented the major shareholders, directors who were executives and non-executive director so that they could perform effectively. The members of the Board of Directors are as follows :

1.	Mr. Suthep	Peetakanont	Chairman and Acting Chairman of the Board of Executive Directors
2.	Mr. Shinichi	Mizuno	President
3.	Mr. Nimit	Wongjariyakul	Executive Director
4.	Mr. Naoki	Sugaya	Executive Director
5.	Mrs. Chrisana	Sae-Leiw	Executive Director
6.	Mr. Yoshinori	Go	Director
7.	Mr. Pisit	Tesabamroong	Director
8.	Mrs. Wattanee	Phanachet	Independent Director
9.	Mr. Prasert	Virasathienpornkul	Independent Director
10.	Col. Ruangsub	Kovindha	Independent Director

Miss Varangkna Wasuwanich is the secretary of the Board of Directors

The Company's Authorized Directors

Directors authorized to sign and bind CNS are any two of the following: Mr. Suthep Peetakanont, Mr. Shinichi Mizuno, Mr. Nimit Wongjariyakul, Mr. Naoki Sugaya and Mrs. Chrisana Sae-Leiw with the Company's seal.

Authorities and Duties of the Board of Directors

- To perform their duties in accordance with laws, its objects and Articles of Association, as well as the resolutions of the shareholders' meetings. The Board of Directors may entrust one or several directors or any other person(s) to perform any tasks for the Board of Directors.
- To consider, determine, correct or change the directors who have the authority to sign and bind CNS in order to make juristic acts for and on behalf of CNS.
- To perform their duties in accordance with the principle of good corporate governance as outlined by the SET and the SEC.
- To notify, without delay, any members of the Board of Directors of the following cases :
 - He / She has either direct or indirect interests in any contract made by CNS during the accounting period. The facts relating to the nature of the contract, the names of the counter parties and the interest (if any) of such director(s) must be specified;
 - He / She holds CNS's shares. Either an increase or a decrease in the amount of shares held during the accounting year (if any) must be specified.

Independent Directors

Independent Director comprised 3 members :

1. Mrs. Wattanee Phanachet
2. Mr. Prasert Virasathienpornkul
3. Col. Ruangsub Kovindha

CNS would propose the 2010 Shareholders' Meeting to add one independent director position. CNS must have 4 independent directors according to the SEC's notification stated that "at least one - third of the directors must be independent directors and the independent directors must be not less than 3 persons".

Board of Executive Directors

As of August 31, 2010, the Board of Executive Directors comprised 5 members :

1. Mr. Suthep Peetakanont Chairman and Acting Chairman of the Board of Executive Directors
2. Mr. Shinichi Mizuno President
3. Mr. Nimit Wongjariyakul Executive Director
4. Mr. Naoki Sugaya Executive Director
5. Mrs. Chrisana Sae-Leiw Executive Director

Miss Varangkna Wasuwanich is the secretary of the Board of Executive Directors.

Authorities and Duties of the Board of Executive Directors

1. To operate and oversee CNS's operations as assigned by the Board of Directors.
2. To make certain that the CNS's operations are performing in accordance with the law and CNS's policies.
3. To set up and propose policies and targets including CNS's strategy to the Board of Directors.

Audit Committee

As of August 31, 2010, the Audit Committee was comprised of 3 members :

1. Mrs. Wattanee Phanachet Chairman of the Audit Committee
2. Mr. Prasert Virasathienpornkul Audit Committee Member
3. Col. Ruangsub Kovindha Audit Committee Member

Ms. Penphun Palungvitvatana is the secretary of the Audit Committee.

Note : Mrs. Wattanee Phanachet is the Audit Committee who has expertise and experience in reviewing the Company's financial statements and has the experience in reviewing the financial statements during the previous five years until present as follows:

Year	Position	Company
1998 - Present	Chairman of Audit Committee and Independent Director	Capital Nomura Securities Public Company Limited
1999 - Present	Audit Committee Member and Independent Director	Thai Poly Acrylic Public Company Limited
2007 - Present	Audit Committee Member and Independent Director	Esso (Thailand) Public Company Limited
2006 - April 2009	Audit Committee Member and Independent Director	Electricity Generating Public Company Limited
1999 - 2006	Audit Committee Member and Independent Director	Delta Electrics (Thailand) Public Company Limited

Authorities and Duties of the Audit Committee

1. To review the accuracy and adequacy of the company's financial reporting.
2. To review the appropriateness and effectiveness of internal control systems, and internal audit functions and consider the Compliance & Internal Audit Department's Independence, as well as to approve any selection, promotion, rotation or termination of the Head of Compliance & Internal Audit Department.
3. To review with the management related to Risk Assessment, Risk Management and monitor Risk Management.
4. To review the company's operation in conformity with the Securities and Exchange Laws, the regulations of the SET, and the other laws related to the Company's business.
5. To consider, select and propose the appointment of person who is independent as the external auditor, recommend remuneration and meet privately with the external auditor at least once a year without the management team being present.
6. To consider a connected transaction or transaction that may lead to conflict of interests to comply on all SET related laws and regulations and ensure that the aforementioned transactions are reasonable and maximizes benefit to the company.
7. To prepare an audit committee's report to be disclosed in the CNS's annual report which signed by the Chairman of the Audit Committee and comprises of the following information :
 - an opinion on the accuracy, completeness and creditability of the Company's financial report
 - an opinion on the adequacy of the Company's internal control systems
 - an opinion on the compliance with the Securities and Exchange laws, and regulations of the SET or other laws related to the Company's business
 - an opinion on the suitability of an external auditor
 - an opinion on the transactions that may lead to conflicts of interests
 - the number of the Audit Committee Meetings, and the attendance of each member
 - an opinion or a comment as the audit committee performed its duties as defined in the committee's charter
 - anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors
8. Inspect / Assign to inspect any suspiciousness reported by the company's external auditor, that the Director, the Management or any person who is responsible for the company's operation commits an offence under the Securities and Exchange Act (No.4) B.E.2551 and report the result of preliminary inspection to the Office of the SEC and the external auditor within thirty days after being informed by the external auditor.
9. In carrying out the audit committee's duties, if it is found or suspected that there is a transaction or any of the following acts :
 1. a transaction which causes a conflict of interests
 2. any fraud, irregularity, or significant defect in an internal control system
 3. violation of the Securities and Exchange laws, the regulations of the SET, and the other laws related to the Company's business which may significantly affect the CNS's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit committee thinks that it is appropriate. If the Board of Directors or the Management fails to make rectification within the period of time, any committee member may report the occurrence of a transaction or an act to the Office of the SEC or the SET.

10. Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

For fiscal year 2010, the Audit Committee Meeting was held 5 times to acknowledge company progression and evaluate internal control and review financial statements with the Head of Finance Division, the Head of Compliance & Internal Audit Department and the external auditor. The Head of Compliance & Internal Audit Department was appointed as secretary of the Audit Committee.

Credit Review Committee

As of August 31, 2010, the Credit Review Committee comprised 5 members :

- | | | | |
|----|---------------|---------------|----------|
| 1. | Mr. Suthep | Peetakanont | Chairman |
| 2. | Mr. Shinichi | Mizuno | Member |
| 3. | Mr. Nimit | Wongjariyakul | Member |
| 4. | Mr. Naoki | Sugaya | Member |
| 5. | Mrs. Chrisana | Sae-Leiw | Member |

Ms. Kridsana Kulpanyalert is the secretary of the Credit Review Committee.

Authorities and Duties of the Credit Review Committee

1. To set the standard practices of account opening credit limits and increasing of credit limits, as well as setting up guidelines for consideration of credit limits.
2. To appoint an authorized person approving credit limits for securities trading, as well as considering requested cases which are not stated in the internal guidelines.
3. To set measures of credit risk control or consider any other issues relating to the credit facilities including collateral concentration limit.
4. To approve the Marginable Securities List proposed by the Marginable Securities Committee.
5. To appoint Member of Marginable Securities Committee.
6. To consider the interest rate for cash balance and margin loan

Marginable Securities Committee

As of August 31, 2010, there were 3 members in the Marginable Securities Committee as follows :

- | | | |
|----|--|------------------------|
| 1. | Director of the Credit Management Department | Chairman and Secretary |
| 2. | Executive Director - Operations Division | Member |
| 3. | Head of Research Division | Member |

Authorities and Duties of the Marginable Security Committee

1. To consider and determine practices and guidelines for the selection of marginable stocks and margin levels suitable for the domestic economy and brokerage business, and make proposal to the Credit Review Committee.
2. To periodically review the Marginable Securities List and the initial margin rate based on the assigned and requested basis, and propose the reviewed list to the Credit Review Committee for their approval.
3. To consider and determine collateral concentration limit suitable for liquidity and risk of each securities.
4. To set measures to manage the risk from collateral concentration.

The Number of Board of Directors Meetings and Audit Committee Meetings and the Attendance by Individual Members for Fiscal Year 2010

Board of Directors Meetings

Meeting No. / Year	9/09	10/09	11/09	12/09	1/10	2/10	3/10	4/10	5/10	6/10	7/10	Total
Name / Date	Sep 28	Oct 27	Nov 23	Dec 17	Jan 11	Feb 23	Mar 22	Apr 26	Jun 21	Jul 9	Aug 27	(Times)
Mr. Suthep Peetakanont (1)	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	8/11
Mr. Shinichi Mizuno (2)	-	-	-	-	-	-	-	-	-	✓	✓	2/11
Mr. Takeshi Nishida (3)	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	8/11
Mr. Nimit Wongjariyakul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. Naoki Sugaya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mrs. Chrisana Sae-Leiw	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. Yoshinori Go (4)	✓	-	✓	✓	✓	✓	✓	-	✓	✓	✓	9/11
Mr. Pisit Tesabamroong (5)	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	10/11
Mrs. Wattanee Phanachet	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. Prasert Virasathienpornkul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Col. Ruangsub Kovindha (6)	✓	✓	-	✓	✓	-	✓	✓	✓	✓	✓	9/11
Total Attendants	9	8	7	10	10	9	10	9	9	10	10	

Remark * The Board of Directors' Meeting for the month of May 2010, which was scheduled on May 17, 2010, was cancelled due to the riot in Bangkok During May 2010.

(1) Mr. Suthep Peetakanont was appointed to be the Company's Director by the resolution of the Meeting of Shareholders on December 17, 2009. The appointment will be effective on December 17, 2009. Mr. Suthep Peetakanont was registered to be Director with the Ministry of Commerce on December 18, 2009.

(2) Mr. Shinichi Mizuno was appointed to be the Company's Director to replace the resigned director by the resolution of the Meeting of Board of Directors on June 21, 2010. The appointment will be effective on June 21, 2010. Mr. Shinichi Mizuno was registered to be Director with the Ministry of Commerce on June 24, 2010

(3) Mr. Takeshi Nishida had resigned as the Company's Director, effective on June 7, 2010.

(4) Mr. Yoshinori Go had the significant business appointment, therefore he could not attend the Meeting no.10/2009. And Mr. Yoshinori Go could not attend the Meeting no. 4/2010 due to a state of emergency in Thailand, NOMURA GROUP had prohibited their staff coming to Thailand.

(5) Mr. Pisit Tesabamroong had the significant business appointment, therefore he could not attend the Meeting no.11/2009.

(6) Col. Ruangsub Kovindha had the significant business appointment, therefore he could not attend the Meeting no.11/2009. For the Meeting no.2/2010, Col. Ruangsub Kovindha could not attend the Meeting because of the health reason.

Audit Committee Meetings

Meeting No. / Year	5/09	6/09	1/10	2/10	3/10	Total (Times)
Name / Date	Oct 16	Oct 27	Jan 8	Apr 20	Jul 9	
Mrs. Wattanee Phanachet	✓	✓	✓	✓	✓	5/5
Col. Ruangsub Kovindha	✓	✓	✓	✓	✓	5/5
Mr. Prasert Virasathienpornkul	✓	✓	✓	✓	✓	5/5

Nomination of Directors and the Management

Directors

The Board of Directors shall select qualified persons to become CNS's directors and propose the list of those selected persons to the shareholders' meeting. Then the shareholders' meeting will consider approving appointment of the directors.

1. One shareholder shall have votes equal to the number of shares held ;
2. In choosing the directors; the method of voting used may be to vote on candidate by candidate or several candidates together, whichever the shareholders' meeting finds appropriate. However, in voting to pass a resolution, the shareholders shall vote using all the votes under (1) which cannot be divided for any particular candidate or group to any extent at all.
3. Voting for election of the directors shall base on the majority of votes. In the case of equality of votes, the presiding chairman shall have an additional casting vote.

Appointing Replacement Director

1. In case there is a vacancy on the Board of Directors other than from the normal rotation, the Board of Directors shall choose any person who is qualified and not prohibited by law as a replacement director in the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. Also, the resolution to appoint a replacement director mentioned above must receive at least three-fourths of the total votes by the remaining directors.
2. In case all of the directors vacate their office, the incumbent Board of Directors shall become an acting Board to carry on the business of CNS but only to the extent that is necessary, until a new Board of Directors has taken up its duties unless the Court orders otherwise. In case the Board of Directors has vacated the office by the Court order, the Board that has vacated the office must convene a shareholders' meeting to elect a new Board of Directors within one month from the date of vacating the office, by sending a notice to inform shareholders of the meeting at least fourteen days prior to the meeting date.
3. In case there are vacancies to the extent that the number of remaining directors is less than the number required to constitute a quorum, the remaining directors shall act in the name of the Board of Directors only for convening a shareholders' meeting to elect replacement directors for all the vacancies. The meeting shall be convened within one month from the date the number of directors was reduced to less than the number required to constitute a quorum, and the replacement directors shall hold the office only for the remaining terms of the directors whom they replace.

Executive of Directors

The Board of Directors has full authority to appoint Executive Directors.

Independent Director

The Company ("CNS") has the definition of independent directors which was stricter than the minimum requirements of the SEC and the SET regarding number and qualification of the independent directors.

- (1) The Company must have Independent Directors at least 1/3 of the total number of the Company's directors and at least 3 persons
- (2) Each Independent Director must have the below qualifications.
 - (a) must not hold shares in excess of 0.50% of the total number of shares with voting rights of the Company, the parent company, subsidiary company, associated company, major shareholder or controlling person of the Company, whilst the shareholding of any related person of such Independent Director must also be counted.
 - (b) not be and have not been a director participating in management role, or an employee, an officer, an advisor which receives regular salary, or a controlling person of the Company or the parent company, subsidiary company, associated company, subsidiary company in the same level, major shareholder or controlling person of the Company, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed. However, that prohibited characteristics shall not apply to an Independent Director who used to be a governmental officer or an advisor to a government authority, which is a major shareholder or the controlling person of the Company.
 - (c) not be a person having blood relationship or relationship through legal registration as a father, mother, spouse, sibling and child, including as a spouse of a child, of any management person, major shareholder, or any controlling person or the person being nominated to be a management person or a controlling person of the Company or subsidiary company.
 - (d) not have and have not had any business relationship with the Company, the parent company, subsidiary company, associated company, major shareholder, or controlling person of the Company in the manner in which his / her independent discretion might be obstructed, neither is nor used to be a significant shareholder or a controlling person of any company that has business relationship with the Company, the parent company, subsidiary company, associated company, major shareholder or controlling person of the Company, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.

The business relationship above includes normal practice trading transactions to lease or rent of real property, transactions related to assets/services, or financial support provision or reception by borrowing or lending, guarantee, providing collateral including other similar actions which make the Company or its counter parties having an obligation against the other a debt servicing worth three percent of the net tangible assets of the Company or more than Baht twenty million, whichever is lower. The calculation of liabilities shall comply with the criteria on the calculation of Connected Transaction as stipulated in the SET Notification re Disclosure of Information and other Acts of Listed Companies concerning the Connected Transaction. However, in consideration of liabilities, the liabilities incurred during one-year period prior to the date of commencement of business relationship with the same person shall be inclusive.

- (e) not be and have not been an auditor of the Company, the parent company, subsidiary company, associated company, major shareholder or controlling person of the Company and not be a significant shareholder, a controlling person, or a partner of any audit firm which the auditor of the Company, the parent company, subsidiary company, associated company, major shareholder, or controlling person of the Company is working, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.
- (f) not be or have not been any professional service provider, including legal or financial advisor who obtains fee of more than 2 million Baht per year from the Company, the parent company, subsidiary company, associated company, major shareholder or controlling person of the Company and not be a significant shareholder, a controlling person or a partner of any such professional service provider, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.
- (g) not be a director appointed as a representative of a director of the Company, a major shareholder, or a shareholder who is a related person of major shareholder of the Company.
- (h) not engage in any business which has a same nature as the Company or subsidiary company and which in any material respect, is competitive with the business of the Company or subsidiary company, or not be a significant partner in a partnership or a director participating in any management role, an employee, an officer, an advisor obtaining regular salary or a shareholder holding more than 0.50% of the shares with voting rights of other company engaging in any business which has a same nature as the Company, or subsidiary company and which in any material respect, is competitive with the business of the Company or subsidiary company.
- (i) not have any other characteristics by which his / her independent comment / opinion on the Company's operation may be restricted.

Audit Committee

The Audit Committee shall consist of at least three independent members. The Company's criteria re the audit committee are similar to the requirements of the SEC and the SET as follows.

1. The Board of Directors or shareholder's meeting shall appoint members of Audit Committee.
2. An audit committee member must be independent director and possess qualifications as prescribed by the Office of the SEC and the SET, and :
 - (a) not being a director who is authorized by the Board of Directors to make decision in carrying out businesses of the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest ; and
 - (b) not being a director of the Company, its Parent Company, its Subsidiary, or a subsidiary in the same level, which are listed company.
3. The Audit Committee shall perform duties as stated in the SET Notification re Qualifications and Scope of Work of the Audit Committee.
4. The members of Audit Committee shall be capable of performing audit committee duties. At least one member must have sufficient knowledge and experience to review the reliability of financial statements.

Management Staff

The Board of Executive Directors has the authority to select and appoint suitable persons to be Management Staff.

Number of directors from the Major Shareholder

As of August 31, 2010, there are 3 directors who represent the major shareholder including Mr. Shinichi Mizuno, Mr. Naoki Sugaya and Mr. Yoshinori Go.

List of Executives

As of August 31, 2010, the list of Executives was as follows:

No.	Name	Position
1.	Mr. Suthep Peetakanont	Chairman and Acting Chairman of the Executive Board
2.	Mr. Shinichi Mizuno	President
3.	Mr. Nimit Wongjariyakul	Executive Director
4.	Mr. Naoki Sugaya	Executive Director
5.	Mrs. Chrisana Sae-Leiw	Executive Director
6.	Mr. Yoshinori Go	Director
7.	Mr. Pisit Tesabamroong	Director
8.	Mrs. Wattanee Phanachet	Chairman of the Audit Committee and Independent Director
9.	Mr. Prasert Virasathienpornkul	Audit Committee Member and Independent Director
10.	Col. Ruangsub Kovindha	Audit Committee Member and Independent Director
11.	Mrs. Krittika Tharamart	Director of Retail Sales Division 2
12.	Miss Varangkna Wasuwanich	Head of Finance Division
13.	Mr. Thanomsak Saharatchai	Head of Research Division
14.	Mr. Yoshikazu Yonenaga	Head of Japan Desk & Deputy Division Head of Investment Banking Division
15.	Mrs. Patcharin Karsemarnuntana	Deputy Division Head of Research Division

The above is the list of Executives as per the notification of the SET.

Company Secretary

CNS appointed Miss Varangkna Wasuwanich, Head of Finance Division, as Company Secretary.

Remuneration of Directors and Management

Monetary remuneration

Directors' remuneration

The total remuneration paid to the Board of Directors, including for their role as directors and members of the audit committee, in fiscal year 2010 was as follows

Unit : Baht

No.	Name	One-time remuneration*	Audit Committee	Meeting Allowance	Total
1	Mr. Suthep Peetakanont (1)	187,500	-	-	187,500
2	Mr. Takeshi Nishida (2)	227,500	-	-	227,500
3	Mr. Yuko Sashisaki (3)	177,808	-	-	177,808
4	Mr. Nimit Wongjariyakul	220,000	-	-	220,000
5	Mr. Naoki Sugaya (4)	42,192	-	-	42,192
6	Mrs. Chrisana Sae-Leiw (5)	55,000	-	-	55,000
7	Mr. Yoshinori Go	220,000	-	135,000	355,000
8	Mr. Pisit Tesabamroong	220,000	-	150,000	370,000
9	Mrs. Wattanee Phanachet	220,000	286,000	165,000	671,000
10	Mr. Prasert Virasathienpornkul	220,000	220,000	165,000	605,000
11	Col. Ruangsub Kovindha	220,000	220,000	135,000	575,000
Total		2,010,000	726,000	750,000	3,486,000

Note : * The above remuneration was approved at the Annual General Meeting of Shareholders (No. 1/2009) on December 17, 2009 based on the performance for fiscal year 2009.

- (1) Mr. Suthep Peetakanont had resigned as the Company's Director and the Chairman of Board of Directors, effective in the end of May 31, 2009. Mr. Suthep Peetakanont was appointed to be the Company's Director by the resolution of the Meeting of Shareholders on December 17, 2009. The appointment will be effective on December 17, 2009. Mr. Suthep Peetakanont was registered to be Director with the Ministry of Commerce on December 18, 2009.
- (2) Mr. Takeshi Nishida had resigned as the Company's Director, effective in the end of June 7, 2010.
- (3) Mr. Yuko Sashisaki had resigned as the Company's Director, effective in the end of June 22, 2009.
- (4) Mr. Naoki Sugaya was appointed to be the Company's Director to replace the resigned director by the resolution of the Meeting of Board of Directors on June 19, 2009. The appointment will be effective on June 22, 2009. Mr. Naoki Sugaya was registered to be Director with the Ministry of Commerce on June 25, 2009.
- (5) Mrs. Chrisana Leiw was appointed to be the Company's Director to replace the resigned director by the resolution of the Meeting of Board of Directors on April 20, 2009. The appointment will be effective on June 1, 2009. Mrs. Chrisana Leiw was registered to be Director with the Ministry of Commerce on June 1, 2009.

Remuneration for the Executive Directors and the Management

The total salary and bonus paid to the Executive Directors and the Management Staff for fiscal year 2010 was Baht 63,279,923 as follows :

- 6 Executive Directors, included one Executive Director had joined with CNS during the fiscal year, one Executive Director had resigned during the fiscal year and one Executive Director was appointed to be Executive Director during the fiscal year.
- 9 Management Staff, included 4 Management Staff had resigned during the fiscal year and 2 Management Staff were appointed to be Management Staff during the fiscal year.

Other remuneration

The total provident fund and social security fund paid to the Executive Directors and Management Staff for fiscal year 2010, was Baht 3,731,531 as follows :

- 6 Executive Directors, included one Executive Director had joined with CNS during the fiscal year, one Executive Director had resigned during the fiscal year and one Executive Director was appointed to be Executive Director during the fiscal year.
- 9 Management Staff, included 4 Management Staff had resigned during the fiscal year and 2 Management Staff were appointed to be Management Staff during the fiscal year.

Profile of Directors and Management

Profile of Directors, Management and Executives as of August 31, 2010

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Suthep Peetakanont Chairman and Acting Chairman of the Board of Executive Directors	48	Master of Business Administration, University of Missouri, Kansas City, U.S.A.	-	-	Jun 2010 - Present	• Chairman and Acting Chairman of the Board of Executive Directors	• Capital Nomura Securities Plc	• Director Certification Program (DCP), 2000 / Thai Institute of Directors Association (IOD) • Chairman 2000, 2002 / Thai Institute of Directors Association (IOD)
					Dec 2009 - May 2010	• Chairman and Executive Directors	• Capital Nomura Securities Plc	
					Jun - Dec 2009	• Honorary Chairman	• Capital Nomura Securities Plc	
					1996 - May 2009	• Chairman and Chairman of the Board of Executive Directors	• Capital Nomura Securities Plc	
Mr. Shinichi Mizuno President	42	The degree of Bachelor of Commerce, KANSAI University, Japan	-	-	Jun 2010 - Present	• President	• Capital Nomura Securities Plc	-
					Apr 2010 - May 2010	• Managing Director, Head of Global Business Department	• Nomura Securities Co., Ltd.	
					Dec 2009 - Mar 2010	• Managing Director, Head of Asia Retail Business Department	• Nomura Securities Co., Ltd.	
					Dec 2007 - Nov 2009	• Managing Director, Branch Manager, Denenchofu Branch Office	• Nomura Securities Co., Ltd.	
					Apr 2006 - Nov 2007	• Executive Director, Product Development & Planning Department	• Nomura Securities Co., Ltd.	
					Apr 2003 - Mar 2006	• Executive Director, Retail Strategy Department	• Nomura Securities Co., Ltd.	

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Nimit Wongjariyakul Executive Director	46	Master of Engineering, Pennsylvania State University, U.S.A.	-	-	Dec 2007 - Present 1998 - Dec 2007	• Executive Director • Head of Investment Banking Division	• Capital Nomura Securities Plc • Capital Nomura Securities Plc	• DCP Refresher Course, 2009, Thai Institute of Directors Association (IOD)
Mr. Naoki Sugaya Executive Director	45	The degree of Bachelor of Agriculture, MEIJI University, Japan	-	-	2009 - Present 2003 - 2009 2001 - 2003	• Executive Director • Business Manager of Fixed Income Division - Asia Pacific • Head of Administration	• Capital Nomura Securities Plc • Nomura International (Hong Kong) Limited • Nomura Italia SIM P.A., Milano, Italia	-
Mrs. Chrisana Sae-Leiw Executive Director	50	Bachelor of Science, Southern Adventist University, U.S.A.	-	-	2009 - Present 1996 - 2008	• Executive Director • Director	• Capital Nomura Securities Plc • Capital Nomura Securities Plc	• Conflict Management in Organization, 2010, The National Institute of Development Administration (NIDA) • Finance for Non Financial Manager, 2010, The National Institute of Development Administration (NIDA) • HR for Non HR Manager, 2010, The National Institute of Development Administration (NIDA) • Directors Accreditation Program, 2009, The Stock Exchange of Thailand (SET)

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Yoshinori Go Director	52	Bachelor of Arts in Economics, Yokohama National University, Japan	-	-	2006 - Present	• Director	• Capital Nomura Securities Plc	-
					2008 - Present	• Senior Managing Director and CEO of Wealth Management, Asia	• Nomura Holdings, Inc.	
						• Director	• Nomura Asia Holding N.V.	
						• Vice Chairman	• Nomura Singapore Limited	
					2008	• Senior Managing Director and Head of Regional Management, Asia	• Nomura Holdings, Inc.	
						• President and CEO	• Nomura Asia Holding N.V.	
					2007	• Senior Managing Director and Head of Asia Region Marketing	• Nomura Holdings, Inc.	
Mr. Pisit Tesabamroong Director	86	• Bachelor of Law, Thammasat University • Diploma from Thailand National Defence College, Class 18	-	-	2006	• COO	• Nomura Asia Holding N.V.	-
					2004	• President & CEO	• Nomura International (Hong Kong) Limited	
					1985 - Present	• Director	• Capital Nomura Securities Plc	
					2005 - Present	• Head of Legal Consultant	• S.J. International Legal Consulting and Advisory Company Limited	
					2000 - 2007	• Legal Advisor	• Advisor to the president of National Institute of Development Administration (NIDA)	
					1985 - 2007	• Special Professor	• Special Professor of Faculty of Law, Ramkhamhaeng University	

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mrs. Wattanee Phanachet Chairman of the Audit Committee and Independent Director	73	M.A. (Accounting), University of Alabama, U.S.A.	-	-	1998 - Present	Chairman of the Audit Committee and Independent Director	Capital Nomura Securities Plc	• DCP Refresher Course, 4/2007, Thai Institute of Directors Association (IOD)
					2007 - Present	Audit Committee and Independent Director	Esso (Thailand) Plc	• Audit Committee Program (ACP), 16/2007, Thai Institute of Directors Association (IOD)
					1999 - Present	Audit Committee and Independent Director	Thai Poly Acrylic Plc	• Board Performance Evaluation, 2004, Thai Institute of Directors Association (IOD)
					Present	Specialist in the field of Finance and Accounting	Civil Service Commission	• Director Certification Program (DCP), 15/2002, Thai Institute of Directors Association (IOD)
					2006 - Apr 2009	Audit Committee and Independent Director	Electricity Generating Plc	
Mr. Prasert Virasathienpornkul Audit Committee Member and Independent Director	50	Master of Business Administration, University of Wisconsin - Madison, U.S.A.	-	-	1999 - 2006	Audit Committee and Independent Director	Delta Electronics (Thailand) Plc	
					2005 - 2008	Head, Sub - Committee on Certified Public Accountant's Qualification	Federation of Accounting Professions	
					2006 - 2007	Committee on Curriculum Quality Guarantee	Faculty of Commerce and Accountancy, Chulalongkorn University	
					1999 - Present	Audit Committee Member and Independent Director	Capital Nomura Securities Plc	• Director Certification Program (DCP), 2002, Thai Institute of Directors Association (IOD)
					1997 - Present	Managing Director	Concept Training & Consultant Co., Ltd.	
Col. Ruangsub Kovindha Audit Committee Member and Independent Director	58	Bachelor of Science in Engineering, University of Alabama, U.S.A.	-	-	Present	Audit Committee and Independent Director	Master Ad Public Company Limited	
					Present	Audit Committee and Independent Director	Chuo Senko (Thailand) Plc	
					2002 - Present	Audit Committee Member and Independent Director	Capital Nomura Securities Plc	• Director Accreditation Program (DAP), 2007, Thai Institute of Directors Association (IOD)
					2000 - Present	Managing Director	United Information Highway Co., Ltd.	

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mrs. Krittika Tharamart Director of Retail Sales Division 2	49	Bachelor of Education, Phranakhon Rajabhat University	10,133 Shares*	-	Feb 2010 - Present 2009 - Jan 2010 1986 - 2009	<ul style="list-style-type: none"> • Director of Retail Sales Division 2 • Director of Retail Sales Division 2 • Head of Retail Sales Division 2 	<ul style="list-style-type: none"> • Capital Nomura Securities Plc • Capital Nomura Securities Plc • Capital Nomura Securities Plc 	-
Miss. Varangkna Wasuwanich Head of Finance Division	43	Master of Business Administration, Thammasat University	-	-	Feb 2010 - Present 2003 - Jan 2010 2002 - 2003 1999 - 2001	<ul style="list-style-type: none"> • Head of Finance Division • Head of Finance Division • Business Controller • Senior Manager, Accounting Department 	<ul style="list-style-type: none"> • Capital Nomura Securities Plc • Capital Nomura Securities Plc • GE Capital Thailand Limited • GE Capital Thailand Limited 	<ul style="list-style-type: none"> • Update of Accounting Standard, 2010, Federation of Accounting Professions • Accounting Standard, class 12 • Changing in TAS and TFRS • Update of Accounting Standard, 2009, Federation of Accounting Professions • The Effects of Change in Foreign Exchange Rates • Related Party Disclosures • First-time Adoption of International Financial Reporting Standards • Non-current Assets Held for Sales and Discontinued Operations • Earnings per share

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) as of August 31, 2010	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Thanomsak Saharatchai Head of Research Division	45	Master of Business Administration, Angelo State University, U.S.A.	18,518 Shares*	-	Feb 2010 - Present	• Head of Research Division	• Capital Nomura Securities Plc	• Steering the IFRS Adoption, 2007, Thai Listed Companies Association
					2006 - Jan 2010	• Head of Research Division	• Capital Nomura Securities Plc	
					2005 - 2006	• Senior Vice President	• Ayudhya Securities Plc	
					2004 - 2005	• Assistant Director	• APEX Securities Company Limited	
					1994 - 2004	• Deputy Manager	• Capital Nomura Securities Plc	
Mr. Yoshikazu Yonenaga Head of Japan Desk & Deputy Division Head of Investment Banking Division	36	Bachelor of Arts in Economics, KEIO University, Japan	-	-	Jun 2010 - Present	• Head of Japan Desk & Deputy Division Head of Investment Banking Division	• Capital Nomura Securities Plc	-
					Dec 2006 - May 2010	• Executive Director of Consulting Department I	• Nomura Healthcare Co., Ltd., Japan	
					2006	• Vice President, Product Planning Department	• Nomura Securities Co., Ltd., Japan	
Mrs. Patcharin Karsemarnuntana Deputy Division Head of Research Division	40	Master of Finance, Assumption University	-	-	Feb 2010 - Present	• Deputy Division Head of Research Division	• Capital Nomura Securities Plc	-
					2008 - Jan 2010	• Deputy Division Head of Research Division	• Capital Nomura Securities Plc	
					2005 - 2008	• Senior Vice President	• Ayudhya Securities Plc	

* Shareholding in CNS of 2 Executives was from Employee Joint Investment Program (EJIP)

Corporate Governance

The Company has always realized the important of conducting business in compliance with Good Corporate Governance Principles. On April 25, 2005 the Board of Directors resolved the Company's Good Corporate Governance Policy in writing and in both Thai and English languages, to comply with the principles, rules and regulations regarding Good Corporate Governance stated by the SET and the SEC, which cover the following categories :

- Right of shareholders
- Equitable treatment of shareholders
- Roles of stakeholders
- Disclosure and transparency
- Responsibilities of the Board

In April 2005, the Board of Directors also set the Company's Code of Conduct in writing and in both Thai and English languages for the Company's directors and staff, using as a practice guideline. Moreover, the Board of Directors has regularly reviewed and adjusted the Good Corporate Governance Policy and the Code of Conduct to be suited with current circumstance and covered newly guidelines which were announced by the related authorities. In fiscal year 2010 the Board of Directors had reviewed and adjusted the Good Corporate Governance Policy and the Code of Conduct, latest on August 27, 2010. The Company had also posted the lasted versions of the Good Corporate Governance Policy and the Code of Conduct on the Company's website (www.cns.co.th) under "Corporate Governance" topic.

In year 2010, the Company had communicated and encouraged all directors and staff to understand and strictly comply with the Good Corporate Governance Policy and the Code of Conduct and also evaluated the results of compliance with those matters by :

- Arranging the trainings and seminars to educate all directors and staff regarding the important and guideline of Good Corporate Governance, Code of Conduct and corporate social responsibility by receiving support from the SET's officers to be our guest speakers.
- Arranging the trainings and seminars to educate and refresh the staff's understanding regarding the Company's Good Corporate Governance policy and Code of Conduct by the Compliance and Internal Audit Department and Human Resource Department.
- Preparing the questionnaires to test the staff's knowledge and understanding regarding Good Corporate Governance and Code of Conduct before and after trainings to evaluate theirs knowledge and understanding received from training.
- Arranging the contest of answering questions related to the Company's Good Corporate Governance Policy and Code of Conduct and gave 3 prizes to the top scores.
- Posting information regarding the company's Good Corporate Governance Policy and Code of Conduct as a wall paper in staff's computer screen and promote the compliance of Good Corporate Governance policy and Code of Conduct.
- Evaluating the results of trainings and seminars, other activities, staff's knowledge and understanding before and after trainings and report the results of evaluation to the Board of Directors for consideration of improvement in efficiency and effectiveness.

In year 2010, CNS had corporate social responsibility campaigns. (Details were presented under "Corporate Social Responsibility" topic)

1. Right of Shareholders

CNS realized the basic rights of shareholders which include the right to buy or sell or transfer shares, the right to gain shares in the Company's profit, the right to receive relevant and adequate information of CNS in a timely manner, the right to participate and vote in shareholder meetings to elect or remove directors, appoint external auditors and consider on any issues or transactions which may have significant impacts on CNS such as amendments to the company's article of association and affidavit, capital increase or decrease.

CNS did not do any actions that limit or violate shareholders' rights which not covered only rights as stated by law but also covered the right to study CNS's information, the right to ask and receive answers from the Board of Directors in shareholder meetings, the right to attend shareholder meetings even for late comers, the right to receive criteria and procedure for attending shareholder meetings and sufficient information regarding the issues to be discussed in each agenda in an appropriate time prior to the meeting.

In year 2009, CNS held the Annual General Meeting of Shareholders ("AGM") on December 17, 2009. All 9 directors, 1 nominated candidate for additional director position, external auditor and management in significant positions such as the Head of Finance Division, the Head of Operation Division, the members of Credit Review Committee attended the meeting to clarify and answer the questions.

For the 2009 AGM, Thailand Securities Depository Co., Ltd. (TSD) as CNS's share registrar submitted an invitation letter, annual report and other related information to the shareholders 14 days prior to the meeting, although there were no special agendas required to be submitted to shareholders 14 days prior to the meeting. In the invitation letter, CNS provided the below information to shareholders.

- Meeting agendas and the Board of Directors' opinion in each agenda
- Supporting information & document for each agenda, including biography of directors who were nominated for CNS's directorship
- CNS's annual report and year-end financial statement
- Criteria, procedure and required documents for attending shareholder meeting
- CNS's article of association related to the meeting agendas
- Name and biography of 3 independent directors for shareholders who could not attend by themselves to consider appointing to be proxy
- Three proxy forms for shareholders to select based on their needs, including the forms that shareholders could decide their votes in each agenda
- Map of the meeting venue

CNS also published the invitation letter and other information as above on CNS's website 30 days before meeting date (except annual report which was posted approximately 20 days before meeting date).

In the 2009 AGM, the Chairman informed shareholders about voting procedure before start meeting agenda, and during the meeting the Chairman facilitated shareholders' questions and asked the responsible persons to answer all questions. The meeting took approximately 2 hours which was enough for clarifying issues, discussing as well as answering question and finding resolutions. CNS submitted the shareholder meeting's resolutions through the SET's website on the meeting date and submitted the minutes of shareholders' meeting which documented about meeting, votes, questions and answers in each agenda to the SET and published on CNS's website with in 14 days from meeting date. Therefore, the shareholders could review such information without waiting for next meeting.

2. Equitable Treatment of Shareholders

CNS realized that all shareholders should be treated in an equal way and fair treatment basis. This includes; supervising the uses of shareholders' money in proper ways, arranging shareholder meeting in the manner that could support the equitable treatment to all shareholders, allowing any shareholders who could not attend the meeting to appoint their proxies, setting up procedures to prevent the use of inside information for abusive self-dealing, setting up procedure to declare the interest of directors and managements and setting up procedure for consideration of connected transaction to be in compliance with the SET's and the SEC's rules and regulations.

In the 2009 AGM on December 17, 2009 CNS proposed 3 independent directors so that the shareholders could choose as their proxies in case they could not attend the meeting. In addition, CNS sent 3 proxy forms to the shareholders to choose one of them which match to their needs. Among these 3 forms, these were the form in which shareholders were able to specify their votes. The Chairman of the 2009 AGM, had conducted the meeting by following the sequence of meeting agenda defined in an invitation letter and did not add any new agendas. During the meeting, the Chairman facilitated shareholders' questions and asked the responsible persons to answer all questions regardless of the amount of shares they were holding (or whether they were major or minor shareholders). The Company used voting cards for transparency and future reference. The Chairman also announced voting results and scores of agree, not agree and abstain in each agenda to the meeting. In case the shareholders had any question or objected to that result, they could ask for score re-checking immediately. Moreover, CNS had policy and procedure to prevent of insider information or abusive self-dealing. Those policies and procedures were conveyed to all staff in both verbal and writing forms. CNS's Board also requires the directors and managements to report their holding in CNS's stocks as required by the SEC when they change their holdings and at each monthly Board's meeting.

3. Role of Stakeholders

CNS realized all stakeholders should be treated fairly in accordance with their legal rights as specified in relevant laws or commitments. CNS shall not take any action to violate the right of such stakeholders.

The Board of Directors was clearly stated in CNS's Good Corporate Governance Policy that "CNS's Board of Directors shall realize all stakeholders' rights and establish a code of business ethics for CNS's operations and principles of good practice for directors and staff, and shall endeavor the communications among all relevant parties". CNS set guideline of treatment to stakeholders in a Code of Conduct for several areas including corporate social responsibility, standard practice to customers, compliance with laws and regulations, staff investment, conflicts of interest, confidentiality, fair dealing, protection and proper use of corporate assets, respect for human rights, and etc. CNS published the Code of Conduct on CNS's website under "Corporate Governance" topic.

CNS had procedure to report significant information in which the stakeholders should be informed of in the annul report and / or CNS's website. Such information includes quarterly financial statements, year-end financial statements, other published information, internal control, list of CNS's Board of Directors, list of major shareholders, minutes of shareholder meeting, annual report and etc. Moreover, CNS also provides channels to receive suggestions or complaints. Stakeholders may send their suggestions or complaints to the Compliance and Internal Audit Department which report directly to the Board of Directors and Audit Committee. If stakeholders have any question, they may contact CNS's investor relations staff.

4. Disclosure and Transparency

CNS realized that all important information including financial data and non-financial data must be disclosed on the basis of accuracy, completeness, timeliness and transparency through easy-to-access and fairly accessible channels.

In fiscal year 2010, CNS disclosed all important information, information that might impact shareholders' and investors' decisions, information that must be disclosed by laws and regulations of relevant authorities, such as quarterly financial statements, year-end financial statements, annual report, 56-1 report, minutes of shareholders meeting, the significant resolutions of the Board of Directors' meeting, AGM invitation letter, list of the Company's Board of Directors. The Company published the information in both Thai and English languages for shareholders, investors and stakeholders on the SET's website and / or CNS's website. CNS always keeps the information updated.

In annual report and 56-1 report, CNS disclosed all information required by the SEC and the SEC in a complete manner which included roles and responsibilities of the Board of Directors and committees, report of the Board's responsibility for financial statements, report of the Audit Committee, Audit Committee's opinion on connected transactions, the number of the Board's and Audit Committee's Meetings, the number of attendance by each member of the Board and Audit Committee, directors' and executives' remunerations, auditor report and year-end financial statements.

In fiscal year 2010, CNS was not charged by the SET or the SEC for breaching of any information disclosure rules and regulations.

CNS also set up the investor relations function which was responsible for providing of significant information, answering questions and being communication channel between CNS and shareholders or investors.

5. Responsibilities of the Board

The Board of Directors realized that the Board of Directors' members play important roles in corporate governance for the best interest of CNS and they are accountable to shareholders and independent of management.

5.1 Board of Directors' Structure

As of August 31, 2010, CNS's Board of Directors comprised 10 members.

- Executive directors 5 persons
- Non-executive directors 5 persons
- Non-executive directors were :
 - Independent directors 3 persons
 - Outside directors 2 persons

In the 2010 AGM which shall be held in December 2010, CNS shall propose shareholders to consider appointing 1 additional independent director so that the total independent directors will be 4 persons from 11 persons of total Board of Directors' members which the proportion of independent director will not be less than 1/3 of total Board of Directors' members as required by the SEC's rules and regulations. The Board of Directors considered and agreed that number, proportion and qualification of the Board as above are appropriate considering the size of the Company and balancing of authority in management. Although the Chairman of the Board of Directors is not an independent director, the Chairman always strictly adheres to CNS's Good Corporate Governance Policy and he has knowledge, capability and experience in the Company's business for a long time. Moreover, the management decision is based on the resolution of the Board of Executive Directors (which comprises of 5 executive directors), not only the managing director or one of the executive directors. Based on those reasons, it's ensured that the Chairman shall perform his / her job in transparent, fair and prudent manner for the most interest of all stakeholders.

On July 9, 2010, CNS's Board of Directors adjusted the Company's Independent Director Qualification to be stricter than the qualification which regulated by the SEC (as shown under "Independent Director" topic).

In CNS's article of association stated that "in each AGM, 1/3 of the Directors shall retire. If the number of directors cannot be a multiple of 3, the nearest number to 1/3 must retire from the Company. The Directors who have been in the longest term of service must retire by rotation".

In working as CNS's Board of Directors, they were aware of efficiency in performance as the Company's directors as a key factor. In fiscal year 2010, CNS's Board of Directors implemented a board performance self-assessment to evaluate the Board's performance. The Board of Directors had considered the assessment results of the past year and then determined measures to improve its performance together. CNS's Board of Directors also carefully considered the holding positions in other companies of each Board of Directors member whether it would affect to his / her performance as the CNS's director or not and whether it would lead a conflict of interest or bias in decision making for the CNS's benefits or not. However, CNS had already disclosed the details of holding position in other companies of each director in 56-1 report and annual report for shareholders' consideration. According to the information, the number and nature of business that each director has position currently, would not affect his / her performance as CNS's director. In addition, CNS also set up clear policies that each director must declare his / her direct and indirect interest in any agreements which CNS entering and each director who has interest in such agreement must not be involved in consideration and voting process in such agreement.

CNS appointed a person in charge of the Company's secretary who was a permanent staff, to take care of the Board of Directors' activities, co-operating to ensure that the Board of Directors' resolutions were taken proper actions, preparing director registration, keeping director's and management's interest report, and other tasks as regulated by laws, rules and regulations of the SET, the SEC and other related authorities.

List of the Board of Directors' members and other committees, the company secretary and duty, authority, role and responsibility, nomination process were presented under "Management Structure" topic.

5.2 Committees

CNS has clearly separated the roles, duties and responsibilities of the Board of Directors, the Board of Executive Directors, Audit Committee, Credit Review Committee, Marginable Securities Committee, so that those would supervise and support the management appropriately. Information of structures, roles, duties and responsibilities of each committee were presented under “Management Structure” topic.

5.3 Roles, Duties and Responsibilities of the Board

CNS’s Board of Directors reviews and approves the Company’s visions, missions, strategies, goals, risks, business plans and budgets which was proposed by the management. And the Board of Directors had supervised, monitored and evaluated measurements to monitor the management’s performance to ensure efficiency as expected. CNS’ Board of Directors also set up communication system to convey the Company’s visions, missions, strategies and goals to directors, managements and staff regularly through the staff meetings and the internal communication system such as Intranet or email.

CNS’s Board of Directors realized their roles, duties and responsibilities in creating and promoting Good Corporate Governance in the Company, to support the growth and sustaining of CNS’s business with efficient and transparent management which brought about confidence to all related stakeholders and maximized CNS’s and shareholders’ benefits. CNS’s Board of Directors therefore set up the written Good Corporate Governance policy and the written Code of Conduct since year 2005, as a practice guideline for staff and has reviewed this Good Corporate Governance Policy and Code of Conduct every year to accommodate it with current situation.

CNS’s Board of Directors set up the training and seminar to refresh knowledge, understanding and confirming all staff to comply strictly with the Good Corporate Governance Policy and a Code of Business Conduct. In year 2010, CNS received a co-operation from the SET to send the officers to be guest speakers about Good Corporate Governance and corporate social responsibility to CNS’s directors and staff. CNS’s Board of Directors also determined measurement to supervise, monitor and evaluate the compliance of Good Corporate Governance and Code of Conduct and report this compliance result to the Board of Directors for future improvement.

CNS’s has policies and guidelines to prevent related persons from exploiting their positions for personal interest by setting up policy that all connected transaction must be done on CNS’s benefit basis and must be in compliance with the rules and regulations of the SET and the SEC. In addition, all connected transactions must be approved by the Board of Directors or reported to the Board of Directors if that transaction could be approved by the management according to the SET’s and the SEC’s rules and regulations.

CNS’s Board of Directors realized the importance of good internal control in the areas of operating control, operating procedures, and financial reports including the compliance with authorities’ rules and regulations. CNS requested all departments to operate with good internal control and strictly follow rules and regulation of related authorities. However, CNS set up the Compliance and Internal Audit Department to be responsible for reviewing and monitoring CNS’s operations in this aspect. The Compliance and Internal Audit Department shall evaluate the risk of each function to determine a proper scope, time spending and resource to audit in each area and report the result to Audit Committee and CNS’s Board of Directors every month.

5.4 Board Meeting

CNS's Board of Directors holds regular meetings on a monthly basis, or at least one time in each quarter and may hold extra meetings when necessary. The Chairman of the Board of Directors and the Executive Directors shall jointly set the agenda for the Board of Directors' meeting. However, each director can propose an issue for a meeting agenda. CNS's Secretary shall send invitation letter attached by the meeting agenda and adequate documents to all directors 7 days prior to the meeting so that the directors shall have enough time to study those information before the meeting. The Board of Directors shall set the meeting date, time and venue in advance to ensure that all directors can attend the meeting.

In the Board of Directors' meeting, the Chairman of the Board of Directors appropriately allocated the meeting time to propose the meeting agenda and express their comments. In addition, the Chairman also encouraged creative discussion or careful consideration especially in issues concerning Good Corporate Governance to maximize CNS's interest. If there was any meeting agenda which related to any function within CNS, the Board of Directors would invite the top management of such function or department to present or clarify additional information to the Board of Directors and also introduce those top managements to the Board of Directors for the consideration of concession plan in the future.

In fiscal year 2010, the Company's Board of Directors held 11 meetings, by having 1 meeting every month except in May 2010 that there was no meeting because of the political turmoil in Bangkok. The number of each director's attendance in the Board of Directors' meeting was presented under "the Number of Board of Directors Meetings and Audit Committee Meetings and the Attendance by Individual Members for Fiscal Year 2010" topic.

5.5 Remuneration

CNS's Board of Directors has set directors' remuneration policies by comparing with remunerations that other companies in the same industry and with the same size of business and service pay to their directors. In addition, CNS also considered experience, scope of work, role, and responsibility of each director in defining the director's remuneration before proposing to the shareholders' meeting to approve. For remuneration to the management, the Board of Executive Directors set policies by considering of knowledge, accountability, experience, past performance, level of contribution and important to the achievement of CNS's goal. CNS already presented the number of directors' and managements' remuneration under "Remuneration of Directors and Management" topic.

5.6 Board and Management Training

CNS's Board of Directors encourages and facilitates training and development for directors, managements, company secretary and staff in all levels to regularly refresh and get more knowledge and understanding about CNS's business, services, products, current and future laws, rules and regulations including Good Corporate Governance and Code of Conduct. In year 2010, CNS support directors and staff in all levels to join training programs and seminars held by the Thai Institute of Directors, the SET, the SEC, the Federation of Accounting Professions, the Securities Analysts Association and other related units or organizations. Moreover, CNS also arranged in-house training sessions conducted by internal human resource and also invited the SET's officers, professors from the country's top universities to be our guest speakers, especially in the topics related to information disclosure, financial analysis, Good Corporate Governance and Code of Conduct.

CNS's Board of Directors requested the Human Resource Department to prepare "Director's Handbook" for new appointing director to use as a guideline and also provided a brief presentation related to CNS's business, service, policy and significant operating procedures. This director's handbook shall help the new appointed director to understand CNS's business quicker. This director's handbook gathered information about role, duty and responsibility of director and Board of Directors, practice guideline of director, right and equitable treatment of shareholders and shareholder meeting, handbook for director of the securities company and duty and responsibility of director and management according to the Securities and Exchange Act.

5.7 Investor Relations

CNS's Board of Directors makes sure that both financial and non-financial information relating to the Company's business, performance and significant matter which might impact the decision of shareholders, investors and stakeholders are revealed in a accurate, complete, adequate, consistent and timely manner. CNS's Board of Directors monitors the Company's activities to be in compliance with laws, rules and regulations related to information disclosure of the SEC, the SET and other related authorities.

Rather than information disclosure according to the laws, rules and regulations of the SEC, the SET and other related authorities as stated above, CNS also disclosed significant financial and non-financial information to shareholders, investors and those interested through the Company's website. Moreover, anyone interested can contact directly to the investor relations staff via the Company's website (www.cns.co.th) or email to BKKInvestorRelations@th.nomura.com or telephone number 0-2638-5840.

Monitoring the use of and access to inside information

Policy on Insider Information

CNS has the policy to prevent staff and all executives from using the inside information or information obtained from the duties for their own benefits by applying the following control measures :

1. Staff and all executive directors are required to open cash trading account only at CNS.
2. Staff and all executive directors are required to submit the trading transaction report of their spouses and minors to the Compliance and Internal Audit Department on a monthly basis.
3. All executives must prepare and disclose report of CNS securities holding to the Board of Directors.
4. Staff and the Board of Directors are prohibited from trading CNS share one month after closing of quarterly financial statement.
5. In relation to the trading of securities of which the Company's research paper covers, it is required that :
 - 5.1 An analyst in the Research Division is not permitted to trade any securities or all securities in the sector that he / she is responsible for. Head / Manager / Deputy Manager of the Research Division are not permitted to trade any securities.
 - 5.2 Staff and all executive directors are prohibited from trading any securities of which he/she knows or should know that the Research Division is in the process of preparing information of such securities or plan to distribute research report of such securities.
 - 5.3 All staff in the Research Division, all executive directors and all officers in the Compliance and Internal Audit Department are prohibited from trading securities within three business days from the date the research paper is published and distributed.
6. Staff and members of the Board of Directors who know or should know non-public information or inside information of any securities are not allowed to trade those securities, whether he / she is in the department possesses those information or not.
7. Monitoring of the access or use of inside information is under the responsibility of the Compliance and Internal Audit Department.

Enforcement

Trading securities for one's own benefit by using inside information is a breach of the above policy and CNS will take disciplinary action against all parties involved.

Corporate Social Responsibility (CSR)

CNS is committed to develop and operate business as one of the nation's leaders in financial and investment services with morality, tight upholding to business ethics as well as constantly adhering to social responsibility policy for decades. We have been contributing and promoting for many socially responsible activities and encouraging our employees to have socially and environmentally responsible manner by persuading staff to participate in CSR activities together. During the previous year, we were involved in various CSR projects / activities aimed at sustaining this policy to be tangible.

1. Launching the “Computer for Children” project for the second consecutive year

CNS aims to support children's learning by continuing the “Computer for Children” project for the second year to provide computers for needed schools to support student's education. On 4th March 2010, Mr. Suthep Peetakanont, Chairman of the Board of Directors and Acting Chairman of the Board of Executive Directors and Ms. Chrisana Sae-Leiw, Executive Director represented CNS and donated used computers to Ban Klang school and Ban Dongtong school (Dongkwangratbamroong), Nakhon Panom province at Head Office, BKI building. This CSR project had been carried on with purpose to provide children in rural area with experience in technology which would improve their learning opportunity.



2. Participating in worldwide Earth Hour 2010 campaign

Along with other 16 offices of Nomura Group in Asia region, CNS's management and staff participated in the Earth Hour 2010, an annual global campaign organized by the World Wildlife Fund for Nature (WWF). CNS supported Earth Hour 2010 by encouraging staff to switch off unnecessary electrical device for one hour on March 27, 2010 (Saturday) at 8:30 p.m. local time to save energy and raise awareness of the impacts of weather changes. The world's population in over 100 cities around the world had greatly supported this campaign. Participating in this campaign is valuable for enhancing staff awareness of the environmental issues.



3. Participating in Reforestation Project by CSR Club

CNS supported to “Reforestation for the King” project with the CSR club set up by the Thai Listed Companies Association (TLCA). CNS’s representatives took part in this activity on March 31, 2010 to reforest more than 45 acres of mangrove forest at Klaeng district, Rayong province. This CSR project not only promoted environmental conservation but was also a way to develop a virtue network among listed companies and encouraged them to conduct business with environment and social responsibility.



4. Hosting NECTEC study trip

Mr. Nimit Wongjariyakul, Executive Director and Ms. Chrisana Sae-Leiw, Executive Director had welcomed the group of “Green ICT and Data Center” study trip from NECTEC Academy of the National Electronics and Computer Technology Center and presented model of ICT and data center management in environmentally friendly ways at Head Office, Bangkok Insurance bldg on April 1, 2010. CNS offered the informative guideline and shared experience about ICT and data center management with expectations that the study group would be able to apply this knowledge at their organizations which could enhance the ICT system to the highest efficiency.

CNS supported the “Green ICT and Data Center” training course regarding green energy and technology issues that are the current issues of concerns of the entire business sector and promoting environmental conservation by encouraging every organization to apply ICT system to lower environmental impact through this study program.



5. Educational Seminar for MABE, Chulalongkorn University, Thailand

For eight consecutive years, CNS has been closely working with Chulalongkorn University to provide guest lecturers from Nomura Group representing on the educational seminar with interesting issues about global economy and perspectives of financial market for students enrolled in the Master of Arts in Business and Managerial Economic program (MABE). This year's seminar, Mr. Sean Darby, Chief Strategist, Asia ex-Japan, Nomura International (Hong Kong) Limited, was the honorary lecturer at an educational seminar under the topic "How does the global economy rebalance itself?" on Saturday of August 28, 2010.



6. "SHARE TOGETHER, BOOK DRIVE" CSR Activity on 40th Anniversary

On August 28, 2010 Mr. Suthep Peetakanont, Chairman of the Board of Directors and Acting Chairman of the Board of Executive Directors and Mr. Shinichi Mizuno, President and the member of the management of CNS led the staff to hold the "SHARE TOGETHER, BOOK DRIVE" CSR Activity upon 40th anniversary of the company at Ban Wangree school, Prachinburi. The main objective of this activity was to support, encourage and promote learning opportunity and educational value to rural students. The staff's response was beyond expectations with donation of over 2,600 books, scholarship for 40 students, sound stereo system, sport equipments, school uniforms and fund for renovation of school cafeteria

The "Share Together, Book Drive" Project is one of CNS's policies to operate business together with awareness of social and environmental responsibility. CNS realized that "Today's children are future's leaders of the nation". So, CNS provides continued support for activities related to children's learning.



Internal Control

The Board of Executive Directors reviewed CNS's internal control adequacy in five aspects : (1) Organizational Control and Environment Measure (2) Risk Management Measure (3) Management Control Activities (4) Information and Communication and (5) Monitoring System. The Board of Executive Directors viewed that CNS's internal control is proper and sufficient in such five aspects.

In the Audit Committee meeting no. 4/2010, held on October 12, 2010, the Audit Committee also agreed with the Board of Executive Directors' determination.

Report of Audit Committee

The Board of Directors of Capital Nomura Securities Public Company Limited appointed an Audit Committee comprising of three independent directors who are well-qualified persons in terms of the requirement of the SEC : Assistant Professor Wattanee Phanachet, as the Chairman of the Audit Committee, Col. Ruangsub Kovindha and Mr. Prasert Virasathienpornkul as the Audit Committee's members and the Head of Compliance & Internal Audit Department performed the duty of the Secretary of the Audit Committee.

For the period of September 1, 2009 - August 31, 2010, the Audit Committee held 5 meetings. All the Audit Committee members presented in the meetings and performed the following duties as assigned by CNS :

1. Reviewing the Company's quarterly and year end financial statements, prior to submission to the Company's Board of Directors that CNS correctly and adequately disclosed. In the meeting, the Committee independently considered audit results and obtained the professional opinions from external auditors and Compliance & Internal Audit Department.
2. Reviewing the efficiency and appropriateness of CNS's internal control from the results of the auditing carried out by the external auditors and Compliance & Internal Audit Department. The Committee was informed of the review results, and expressed opinions and recommendations as deemed appropriate.
3. Reviewing the Compliance & Internal Audit Department's operations covering the setting up of audit plans, audit procedures, reporting and following up procedures. In addition, the Committee has given advice in order to enhance the internal audit operations' effectiveness.
4. Reviewing with the management related to Risk Assessment, Risk Management and monitoring Risk Management.
5. Reviewing CNS's operations in conformity with the Securities and Exchange laws, the regulations of the SET, and other laws related to CNS's business.
6. Considering the Company's related party transactions or any transactions that may cause conflicts of interest to be conducted according to the SET and the SEC's regulations.
7. Preparing Audit Committee's Report to be disclosed in CNS's annual report.
8. Selecting and proposing the appointment of an external auditor and proposing audit fees.

In conclusion, the Audit Committee deems that CNS's financial statements are prepared in accordance with generally accepted accounting principles as specified in the report of independent auditors. CNS has proper internal control and compliance with the related regulations. The Committee is confident that CNS's directors and managements maintain business ethics, emphasizes on operating business with the efficient corporate governance, and conservatively manages the business to reach the Company's goal.

In this regard, the Audit Committee considered and proposed the appointment of the external auditors to the Board of Directors for further consideration in the annual shareholders' meeting. The Committee proposed to appoint anyone of Mr. Narong Puntawong or Miss Phuphun Charoensuk or Mrs. Nonglak Pumnoi from Ernst and Young Office Limited to be the Company's external auditors for the year ended August 31, 2011, with the same audit fees as previous year.



(Mrs. Wattanee Phanachet)

Chairman of the Audit Committee and Independent Director
Capital Nomura Securities Public Company Limited

Connected Transactions

October 18, 2010

Subject : Opinions on connected transactions

To: Shareholders
Capital Nomura Securities Public Company Limited

We, Wattanee Phanachet, Col. Ruangsub Kovindha, Prasert Virasathienpornkul, as Independent Directors of Capital Nomura Securities Public Company Limited ("the Company"), would like to report that during the fiscal year ended August 31, 2010, the Company had business transactions with the related companies and/or connected persons as follows :

Ordinary or supporting an ordinary and usual course of business transactions which the Company provided services and received service fees

1. The Company entered into *Agreement for Provision of Services for Asset Finance Business* with Nomura International (Hong Kong) Limited ("NIHK") to provide financial advisory service and other services, advice and information related to financial advisory service which include asset finance business and real estate business in Thailand.

The service fee for the fiscal year 2010 was Baht 7,348,304. The service fee was based on actual costs plus 10% of margin.

2. The Company entered into the agreement with Nomura Singapore Limited ("NSL") to be an agent of securities trading and appointed NSL to be an Exclusive Partner. The terms and conditions in this agency agreement and Exclusive Partner were similar to other agency agreements made with other customers who were not related to the Company and in accordance with the notifications of the SET and the SEC.

The commission fee for the fiscal year 2010 was Baht 25,365,563. The commission fee was based on trade volume and the same commission rate as the Company charged to other customers and Exclusive Partner, in accordance with the notifications of the SET and the SEC.

3. The Company entered into Agreement for Provision of Services with NIHK to provide information related to potential customers who would like to issue non-Thai Baht products to NIHK.

The service fee for the fiscal year 2010 was Baht 14,046,129. The service fee was based on actual costs plus 10% of margin.

4. The Company entered into *Investors Business Support Agreement* with NSL to provide information of potential customers in Thailand as requested by NSL.

The service fee for the fiscal year 2010 was Baht 10,169,861. The service fee was based on actual costs plus 10% of margin.

5. The Company entered into *Introducing Broker Agreement* with NSL to introduce potential individual customers in Thailand who were interested in NSL's products to NSL.

The service fee for the fiscal year 2010 was Baht 1,059,766. The service fee was based on actual executed transactions of our referred customers calculated by using the introducing credit rate as indicated in the agreement referred in similar business.

6. The Company entered into *Service Agreement* with NSL to place buy and sell orders of any securities listed on or dealt through any Securities Market except Thai Stock Market.

The service fee for the fiscal year 2010 was Baht 1,763,647. The service fee was agreed at the beginning of each fiscal year and calculated based on annual estimated costs of service plus 10% of margin.

Ordinary or supporting an ordinary and usual course of business transactions which the Company received services and paid service fees

1. The Company entered into the *Hi-Speed Circuit Service* with United Information Highway Company Limited ("UIH") of which the Company's director was also the managing director of UIH. The Company received the hi-speed circuit service which was the same service and quality as other customers that which did not have a connected relationship received.

The service expense for the fiscal year 2010 was Baht 421,919. The service fee was the same rate as what other customers that did not have a connected relationship paid.

2. The Company entered into the agreement with Mr. Pisit Tesabamroong, the Company's director. By this agreement, the Company received legal consultancy, recommendation, advisory services and review of draft of the Company's agreements.

The service expense for the fiscal year 2010 was Baht 240,000. The fee was a reasonable fixed price compared to other professionals with similar service and quality.

3. The Company paid for brokerage fee to NSL for execution of securities trading orders that listed in foreign securities markets for our customers.

The commission paid for the fiscal year 2010 was Baht 197,217. The commission was calculated base on trade volume and a referential rate charged to other clients.

4. The Company appointed NIHK to be the underwriter of stock of Bangkok Life Assurance Public Company Limited in the overseas market.

The service expense for the fiscal year 2010 was Baht 253,125. The fee was referred to similar business.

5. The Company paid for license fee of email and internet software maintenance to NIHK.

The service expense for the fiscal year 2010 was HKD 5,306.70 or approximately Baht 23,880 (exchange rate Baht 4.50 : HKD 1). The fee was a referential market price.

Other transactions

1. The Company entered into *Agreement for Investment Banking Services* with NIHK. By this agreement, NIHK would provide information and experience related to the investment banking business, distribution channel in overseas market to the Company. The Company had no cost for such agreement.
2. The Company entered into *Employee Loan Agreement (Housing Loan)* with Mrs. Chrisana Sae-Leiw, the Company's executive director. The approval process, loan amount and terms and conditions in such agreement were in accordance with the Company's staff loan which provides to other Company's staff.

Interest Income for the fiscal year 2010 was Baht 17,678. The amount of interest income was calculated by using the loan outstanding balance and determined interest rate that was the same rate charged to other Company's staff.

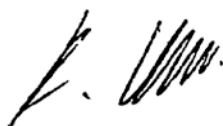
We had an opinion on the connected transactions among the Company and related companies and/or connected persons for the fiscal year 2010 ended August 31, 2010 as stated above that all transactions specified the exact fees and procedures of termination, which were clear and equitable. The above connected transactions were reasonable, equitable and in line with an ordinary and usual course of the Company's business and/or supporting an ordinary and usual course of the Company's business.

For your acknowledgement

Respectfully



Mrs. Wattanee Phanachet
Chairman of
the Audit Committee
and Independent Director



Col. Ruangsub Kovindha
Audit Committee Member
and Independent Director



Mr. Prasert Virasathienpornkul
Audit Committee Member
and Independent Director

Capital Nomura Securities Public Company Limited

Connected Transactions

In the fiscal years 2010 and 2009, Capital Nomura Securities Public Company Limited entered into connected transactions with the related companies and connected persons as follow :

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value (Baht)		Remarks
				2010	2009	
1. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	Agreement for Provision of Services for asset finance business and real estate business which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	7,348,304	172,714,412	The service fee was calculated by reference to the actual cost plus 10% margin
2. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Agency Agreement which appointed Nomura Singapore Limited to be an Exclusive Partner. The Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	25,365,563	20,019,887	The commission fee was based on trade volume and the same commission rate as the Company charged to other customers and Exclusive Partner, in accordance with the notifications of the SET and the SEC
3. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	Agreement for Provision of Services which the Company provided information to support issuing of non Thai Baht products and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	14,046,129	16,401,451	The service fee was calculated by reference to the actual cost plus 10% margin
4. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Investors Business Support Agreement which the Company provided services and received fee in return	1 year	10,169,861	9,294,779	The service fee was calculated by reference to the actual cost plus 10% margin

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value (Baht)		Remarks
				2010	2009	
5. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Introducing Broker Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing written notice to other party	1,059,766	64,624	The service fee was based on actual executed transactions of our referred customers calculated by using the introducing credit rate as indicated in the agreement referred in similar business
6. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Service Agreement for placing an order of any securities listed on foreign securities market which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing written notice to other party	1,763,647	1,390,400	The service fee was agreed at the beginning of each fiscal year and calculated base on annual estimated costs of service plus 10% of margin
7. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	Agreement for Provision of Financial Advisory Services which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing written notice to other party	-	21,560,231	The service fee was calculated by reference to the actual cost plus 10% margin
8. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	The Company provided information of Thai Capital Market directly to the clients of Nomura International (Hong Kong) Limited. The Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing written notice to other party	-	156,726	The rate was 50% of actual cost of service
9. Capital Nomura Securities Public Company Limited and United Information Highway Company Limited	The Company's director is the managing director of United Information Highway Company Limited	Hi-Speed Circuit Service Agreement. The Company received the hi-speed circuit service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing written notice to other party	421,919	518,029	The service fee was the same rate as what other customers that did not have a connected relationship paid

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value (Baht)		Remarks
				2010	2009	
10. Capital Nomura Securities Public Company Limited and Mr. Pisit Tesabamroong	Mr. Pisit Tesabamroong is a Company's director	The Company received legal consultancy, recommendation, advisory services and the review of draft of the Company's agreement and paid fee for service	1 year	240,000	240,000	The fee was a reasonable fixed price compared to other professionals with similar service and quality
11. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Agreement for execution of securities trading orders that listed in foreign securities market which the Company received service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	197,217	99,788	The commission was calculated base on trade volume and a referential rate charged to other clients
12. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	Nomura International (Hong Kong) Limited was the underwriter in overseas market	Underwriting period of stock of Bangkok Life Assurance Public Company Limited	253,125	-	The fee was the rate per agreement with reference to similar business
13. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	The Company paid for license fee of email and internet software maintenance. The Company received service and paid fee for service.	1 year	HKD 5,306.70	HKD 5,306.70	The fee was a referential market price
14. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International (Hong Kong) Limited	The Company received IT security advisory and security monitoring services and paid fee for such services	1 year	-	USD 13,464	The fee was a referential market price
15. Capital Nomura Securities Public Company Limited and Mrs. Chrisana Sae-Leiw	Mrs. Chrisana Sae-Leiw is the executive director of the Company	Loan agreement (Housing Loan)	Not over than 100 months	17,678	-	The interest rate was the same rate as the Company charged to other Company's staffs

Outstanding balance of connected transactions as of August 31, 2010 and 2009

Transaction	Related companies / persons	Presented in Financial Statements as	Balance as of	
			31 Aug 2010	31 Aug 2009
Agency Agreement	Nomura Singapore Limited	Securities business receivable	-	26,857,509
Investors Business Support Agreement	Nomura Singapore Limited	Securities business payable	286,802,688	2,776,025
Introducing Broker Agreement	Nomura Singapore Limited	Other assets	1,369,861	164,779
Agreement for Provision of Services	Nomura International (Hong Kong) Limited	Other assets	349,321	-
		Other assets	846,129	-
		Other liabilities	-	(3,098,549)
Agreement for Provision of Services for Asset Finance Business	Nomura International (Hong Kong) Limited	Other liabilities	-	1,101,727
Agreement for email and internet software maintenance services	Nomura International (Hong Kong) Limited	Other liabilities	25,486	49,464
Internet Security Advisory and Daily Operations Support Agreement	Nomura International (Hong Kong) Limited	Other liabilities	-	969,599
Hi-Speed Circuit Service	United Information Highway Company Limited	Other liabilities	35,160	35,603
Loans to Employee	Mrs. Chrisana Sae-Leiw	Other assets	2,231,219	-

Necessity and soundness of connected transactions

In case the Company enters into any connected transactions with related companies or related persons, the Company will consider the necessity and soundness to enter into such agreements for connected transactions based on the Company's best interest.

Approval procedures or measures of connected transactions

The Board of Directors requires the Company to comply with the Stock Exchange of Thailand's and the Securities and Exchange Commission's regulations.

Policy or outlook for future connected transactions

- None -

Management Discussion and Analysis

Performance Analysis

For fiscal year 2010, CNS's total revenues amounted to Baht 742.19 million, down by Baht 103.15 million or 12.20% from the previous fiscal year when its total revenues stood at Baht 845.34 million. The decline was attributable to the decrease in its fees and service income, particularly the sharp drop in the financial advisory service fee, which could be blamed on the termination of agreement related to financial advisory services in real estate business with Nomura group. However, CNS's brokerage fee income, which was the company's main source of revenues, showed an improvement due to the higher daily turnovers.

CNS's brokerage fee income comprised 1) brokerage fees from securities business; and 2) brokerage fees from derivatives business. The company's brokerage fees from securities business gained by 19.33% in fiscal year 2010. Note that CNS's market share in the fiscal year 2010 slightly decreased to 2.48%, which was ranked 16th, vs. 2.70% in the fiscal year 2009, which was ranked 15th. Meanwhile, the Company's brokerage fees from derivatives business fell by 24.59%. In fiscal year 2010, CNS's market share in the derivatives market dropped to 1.38%, which was ranked 21st, vs. 2.45% in the fiscal year 2009, which was ranked 15th.

Meanwhile, the CNS's fees and service income dropped by Baht 171.53 million or 68.77%, which approximately Baht 165.37 million was caused by the termination of agreement related to financial advisory services in real estate business with Nomura group and approximately Baht 27.92 million was caused by declining in other fees and service income. However, for fiscal year 2010, CNS's underwriting fee increased by Baht 21.76 million, compared with the previous fiscal year, due to CNS was appointed to be the underwriter for 4 companies.

Gain(loss) on trading in securities gained by Baht 27.73 million. For fiscal year 2010, CNS's gain on trading in securities amounted to approximately Baht 18.46 million, which Baht 18.24 million was from a gain on trading in other investments and the rest of such amount was from an offset of a gain on arbitrage trading with a loss from error trading of marketing officer. Meanwhile, in fiscal year 2009, CNS's loss on trading in securities amounted to Baht 9.27 million, which approximately Baht 7.82 million was a loss on impairment in the investment in TSFC Securities Public Company Limited (TSFC), approximately Baht 1.69 million was a loss on trading in unit trusts and the rest of such amount was from an offset of a gain on arbitrage trading with a loss from error trading of marketing officer.

The revenue from interest and dividend decreased by Baht 35.28 million or 48.58% due to decreasing in the interest rate of the overall market.

CNS's total expenses dropped by approximately Baht 163.50 million or 21.78% to Baht 587.16 million in fiscal year 2010 from Baht 750.66 million in fiscal year 2009. The decrease was attributed to lower personnel expenses (approximately Baht 146.83 million), which was mainly attributable to the termination of agreement related to financial advisory services in real estate business with Nomura group in the fiscal year 2010. The service fee of such agreement was calculated by reference to the actual cost plus 10% margin, which most of actual cost from such service was the personnel expense.

In summary, CNS's net profit for fiscal year 2010 amounted to Baht 117.10 million for the earnings per share (EPS) of Baht 1.64, up by 70.67% when compared with the previous fiscal year's net profit of Baht 68.61 million or an EPS of Baht 0.96. For fiscal year 2010, the company recorded a net profit margin of 15.78% and return on equity (ROE) of 3.28%.

Financial Position Analysis

As of August 31, 2010, CNS had total assets of Baht 5,564.64 million for an increase of Baht 693.27 million or 14.23%, compared with the previous fiscal year when its total assets stood at Baht 4,871.37 million as of August 31, 2009. The increase in CNS's assets was largely attributable to the rise in receivables from clearing house and in securities and derivatives business receivables, following higher daily turnovers on the last three days before the end of the accounting period.

The significant components of CNS's assets as of the end of the fiscal year 2010 included the following : a) cash and cash equivalents (15.77% of total assets) ; b) investments in debt and equity securities (18.61% of total assets) ; c) receivables from clearing house (13.35% of total assets) ; and d) securities and derivatives business receivables (46.84% of total assets) ; and e) other assets (5.43% of total assets).

As of the end of fiscal year 2010, cash and cash equivalent stood at Baht 877.60 million, for a drop of Baht 499.25 million or 36.26% from the level as of the end of the previous fiscal year. This was largely attributable to securities and derivatives business receivables (particularly margin loans) that increased by Baht 461.23 million. CNS's cash and cash equivalent was in forms of deposits and promissory notes, with maturity date due no more than three months, that provide more liquidity and working capital for the daily settlement in securities business and also help support the Company's margin lending and securities borrowing and lending businesses.

Meanwhile, as of August 31, 2010 CNS's investments in debt and equity securities stood at Baht 1,035.10 million. Baht of 1,019.52 million or 98.49% of net investment was invested in Available-for-sale securities which was mutual funds that mainly invested in government bond. Resulted, most of the Company's investment invested in the securities that contained low risk exposure and high liquidity.

As of August 31, 2010, receivables from clearing house amounted to Baht 742.74 million, compared with the previous fiscal year when its receivables from clearing house stood at Baht 3.70 million. The significant gain was attributed to higher daily turnovers in the last three days before the end of the accounting period.

Furthermore, as of August 31, 2010, securities and derivatives business receivables totaled Baht 2,606.64 million, for a gain of Baht 461.23 million or 21.50%, compared with the previous fiscal year. The increase was driven mainly by the gain in customer accounts and margin loans, which was in line with the Thai stock market situation during that time. Meanwhile, guaranteed deposit receivables, securities borrowing receivables and other receivables modestly decreased. Note that in the fiscal year 2010 CNS did not have bad debt expenses and an allowance for doubtful accounts from the securities business receivables. CNS's policy of loans written-off and setting aside the allowance for doubtful account was complied with the regulations of Thailand's Securities and Exchanges Commission (SEC).

As of August 31, 2010, CNS's total liabilities amounted to Baht 2,009.68 million, for a gain of Baht 734.57 million or 57.61%, compared with the previous fiscal year when its total liabilities stood at Baht 1,275.11 million. The main reason behind the increase in total liabilities was the gain in the company's securities and derivatives business payables, following the increase in market turnovers.

Meanwhile, as of August 31, 2010, CNS's securities and derivatives business payables stood at 1,861.81 million, for a gain of Baht 933.01 million or 100.45%, when compared with the previous fiscal year. The increase was in line with the gain in securities/derivatives business receivables and market turnovers at that time.

As of August 31, 2010, the Company's shareholders' equity stood at Baht 3,554.96 million, for a decline of Baht 41.30 million, when compared with the previous fiscal year. The drop was attributable to the treasury stocks that amounted to Baht 96.99 million. Excluding the treasury stocks, CNS's shareholders' equity would amount to Baht 3,651.95 million, for a gain of Baht 55.69 million or 1.55%, when compared with the previous fiscal year when its shareholders' equity stood at Baht 3,596.26 million. The increase was caused by the gain in the company's net profit and revaluation surplus on investments, which was over than the dividend amount of fiscal year 2009 that was approved, during the fiscal year 2010.

In conclusion, CNS was one of the securities companies that had sound financial status, debt-free position and high financial liquidity. As of August 31, 2010, CNS's net capital ratio (NCR) stood at 149.29%, which is considerably high when compared to the minimum requirement of 7% set forth by the SEC. In addition, CNS's liquid assets to total assets ratio remained high at 6.05%, while its cash and cash equivalents stood at Baht 877.60 million that was equivalent to 15.77% of its total assets. Finally, CNS's debt to equity (D/E) ratio as of August 31, 2010 was just 0.57x and its unappropriated retained earnings were substantial at Baht 388.72 million, while its shareholders' equity stood at Baht 3,554.96 million that was equivalent to a book value of Baht 49.85 per share.

Key Financial Ratios

Financial Ratio	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	92.25%	92.83%	93.04%
Net Profit Margin (%)	15.78%	8.12%	14.89%
Return on Equity (%)	3.28%	1.90%	3.41%
Return on Investment (%)	2.63%	1.14%	3.67%
<u>Efficiency Ratio</u>			
Return on Assets (%)	2.24%	1.47%	2.74%
Assets Turnover (Times)	0.14	0.18	0.18
<u>Financial Ratio</u>			
Liquid Assets to Borrowing (%)	N/A	N/A	N/A
Earning Assets to Borrowing (%)	N/A	N/A	N/A
Liquid Assets to Total Assets (%)	6.05%	14.19%	21.96%
Earning Assets to Total Assets (%)	80.22%	91.56%	93.12%
Debt/Equity (Times)	0.57	0.35	0.23
Dividend Pay-Out (%)	N/A	99.25%	87.33%
<u>Other Ratios</u>			
Investment in Securities to Assets (%)	18.60%	21.27%	23.44%
Net Capital Ratio (based on the SEC's regulation) (%)	149.29%	456.60%	768.07%
<u>Data Per Share (Baht)</u>			
Book Value per Share	49.85	50.17	50.62
Earnings per Share	1.64	0.96	1.72
Dividend per Share	N/A	0.95	1.50
<u>Growth Rate (%)</u>			
Total Assets	14.23	8.84	(0.79)
Total Liabilities	57.61	50.45	(7.91)
Income from Sales and Services	(12.30)	2.67	7.40
Operating Expenses	(23.22)	15.09	0.45
Net Earnings	70.67	(44.27)	20.25

Report of the Board of Directors' Responsibility for Financial Statements

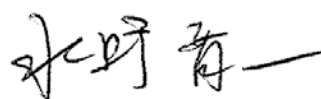
The Board of Directors of Capital Nomura Securities Public Company Limited ("the Company") is responsible for the Company's financial statements, including financial information appearing in the 2010 Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles with appropriate accounting policies applied on a conservative and consistency basis. Whenever required, judgment and estimation were made with careful and reasonable considerations, and adequate disclosures were made in the notes to the financial statements. These financial statements have been audited by Ernst & Young Office Limited, which is independent certified auditor who had given their unqualified opinions.

The Company's Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems. In this regard, the Board of Directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and meeting with Compliance and Internal Audit Department and external auditors on the financial report, internal control, internal audit, financial information disclosure, including compliance, as shown in the report of the Audit Committee in this Annual Report.

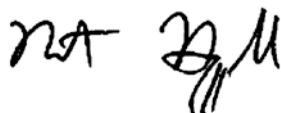
The Board of Directors believed that the Company has a satisfactory level of internal control and the financial report as of August 31, 2010 are presented fairly in accordance with generally accepted accounting principles and complied with related rules and regulations.



Mr. Suthep Peetakanont
Chairman and
Acting Chairman of the Executive Board



Mr. Shinichi Mizuno
President



Mr. Nimit Wongjariyakul
Executive Director



Mr. Naoki Sugaya
Executive Director



Mrs. Chrisana Sae-Leiw
Executive Director

Report of Independent Auditor

To the Shareholders of Capital Nomura Securities Public Company Limited

I have audited the accompanying balance sheets of Capital Nomura Securities Public Company Limited as at 31 August 2010 and 2009, the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the management of the Company as to their correctness and the completeness of the presentation. 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 the 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 financial statements referred to above present fairly, in all material respects, the financial position of Capital Nomura Securities Public Company Limited as at 31 August 2010 and 2009, the results of its operations and cash flows for the years then ended in accordance with generally accepted accounting principles.



Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 18 October 2010

Balance sheets

Capital Nomura Securities Public Company Limited

As at 31 August 2010 and 2009

		<i>(Unit : Baht)</i>	
	Note	2010	2009
Assets			
Cash and cash equivalents	6	877,595,359	1,376,843,400
Long-term deposits at financial institutions	7	-	-
Investments in debt and equity securities - net	8	1,035,103,228	1,035,946,469
Receivables from Clearing House	9	742,744,142	3,694,582
Securities and derivatives business receivables - net	10	2,606,636,013	2,145,404,936
Land, premises and equipment - net	12	125,446,418	139,304,908
Intangible assets - net	13	11,277,708	15,097,301
Deferred income tax assets	14	37,354,768	37,665,211
Other assets - net	15	128,479,523	117,414,439
Total assets		5,564,637,159	4,871,371,246

The accompanying notes are an integral part of the financial statements.

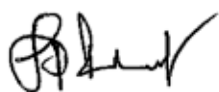
Balance sheets (Continued)

Capital Nomura Securities Public Company Limited

As at 31 August 2010 and 2009

		(Unit : Baht)	
	Note	2010	2009
Liabilities and shareholders' equity			
Liabilities			
Payables to Clearing House		1,187,754	207,705,854
Securities and derivatives business payables	16	1,861,811,463	928,798,102
Deferred income tax liabilities	14	10,220,315	7,976,582
Other liabilities	17	136,459,350	130,630,217
Total liabilities		2,009,678,882	1,275,110,755
Shareholders' equity			
Share capital			
Registered, issued and paid - up			
71,682,300 ordinary shares of Baht 10 each		716,823,000	716,823,000
Premium on share capital		2,131,833,600	2,131,833,600
Revaluation surplus in investments	8.3	30,584,907	23,913,428
Retained earnings			
Appropriated - statutory reserve	20	72,000,000	72,000,000
- general reserve		215,000,000	215,000,000
- treasury stock reserve		96,993,325	-
Unappropriated		388,716,770	436,690,463
Total shareholders' equity before treasury stock		3,651,951,602	3,596,260,491
Less: Treasury stock	18	(96,993,325)	-
Total shareholders' equity		3,554,958,277	3,596,260,491
Total liabilities and shareholders' equity		5,564,637,159	4,871,371,246

The accompanying notes are an integral part of the financial statements.




Directors

Income statements

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

		(Unit : Baht)	
	Note	2010	2009
Revenue			
Brokerage fees			
Brokerage fees from securities business		525,730,471	440,583,885
Brokerage fees from derivative business		35,498,251	47,071,565
Fees and service income	21	77,903,486	249,429,709
Gain (loss) on trading in securities	8.4	18,455,246	(9,272,898)
Loss on trading in derivatives		(11,020)	(374,000)
Interest and dividend		37,342,031	72,624,948
Interest on margin loans		44,579,592	43,113,895
Other income		2,687,877	2,163,611
Total revenue		742,185,934	845,340,715
Expenses			
Expenses on borrowing		13,519,878	19,085,846
Fees and services expenses		43,770,648	41,371,730
Bad debt and doubtful accounts (Bad debt recovery)		(48,754)	-
Operating expenses			
Personnel expenses		298,590,395	445,421,664
Premises and equipment expenses		116,807,412	116,994,170
Taxes and duties		2,002,341	2,503,576
Directors' and management's remuneration	22	70,497,454	76,994,361
Other expenses		42,021,750	48,289,341
Total operating expenses		529,919,352	690,203,112
Total expenses		587,161,124	750,660,688
Income before corporate income tax		155,024,810	94,680,027
Corporate income tax	14	(37,922,763)	(26,068,256)
Net income for the year		117,102,047	68,611,771
Basic earnings per share	24		
Net income		1.64	0.96
Weighted average number of ordinary shares (shares)		71,313,753	71,682,300

The accompanying notes are an integral part of the financial statements.

Statements of changes in shareholders' equity

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

(Unit : Baht)

	Retained earnings								
	Appropriated							Treasury stock	Total
	Ordinary shares	Premium on share capital	Revaluation surplus in investments	Statutory reserve	General reserve	Treasury stock reserve	Unappropriated		
Balance - as at 1 September 2008	716,823,000	2,131,833,600	17,814,479	72,000,000	215,000,000	-	474,846,292	-	3,628,317,371
Revaluation surplus in investments									
- increase in revaluation in investments	-	-	6,435,315	-	-	-	-	-	6,435,315
- decrease from deferred income tax	-	-	(336,366)	-	-	-	-	-	(336,366)
Total income recognised in shareholders' equity	-	-	6,098,949	-	-	-	-	-	6,098,949
Net income for the year	-	-	-	-	-	-	68,611,771	-	68,611,771
Total income recognised for the year	-	-	6,098,949	-	-	-	68,611,771	-	74,710,720
Dividend paid (Note 25)	-	-	-	-	-	-	(106,767,600)	-	(106,767,600)
Balance - as at 31 August 2009	716,823,000	2,131,833,600	23,913,428	72,000,000	215,000,000	-	436,690,463	-	3,596,260,491

The accompanying notes are an integral part of the financial statements.

Statements of changes in shareholders' equity (continued)

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

(Unit : Baht)

	Retained earnings								
	Ordinary shares	Premium on share capital	Revaluation surplus in investments	Appropriated			Treasury stock	Total	
				Statutory reserve	General reserve	Treasury stock reserve			
Balance - as at 1 September 2009	716,823,000	2,131,833,600	23,913,428	72,000,000	215,000,000	-	436,690,463	-	3,596,260,491
Revaluation surplus in investments									
- increase in revaluation in investments	-	-	8,895,305	-	-	-	-	-	8,895,305
- decrease from deferred income tax	-	-	(2,223,826)	-	-	-	-	-	(2,223,826)
Total income recognised in shareholders' equity	-	-	6,671,479	-	-	-	-	-	6,671,479
Net income for the year	-	-	-	-	-	-	117,102,047	-	117,102,047
Total income recognised for the year	-	-	6,671,479	-	-	-	117,102,047	-	123,773,526
Appropriated retained earnings to be treasury stock reserve	-	-	-	-	-	96,993,325	(96,993,325)	-	-
Cash paid for treasury stock (Note 18)	-	-	-	-	-	-	-	(96,993,325)	(96,993,325)
Dividend paid (Note 25)	-	-	-	-	-	-	(68,082,415)	-	(68,082,415)
Balance - as at 31 August 2010	716,823,000	2,131,833,600	30,584,907	72,000,000	215,000,000	96,993,325	388,716,770	(96,993,325)	3,554,958,277

The accompanying notes are an integral part of the financial statements.

Statements of cash flows

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

	(Unit : Baht)	
	2010	2009
Cash flows from operating activities		
Net income before corporate income tax	155,024,810	94,680,027
Adjustments to reconcile net income before corporate income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	34,888,027	35,421,475
Bad debt recovery	(48,754)	-
Reversal of allowance of other assets	-	(1,317,405)
Gain on sales of other investments	(18,240,000)	-
Loss on impairment of other investments	-	7,820,000
Loss on disposal of equipment	1,955,876	1,420,286
Written-off unused equipment	786,209	36,919
Interest income from deposits and investments	(31,512,738)	(51,557,363)
Interest income from margin loans	(44,579,592)	(43,113,895)
Others interest income	(397,636)	(651,035)
Dividend income	(5,829,293)	(21,067,585)
Interest expenses	12,608,470	17,923,104
Income from operating activities before changes in operating assets and liabilities	104,655,379	39,594,528
Operating assets (increase) decrease		
Current investments	6,379,038	13,604,809
Receivables from Clearing House	(739,049,560)	18,433,708
Securities and derivatives business receivables	(459,439,196)	56,648,102
Other assets	(11,563,984)	7,131,737
Operating liabilities increase (decrease)		
Payables to Clearing House	(206,518,100)	189,189,040
Securities and derivatives business payables	933,143,750	224,297,011
Other liabilities	(3,605,475)	8,389,360
Cash from (used in) operating activities	(375,998,148)	557,288,295

The accompanying notes are an integral part of the financial statements.

Statements of cash flows (Continued)

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

	(Unit : Baht)	
	2010	2009
Cash paid for interest expenses	(12,738,859)	(18,064,919)
Cash paid for corporate income tax	(32,827,399)	(19,199,582)
Cash received from interest on deposits and investments	32,226,286	52,952,367
Cash received from interest on margin loans	42,874,979	47,192,861
Cash received from others interest	392,938	657,395
Net cash from (used in) operating activities	(346,070,203)	620,826,417
Cash flows from investing activities		
Proceeds from sales of other investments	20,640,000	-
Proceeds from dividend	5,829,293	21,067,585
Cash paid for acquisition of equipment	(14,567,646)	(129,829,687)
Cash proceeds from sales of equipment	3,160,325	936,598
Cash paid for acquisition of intangible assets	(3,164,070)	(2,951,171)
Net cash from (used in) investing activities	11,897,902	(110,776,675)
Cash flows from financing activities		
Cash paid for treasury stock	(96,993,325)	-
Cash paid for dividend	(68,082,415)	(106,767,600)
Net cash used in financing activities	(165,075,740)	(106,767,600)
Net increase (decrease) in cash and cash equivalents	(499,248,041)	403,282,142
Cash and cash equivalents at the beginning of the year	1,376,843,400	973,561,258
Cash and cash equivalents at the end of the year (Note 6)	877,595,359	1,376,843,400
Supplemental cash flows information		
Non-cash transactions		
Accounts payable for purchase of fixed assets and intangible assets	9,746,461	5,076,867

The accompanying notes are an integral part of the financial statements.

Notes to financial statements

Capital Nomura Securities Public Company Limited

For the years ended 31 August 2010 and 2009

1. General information

Capital Nomura Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the securities with business of securities brokerage, securities dealing, securities borrowing and lending services, investment advisory, securities underwriting, financial advisory services and the derivatives broking.

The Company’s registered address is 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Tungmahamak, Sathorn, Bangkok. As at 31 August 2010, the Company has 4 branches in Bangkok. (2009: 4 branches)

2. Basis of the preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547, except for the early adoption of Accounting Standard No. 12 “Income Tax”.

The presentation of the financial statements has been made in compliance with requirement of the Notifications of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Nor. 26/2549 dated 29 June 2006.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. Adoption of accounting standards

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 86/2551, 16/2552 and 17/2553, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

Framework for the Preparation and Presentation of Financial Statements (revised 2009)	
TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations
Accounting Treatment Guidance for Leasehold Right	
Accounting Treatment Guidance for Business Combination under Common Control	

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal year beginning on or after 1 January 2009. The management has assessed the effect of these standards and noted that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for the Preparation and Presentation of Financial Statements (revised 2009), TAS 36 (revised 2007) and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards and financial reporting standard which are not effective for the current year

The Federation of Accounting Professions has issued Notification No. 17/2553 and 34/2553 mandating the use of new accounting standards and financial reporting standard as follows.

- a) Accounting standards and financial report standard become effective for the financial statements for fiscal year 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 17 (revised 2009) Leases

TAS 23 (revised 2009) Borrowing Costs

TAS 24 (revised 2009) Related Party Disclosures

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 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

The management of the Company has assessed the effect of these standards and believes that TAS 1 (revised 2009), TAS 7 (revised 2009), TAS 8 (revised 2009), TAS 10 (revised 2009), TAS 17 (revised 2009), TAS 24 (revised 2009), TAS 33 (revised 2009), TAS 34 (revised 2009), TAS 36 (revised 2009), TAS 37 (revised 2009) and TAS 38 (revised 2009) will not have any significant impact on the financial statements for the year in which there are initially applied. The other remaining accounting standards and financial reporting standards are not relevant to the business of the Company.

- b) Accounting standards become effective for the financial statements for fiscal year beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The management of the Company has early adopted TAS 12 before the effective date. However, this adoption does not have significant effect to the current year financial statements since the Company has previously adopted the International Accounting Standard No. 12 “Accounting for Income Tax” (revised 1996) since prior years, while TAS 20 (revised 2009) is not relevant to the business of the Company.

4. Significant accounting policies

4.1 Revenue recognition

Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

Fees and service incomes

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognised as income/expenses on the transaction dates.

Interest and dividend

Interest is recognised as income on an accrual basis. Dividend from investments is recognised as income when the dividend is declared.

Interest on credit balance loans

Interest is recognised as interest accrues based on a time proportion basis, but where there is uncertainty as to the collectability of loans and interest the Company ceases accrual.

In the following cases collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue for more than 3 months.
- 3) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

4.2 Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank accounts, and including negotiable certificates of deposit, call notes receivable and term notes receivable maturing within 3 months or less, and not subject to withdrawal restrictions.

4.4 Recognition and amortisation of customers' deposits assets

Cash which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the balance sheet date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

4.5 Borrowing and lending of securities

The Company conducts both securities borrowing and securities lending transactions through agreements with borrowers and lenders of securities who are the Company's customers. The Company's objective in lending securities to its customers is solely to allow them to short sell securities through the credit balances accounts they have with the Company. These types of transaction are limited to securities listed in the SET 50 Index and in the list of securities which the Company allows the customers to purchase through margin accounts (Marginable Securities).

The Company records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the balance sheet. At the end of the year, the balance of securities borrowing payables and securities borrowing receivables are adjusted based on the close price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in determining income. In addition, the Company records cash paid as collateral for securities borrowing as "Guaranteed deposit receivables" and cash received as collateral for securities lending as "Guarantee deposit payables". Fees for borrowing and lending are recognised on an accrual basis over the term of the lending.

4.6 Investments in debt and equity securities

- 1) Investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the value of such securities are included in determining income.
- 2) Investments in available-for-sale securities, both held for current and long-term investments, are stated at fair value. Changes in the carry amount of the securities are shown as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- 3) Investment in debt securities, expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.
- 4) Investments in non-marketable equity securities which are classified as other investments are valued at cost net of allowance of impairment (if any).

- 5) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- 6) Losses on impairment of the investments (if any) are included in determining income when there is a factor indicating that such investments might be impaired.
- 7) The weighted average method is used for computation of the cost of investments.

4.7 Receivables from / payables to Clearing House

Receivables from / payables to Clearing House comprise the net balance receivable from/payables to Thailand Securities Depository in respect of securities trades settled through the clearing house of Thailand Securities Depository. The net receivable from / payable to Thailand Clearing House are included amounts pledged with Thailand Clearing House as security for derivatives trading.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts and related accrued interest receivables.

In addition, securities business receivables comprise the net receivables balances of cash accounts, credit balance accounts, securities borrowing receivables and guarantee deposit receivables (which comprise cash placed as guarantee for securities borrowing payables or Thailand Securities Depository) as well as other receivables such as overdue cash customers accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines.

- 1) Assets classified as doubtful loss are to satisfy the following criteria.
 - (a) Loans balance which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written-off in accordance with tax legislation.
 - (b) Loans balance which the Company has forgiven.
- 2) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria.
 - (a) General loans and other loans for which the collateral value is less than the loan balance.
 - (b) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - (c) Installment loans with repayment scheduled no less frequently than every 3 months, unless there is clear evidence and high degree of certainty that full repayment will be received.

- 3) Substandard debt is defined as the collateralised portion of loans which meet the criteria in 2).

Loans classified as doubtful of loss will be written-off when identified. Allowance for doubtful account will be set aside for loans classified as doubtful at not less than 100 percent of the loan balance. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

4.9 Land, premises and equipment / Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Office buildings	20 years
Leasehold improvements	12 years
Office equipment	3, 5, 6 years
Furniture and fixtures	5, 6 years
Motor vehicles	5 years

No depreciation is provided on land.

Depreciation is included in determining income.

4.10 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Intangible assets with finite useful lives is amortised for a period of 5 years.

4.11 Income tax

- 1) Current tax

Income tax is provided for the accounts based on the taxable profits determined in accordance with tax legalisation.

- 2) Deferred tax

Deferred tax is calculated based on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, by using the enacted tax rate at the balance sheet date.

The Company recognises deferred tax liabilities for taxable temporary differences and recognises deferred tax assets for deductible temporary differences. The temporary differences arise from unrealised losses on investments, allowance for doubtful accounts, allowance for loss on impairment of property foreclosed and other reserve. The Company recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each balance sheet date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.12 Property foreclosed

Property foreclosed is stated at the lower of cost, or net realisable value with reference to the latest appraisal value less estimated selling expenses.

4.13 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company realises loss on impairment when the asset's recoverable amount is less than the book value. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell reflects the amount that the Company could obtain at the balance sheet date from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. 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.

The Company recognises impairment losses in the income statement.

4.14 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.15 Related parties transaction

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with direct or indirect authority in the planning and direction of the Company's operations.

4.16 Long-term leases

Leases of assets that all the significant risk and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

In case 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.

4.17 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

4.18 Employee benefits

Salary, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.19 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain which may affect reported amounts and disclosures, such aforementioned may cause the actual results differ. Significant judgments and accounting estimates are as follows:

5.1 Allowances for loan losses for securities and derivative business receivables

Allowances for loan losses for securities and derivative business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding loan and receivable by taking into account collection risk and the value of the security used as collateral.

5.2 Impairment of investments

The Company reviews and set up allowance for impairment of investment when indication of impairment exists. The determination of what is indication of impairment requires judgement of management to estimate the expected loss by considering the status of each investment item.

5.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future profits.

5.4 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events.

5.5 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

6. Cash and cash equivalents

	<i>(Unit : Baht)</i>	
	2010	2009
Cash	35,150	35,050
Current deposits and saving deposits	614,182,634	203,364,568
Time deposits with maturity date due no more than 3 months	547,000,000	680,000,000
Promissory notes with maturity date due no more than 3 months	819,000,000	1,276,000,000
Total cash and cash equivalents	1,980,217,784	2,159,399,618
Less : Deposit for the customers' account	(1,102,622,425)	(782,556,218)
Net cash and cash equivalents	877,595,359	1,376,843,400

7. Long - term deposits at financial institutions

	<i>(Unit : Baht)</i>	
	2010	2009
Time deposits with maturity date due more than 3 months	-	(357,000,000)
Less : Deposits for the customers' account	-	(357,000,000)
Net long-term deposits at financial institutions	-	-

8. Investments in debt and equity securities

(Unit : Baht)

	2010		2009	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
Current investments				
<u>Trading securities</u>				
Listed equity securities	-	-	7,504,000	7,381,500
Less: Allowance for revaluation	-		(122,500)	
Net trading securities	-		7,381,500	
<u>Available-for-sale securities</u>				
Private debt securities	6,947,147	-	6,947,147	-
Listed equity securities	21,402,672	8,857,825	21,402,672	7,627,748
Unit trusts	981,417,482	1,019,520,030	981,152,824	1,011,590,145
Total	1,009,767,301	1,028,377,855	1,009,502,643	1,019,217,893
Add : Allowance for revaluation	40,779,875		31,884,571	
Less : Allowance for impairment	(22,169,321)		(22,169,321)	
Net available-for-sale securities	1,028,377,855		1,019,217,893	
<u>Held-to-maturity debt securities - due within 1 year</u>				
Treasury bill	253,505		475,208	
Net held-to-maturity debt securities - due within 1 year	253,505		475,208	
Current investments - net	1,028,631,360		1,027,074,601	
Long-term investments				
<u>Other investment</u>				
Non-marketable securities	15,675,250		18,075,250	
Less: Allowance for impairment	(9,203,382)		(9,203,382)	
Net other investment	6,471,868		8,871,868	
Long-term investments - net	6,471,868		8,871,868	
Net investments	1,035,103,228		1,035,946,469	

As at 31 August 2010, the Company has investment in treasury bill, classified as held-to-maturity securities, totaling Baht 249.75 million, part of which is customer's portion under the Company's name totaling Baht 249.50 million. Therefore, the remaining balance of Baht 0.25 million is the Company's portion (2009: Baht 472.29 million, Baht 471.81 million and Baht 0.48 million, respectively).

- 8.1 As at 31 August 2010 and 2009, the Company classified its investments in debt securities by remaining year to maturity as follows:

(Unit : Baht)

	2010		2009	
	Remaining year to maturity - within 1 year	Total	Remaining year to maturity - within 1 year	Total
Available-for-sale securities :				
Private debt securities	6,947,147	6,947,147	6,947,147	6,947,147
Less : Allowance for impairment	(6,947,147)	(6,947,147)	(6,947,147)	(6,947,147)
Net available-for-sale securities	-	-	-	-
Held-to-maturity debt securities - due within 1 year :				
Treasury bill	253,505	253,505	475,208	475,208
Total debt securities	253,505	253,505	475,208	475,208

- 8.2 As at 31 August 2010 and 2009, the followings are the investments in available-for-sale securities - unit trust which the Company holds not less than 10 percent of the units of the investee company:

(Unit : Baht)

Name	Type of unit trust	2010		
		Percentage of holding	Cost amount	Fair value
		Percent		
KrungThai Dividend Fixed Income Fund	Debt	82.20	220,000,000	228,143,504
Smart Cash Fund	Debt	29.65	150,000,000	148,115,129

(Unit : Baht)

Name	Type of unit trust	2009		
		Percentage of holding	Cost amount	Fair value
		Percent		
KrungThai Dividend Fixed Income Fund	Debt	69.52	220,000,000	224,998,860
Smart Cash Fund	Debt	19.78	150,000,000	148,690,775

The Company does not consider the investments in those unit trusts as investments in associated or subsidiary because the Company has not influence over the financial and operating policies of these funds, which are independently managed by fund managers and under supervision of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The Company therefore accounts for its investments in those funds as short-term available- for-sale, based on the investment objectives.

8.3 Revaluation surplus in investments

(Unit : Baht)

	For the years ended 31 August	
	2010	2009
Balance - beginning of the year	23,913,428	17,814,479
Changes during the year from		
- revaluation	8,895,305	6,435,315
- deferred income tax	(2,223,826)	(336,366)
Balance - end of the year	30,584,907	23,913,428

8.4 Gain (loss) on trading in securities

(Unit : Baht)

	For the years ended 31 August	
	2010	2009
Realised gain (loss) on trading in securities		
Trading securities	215,246	234,749
Available-for-sales securities	-	(1,687,647)
Other investments	18,240,000	-
Loss on impairment in other investments	-	(7,820,000)
Total gain (loss) on trading in securities	18,455,246	(9,272,898)

8.5 Interest and dividend income from investments in securities

(Unit : Baht)

	For the years ended 31 August	
	2010	2009
Interest income from debt securities	2,844,483	407,449
Dividend income from equity securities / Unit trusts	5,829,293	21,067,585
Total interest and dividend income from investments in securities	8,673,776	21,475,034

8.6 Investments in companies with weak financial position

As at 31 August 2010 and 2009, the Company's investments in securities include investments in the securities of companies with weak financial positions and operating results. These are summarised below.

(Unit : Million Baht)

	Cost		Fair value		Allowance for changes in value / impairment provided in the accounts	
	2010	2009	2010	2009	2010	2009
Debt instruments - debentures						
Closed financial institutions	7	7	-	-	7	7
Equity securities - common shares						
Companies whose auditors' reports cite going concern issues	-	8	-	-	-	8

9. Receivables from Clearing House

	(Unit : Baht)	
	2010	2009
Receivables from Thailand Securities Depository	-	2,459,442
Receivables from Thailand Clearing House for equity and debt securities	742,672,602	-
Receivables from Thailand Clearing House for derivatives	30,274,561	84,569,619
Total receivables from Clearing House	772,947,163	87,029,061
Less : Receivables from Clearing House for customers' accounts	(30,203,021)	(83,334,479)
Net receivables from Clearing House	742,744,142	3,694,582

10. Securities and derivatives business receivables

	(Unit : Baht)	
	2010	2009
<u>Securities business receivables</u>		
Customers' accounts	868,507,580	681,644,791
Margin loans	1,492,294,938	833,886,382
Guaranteed deposit receivables	122,697,194	319,587,982
Securities borrowing receivables	116,916,537	306,989,342
Other receivables	6,725,843	9,147,554
Total securities business receivables	2,607,142,092	2,151,256,051
Add : Accrued interest receivables	4,981,712	3,238,585
Less : Allowance for doubtful accounts	(6,749,416)	(9,171,127)
Net securities business receivables and accrued interest receivables	2,605,374,388	2,145,323,509
<u>Derivative business receivables</u>		
Derivative business receivables	1,261,625	81,427
Total derivatives business receivables	1,261,625	81,427
Net securities and derivatives business receivables	2,606,636,013	2,145,404,936

10.1 As at 31 August 2010, the Company has securities business receivables of approximately Baht 6.7 million on which the recognition of income on an accrual basis has been suspended (2009 : Baht 9.2 million).

10.2 As at 31 August 2010 and 2009, the Company has classified its securities business receivables including related interest receivable as follows, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies.

	(Unit : Million Baht)			
	Debt balances		Allowance for doubtful accounts set up by the Company	
	2010	2009	2010	2009
Doubtful debts	6.7	9.2	6.7	9.2
Total	6.7	9.2	6.7	9.2

10.3 As at 31 August 2010, guaranteed deposit receivables of approximately Baht 122.7 million represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed was approximately Baht 116.9 million (2009: Baht 319.6 million and Baht 307.0 million, respectively).

11. Allowance for doubtful accounts

(Unit : Baht)

	For the years ended 31 August	
	2010	2009
Balance - beginning of the year	9,171,127	9,451,638
Less: Bad debt written-off	(2,421,711)	(280,511)
Balance - end of the year	6,749,416	9,171,127

12. Land, premises and equipment

(Unit : Baht)

	Land	Office buildings	Office equipment	Furniture and fixtures	Motor vehicles	Construction In progress	Total
Cost							
31 August 2009	4,263,129	18,441,572	138,709,398	129,623,332	19,216,006	-	310,253,437
Additions	-	-	16,358,867	299,372	-	2,494,662	19,152,901
Disposals/written-off	-	-	(8,844,473)	(5,629,172)	(316,506)	-	(14,790,151)
31 August 2010	4,263,129	18,441,572	146,223,792	124,293,532	18,899,500	2,494,662	314,616,187
Accumulated depreciation							
31 August 2009	-	18,441,571	101,001,072	34,580,696	16,925,190	-	170,948,529
Depreciation for the year	-	-	9,962,149	16,430,833	715,999	-	27,108,981
Depreciation on disposals/written-off	-	-	(5,605,867)	(2,965,369)	(316,505)	-	(8,887,741)
31 August 2010	-	18,441,571	105,357,354	48,046,160	17,324,684	-	189,169,769
Net book value							
31 August 2009	4,263,129	1	37,708,326	95,042,636	2,290,816	-	139,304,908
31 August 2010	4,263,129	1	40,866,438	76,247,372	1,574,816	2,494,662	125,446,418
Depreciation for the years ended 31 August							
2009							25,542,102
2010							27,108,981

As at 31 August 2010, certain office equipment, furniture and fixtures and motor vehicles have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to approximately Baht 149.1 million (2009: Baht 142.7 million).

13. Intangible assets

(Unit : Baht)

For the year ended 31 August 2010						
	Remaining year	Balance beginning of the year	Increase/transfer in	Amortised	Disposals/transfer out	Balance end of the year
Computer software	1.56 Years	61,960,675	3,420,618	-	-	65,381,293
Software in progress		440,729	268,519	-	(440,729)	268,519
Total intangible assets		62,401,404	3,689,137	-	(440,729)	65,649,812
Less : Accumulated amortisation		(47,3034,103)	-	(7,068,001)	-	(54,372,104)
Net intangible assets		15,097,301	3,689,137	(7,068,001)	(440,729)	11,277,708
Amortisation expenses for the year as included in income statements						7,068,001

As at 31 August 2010, certain computer software have been fully amortised but are still in use. The original cost, before deducting accumulated amortisation, of those assets amounted to approximately Baht 31.7 million (2009: Baht 27.5 million).

14. Deferred income tax assets/liabilities and corporate income tax

During the years ended 31 August 2010 and 2009, the reconciliation between the income tax expense included in the income statements and income tax calculated based on accounting income can be summarised as follows:

(Unit : Baht)

For the years ended 31 August		
	2010	2009
Income tax expense for the year	37,592,415	20,094,884
Deferred income tax relating to decrease in temporary differences	330,348	5,973,372
Income tax for the year presented as expenses in the income statements	37,922,763	26,068,256

(Unit : Baht)

For the years ended 31 August		
	2010	2009
Income before corporate income tax	155,024,810	94,680,027
Income tax calculated at the tax rate of 25%	38,756,202	23,670,007
Tax effect on non-tax deductible expenses / non-taxable income	(833,439)	(4,598,988)
Effect on the tax rate adjustment	-	6,997,237
Corporate income tax expenses	37,922,763	26,068,256

Deferred income tax assets/liabilities as presented in the balance sheets as at 31 August 2010 and 2009 are calculated on all temporary differences under the liability method. These comprise the following:

		(Unit : Baht)
	2010	2009
Deferred income tax assets		
Allowance for impairment of investments	7,843,176	7,843,176
Allowance for impairment on property foreclosed	6,962,800	6,962,800
Allowance for doubtful accounts / allowance for other receivables	1,602,449	2,195,689
Others	20,946,343	20,663,546
Total deferred income tax assets	37,354,768	37,665,211
Deferred income tax liabilities		
Revaluation surplus in investments	(10,194,968)	(7,971,142)
Others	(25,347)	(5,440)
Total deferred income tax liabilities	(10,220,315)	(7,976,582)
Net deferred income tax assets	27,134,453	29,688,629

15. Other assets

		(Unit : Baht)
	2010	2009
Loans to employees	50,051,345	37,686,856
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Prepayments for securities clearing fund	28,487,231	25,650,796
Deposits	14,426,078	19,829,193
Prepaid expenses	9,888,270	8,760,510
Accrued interest receivables	2,154,498	1,942,354
Deposit for derivative business	5,000,000	5,000,000
Others	3,472,101	3,544,730
Total other assets	128,479,523	117,414,439

16. Securities and derivatives business payables

		(Unit : Baht)
	2010	2009
<u>Securities business payables</u>		
Securities business payables	1,695,339,224	432,366,583
Payable under securities borrowing and lending business		
Guarantee deposit payables	49,094,110	179,799,962
Securities borrowing payables	116,916,537	314,370,842
Interest and fee payables	435,032	1,044,475
Total securities business payable	1,861,784,903	927,581,862
<u>Derivatives business payables</u>		
Derivatives business payables	26,560	1,216,240
Total derivatives business payables	26,560	1,216,240
Total securities and derivatives business payable	1,861,811,463	928,798,102

17. Other liabilities

	(Unit : Baht)	
	2010	2009
Accrued expenses	84,557,893	79,971,131
Corporate income tax payable	21,519,790	16,754,776
Others	30,381,667	33,904,310
Total other liabilities	136,459,350	130,630,217

18. Treasury stock

The Board of Directors No. 2/2553 held on 23 February 2010 passed the resolution to approved the share repurchase scheme of the Company for financial management purposes under Section 66/1(2) of the Public Company Limited Act B.E. 2544, summarise of the scheme as follow:

- 1) The number of shares repurchased through the Stock Exchange of Thailand is not to be more than 7,168,230 shares which constitutes 10 percent of total shares in issue.
- 2) The limit on the share repurchase scheme is Baht 368 million.
- 3) The repurchased method is to make through the Stock Exchange of Thailand.
- 4) The repurchase period runs within 6 months, from 1 April 2010 to 30 September 2010.

During the year 2010, the Company purchased 3,287,200 of its own common shares from its shareholders for a total of Baht 96.99 million, at an average price of Baht 29.51 per share. Such treasury stocks were not disposed of during the year. The period and conditions for the resale of the shares will be determined by the Company's board of directors within 6 months after the completion date of share repurchase. The resale price is to be not less than the average closing price for the preceding 5 business days less an amount of 15%.

After the balance sheet date to the end of this project date (30 September 2010), there are no more repurchased shares.

19. Capital Management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. The Company set up the full amount of statutory reserve.

21. Fees and service income

	<i>(Unit : Baht)</i>	
	2010	2009
Fixed income business	14,046,129	16,401,451
Financial advisory	15,068,492	201,606,418
Underwriting fee	24,633,490	2,876,900
Business support	10,169,861	9,294,779
Securities borrowing and lending	12,396,073	18,737,922
Providing information of capital market in Thailand	-	156,726
Others	1,589,441	355,513
Total fees and service income	77,903,486	249,429,709

22. Directors and management's remuneration

Directors and management's remuneration represents the benefits paid to directors in accordance with Section 90 of the Public Limited Companies Act., and also include of salaries, bonuses, provident fund, related benefits and directors' remuneration paid to directors and management of the Company.

23. Provident fund

The Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E 2530. The Fund is contributed to by both the employees and the Company at the rate of 5 - 10 percent of the employee's salary. The Fund is managed by Finansa Asset Management Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. During the year 2010, Baht 14 million has been contributed to the Fund by the Company (2009: Baht 15 million).

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

24. Earnings per share

Earnings per share as presented in the income statement is basic earnings per share, which is calculated by dividing net income attributable to the Company for the year by the weighted average number of ordinary shares outstanding during the year, netting of treasury stock held by the Company.

25. Dividends

During the years, the Company declared the following dividends for payment to shareholders:

	Approved by	Total dividend declaration (Million Baht)	Dividend declaration per share (Baht)
Dividends from the operating results for the year ended 31 August 2009	The annual ordinary meeting of the Company's shareholders No. 1/2552 on 17 December 2009	68	0.95
Dividends from the operating results for the year ended 31 August 2008	The annual ordinary meeting of the Company's shareholders No. 1/2551 on 18 December 2008	107	1.50

26. Related party transactions

During the years, the Company had significant business transactions with its related person and companies. Such transactions were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business. The significant transactions are summarised below.

	2010	2009	(Unit : Baht)
<u>Transactions occurred during the years</u>			Pricing policies
Brokerage fees income			
- Nomura Singapore Limited	25,365,563	20,019,887	At normal rate charged to other clients and Exclusive Partner, in accordance with the SET's and SEC's notification
Fees income from agreement for provision of services for asset finance business			
- Nomura International (Hong Kong) Limited	7,348,304	172,714,412	At actual costs plus a margin of 10 percent
Fees income from agreement for provision of services			
- Nomura International (Hong Kong) Limited	14,046,129	16,401,451	At actual costs plus a margin of 10 percent
Fees income from placing order for any securities listed in other countries except Thailand			
- Nomura Singapore Limited	1,763,647	1,390,400	Fee which was agreed at the beginning of each fiscal year and calculated based on annual estimated costs of service plus a margin of 10 percent
Fees income from financial advisory services agreement			
- Nomura International (Hong Kong) Limited	-	21,560,231	At actual costs plus a margin of 10 percent

(Unit : Baht)

	2010	2009	Pricing policies
<u>Transactions occurred during the years</u> <u>(continued)</u>			
Fees income from providing information of capital market in Thailand			
- Nomura International (Hong Kong) Limited	-	156,726	50 percent of actual cost of service
Fees income from business support services agreement			
- Nomura Singapore Limited	10,169,861	9,294,779	At actual costs plus a margin of 10 percent
Fees income from introducing broker agreement			
- Nomura Singapore Limited	1,059,766	64,624	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fee expenses from internet and e-mail software maintenance			
- Nomura International (Hong Kong) Limited	5,306.70 HKD	5,306.70 HKD	At the referential market price
Fee expenses from internet security advisory and monitoring services			
- Nomura International (Hong Kong) Limited	-	13,464 USD	At the referential market price
Fee expenses from Hi-speed circuit service			
- United Information Highway Co., Ltd.	421,919	518,029	At the same rate charged to other clients without dependent interest
Brokerage fees expense from foreign securities trading			
- Nomura Singapore Limited	197,217	99,788	At the referential rate charged to other clients
Fee expenses from underwriting			
- Nomura International (Hong Kong) Limited	253,125	-	At the rate per agreement with reference to similar business
Interest received from loans to employees			
- Director	17,678	-	At the same rate charged to other Company's staffs
Legal advisory fees			
- Director	240,000	240,000	At the reasonable fixed price

As at 31 August 2010 and 2009, the outstanding balances of the related party transactions have been shown in the balance sheets as follows:

	(Unit : Baht)	
	2010	2009
Securities business receivables		
- Nomura Singapore Limited	-	26,857,509
Other assets - accrued income receivables		
- Nomura Singapore Limited	1,719,182	164,779
- Nomura International (Hong Kong) Limited	846,129	-
Securities business payables		
- Nomura Singapore Limited	286,802,688	2,776,025
Other liabilities - accrued expenses		
- United Information Highway Co., Ltd.	35,160	35,603
- Nomura International (Hong Kong) Limited	25,486	1,019,063
Other liabilities - accrued income received in advance		
- Nomura International (Hong Kong) Limited	-	1,996,822
Loan to employees		
- Director	2,231,219	-

27. Financial information by segment

The Company's business operations involve 2 principal segments: securities and derivatives brokerage segment and investments banking segment. These operations are carried on in Thailand.

Below is the financial information as at 31 August 2010 and 2009, and for the years ended 31 August 2010 and 2009 of the Company by segment.

		(Unit : Million Baht)					
		For the years ended 31 August					
	Securities and derivatives brokerage segment		Investments banking segment		Other segments		Total
	2010	2009	2010	2009	2010	2009	
Total revenue	580	507	38	46	21	184	639 737
Segment operating income	291	202	14	9	1	17	306 228
Unallocated income (expenses)							
Interest income							82 116
Gain (loss) on trading in securities/derivatives							18 (9)
Other income							3 2
Interest expenses							(13) (19)
Operating expenses							(241) (223)
Corporate income tax							(38) (26)
Net income							117 69

(Unit : Million Baht)

As at 31 August								
	Securities and derivatives brokerage segment		Investments banking segment		Other segments		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Premises and equipment - net							125	139
Unallocated assets							5,440	4,732
Total assets							5,565	4,871

28. Commitments and contingent liabilities

As at 31 August 2010, the Company has the following outstanding commitments and contingent liabilities:

28.1 The Company has the following outstanding commitments under the lease agreements for its office building and motor vehicles, under which the Company is to pay rental and service fees in the future, counting from the period end date, as follows:

(Unit : Million Baht)

	Amount
Within 1 year	36.0
In 1-2 years	24.4
Over 2 years	2.0

28.2 The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.

28.3 The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.

28.4 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licensed for securities brokerage, securities trading, investment advisory and underwriting. The fee is charged at the rate of 1 percent per annum of income from the aforesaid activities with a minimum fee of Baht 500,000 per annum and a maximum fee of Baht 5,000,000 per annum.

28.5 Employee Joint Investment Program

On August 21, 2009, the Company's Board of Directors approved the Employee Joint Investment Program ("the EJIP"). The major attributes of the EJIP are below.

- 1) It is one of the Company's staff welfare benefits which support the Company's staff who voluntary apply to be the EJIP members to build their wealth by possessing the Company's shares through the consistent and efficient monthly acquiring system and in compliance with the Stock Exchange of Thailand, the SEC's and other laws and regulations. This program is eligible for all of the Company's permanent staff who voluntary apply to be the EJIP members. However, members of the Company's Board of Directors are not eligible in this program.

- 2) On monthly basis, the EJIP member must contribute a certain amount or a certain portion but not less than Baht 500 and not greater than 10% of their salary and average incentive. And on monthly basis, the Company shall contribute to the EJIP members at 10% of their contributions.
- 3) In the first year (October 2009 to September 2010), the Company shall pay additional contribution at the amount not greater than 200% of the Company's contribution during the passed year to the EJIP members. The rate and payment shall follow the EJIP terms and conditions.
- 4) In each month, both of the EJIP member's contribution and the Company's contribution shall be used to purchase the Company's common stock in the Stock Exchange of Thailand for those members within the specific determined dates.
- 5) The EJIP shall effective since 1 October 2009 and shall remain until it is terminated by the Board of Directors.

During the year, the amount contributed to the EJIP members by the Company as mentioned portion was presented under the caption of "personnel expenses". and "Directors' and management's remuneration"

28.6 Bank guarantees

As at 31 August 2010, the Company has outstanding bank guarantees of approximately Baht 0.4 million issued by the bank on behalf of the Company in respect of the normal course of business of the Company for electricity guarantee, postage and information.

28.7 The Company was sued for compensation totaling approximately Baht 0.6 million. The cases are being heard by the court and at this preliminary stage of the proceedings, the final outcome is still not assessable. Therefore, as at 31 August 2010 the Company has not yet set aside any provision for loss in the accounts.

29. Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

As at 31 August 2010 and 2009, the Company has no policy to speculate in or engaged in the trading of any financial derivative instruments.

The Company's financial instruments principally comprise cash and cash equivalents, investments, receivables/payables from clearing house, securities and derivatives business receivables, loans to employees, and securities and derivatives business payables. The financial risks associated with these financial instruments and how they are managed is described below.

29.1 Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of securities and derivatives business receivables as stated in the balance sheet.

29.2 Interest rate risk

Interest rate risk refers to the risk that the value of financial asset and financial liability may change from the market interest rate, however, since the Company's financial assets and liabilities are short-term in nature and bear floating interest rates or fixed interest rates which are close to the market rate and short-term repayment, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 August 2010 and 2009 classified by type of interest rates are summarised in the table below.

(Unit : Million Baht)

2010						
Outstanding balances of financial instruments						
		Fixed interest rate which the remaining period before maturity			Average interest rate	
	Floating interest rate	date or end of contract date	Without interest	Total	Floating interest rate	Fixed interest rate
		Within 1 year			% p.a.	% p.a.
Financial assets						
Cash and cash equivalents	307	550	21	878	1.47	1.46
Receivables from Clearing House	-	-	743	743	-	-
Securities and derivatives business receivables	1,492	117	999	2,608	4.50	4.50
Loans to employees	50	-	-	50	1.25	-
Financial liabilities						
Payables to Clearing House	-	-	1	1	-	-
Securities and derivatives business payables	-	117	1,745	1,862	-	2.25

(Unit : Million Baht)

2009

Outstanding balances of financial instruments						
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date	Without interest	Total	Average interest rate	
		Within 1 year			Floating interest rate % p.a.	Fixed interest rate % p.a.
Financial assets						
Cash and cash equivalents	660	701	16	1,377	1.07	1.23
Investments in debt securities - net	-	1	-	1	-	1.08
Receivables from Clearing House	-	-	4	4	-	-
Securities and derivatives business receivables	834	325	992	2,151	4.75	4.49
Loans to employees	38	-	-	38	0.75	-
Financial liabilities						
Payables to Clearing House	-	-	208	208	-	-
Securities and derivatives business payables	-	314	615	929	-	2.25

29.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

Counting from the balance sheet date, as at 31 August 2010 and 2009, the periods to the maturity dates of financial instruments are as follows:

(Unit : Million Baht)

2010

Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	328	550	-	-	-	878
Investments - net	1,029	-	-	-	6	1,035
Receivables from Clearing House	-	743	-	-	-	743
Securities and derivatives business receivables and accrued interest receivables - net	240	875	-	-	1,492	2,607
Loans to employees	-	-	3	47	-	50
Financial liabilities						
Payables to Clearing House	-	1	-	-	-	1
Securities and derivatives business payables	166	1,696	-	-	-	1,862

(Unit : Million Baht)

2009						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	676	701	-	-	-	1,377
Investments - net	1,026	1	-	-	9	1,036
Receivables from Clearing House	-	4	-	-	-	4
Securities and derivatives business receivables and accrued interest receivables - net	626	685	-	-	834	2,145
Loans to employees	-	1	4	33	-	38
Financial liabilities						
Payables to Clearing House	-	208	-	-	-	208
Securities and derivatives business payables	494	435	-	-	-	929

29.4 Foreign exchange risk

As at 31 August 2010 and 2009, the Company has no significant assets or liabilities denominated in foreign currencies.

29.5 Equity position risk

The Company is exposed to equity position risk, due to the Company has investment in listed equity securities and debt securities which will result in fluctuations in revenue and the value of financial assets.

29.6 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company has estimated the fair value of financial instruments as follows:

a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets including cash and cash equivalents, and loans to employees are considered to approximate their respective carrying value since the financial instruments are predominantly subject to market interest rates. Fair value of receivables from Clearing House are presented at their book value since they mature in the short-term. The fair values of financial instruments that have standard terms and conditions and are traded on an active and liquid market, such as investments in securities, are determined by the quoted market price. In addition, the fair values of securities and derivative business receivables are determined based on their book value, less allowance for doubtful accounts.

b) Financial liabilities

Payables to Clearing House and securities and derivatives business payables are presented at their book value since they mature in the short-term.

As at 31 August 2010 and 2009, there were no material differences between the book value of financial instruments and their fair value.

30. Reclassification

Certain amounts in the financial statements for the year ended 31 August 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit : Baht)

	As reclassified	As previously reported
Personnel expenses	445,421,664	518,545,025
Directors' remuneration	-	3,871,000
Directors and management's remuneration	76,994,361	-

31. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 18 October 2010.

Auditors' Remuneration

Unit : Baht

No.	Company	Auditor's Name	Audit Fee
1.	Capital Nomura Securities Public Company Limited (For the period from September 1, 2009 to August 31, 2010)	Ernst & Young Office Limited (By Mrs Nonglak Pumnoi)	1,100,000
Audit Fee - Total			1,100,000

Note : Ernst & Young Office Limited did not provide any services to CNS except the service as an external auditor.

Other Information

Employee Joint Investment Program (EJIP)

Employee Joint Investment Program (“EJIP”) is the Company’s program offering an opportunity to employees for possessing the Company’s share which was listed in the Stock Exchange of Thailand (“CNS Stock”). The participating employees shall contribute a certain amount to buy CNS shares. The amount is topped up by some contributions from the company. However, this joint investment program must be in compliance with the terms and conditions of the company’s EJIP, rules and regulations of the SET and the SEC and other related authorities.

Objective of EJIP

EJIP is aimed at making all employees realize that they are a part of the company’s success and share the same goals as the company’s shareholders.

Difference between ESOP and EJIP

Topic	ESOP	EJIP
Program Approval	Approved by shareholders by following the SEC’s rules and regulations	Approved by the company’s Board of Directors
Kind of return	The company’s shares / warrants	The company’s money contribution to buy the company’s shares
Effect to shareholders	Decrease in profit sharing of existing shareholders (Dilution Effect)	No decrease in profit sharing of existing shareholders or no dilution effect
Share selling	Can be sold by following the determined terms and conditions	Can be sold every month if not using insider information to make the selling decision, the selling process must be processed by EJIP support function

Benefits of EJIP

1. EJIP is a new joint investment program that allows employees to decide to participate on a voluntary basis.
2. EJIP encourages the employees to work and share the same goal as the shareholders.
3. EJIP encourages the employees to invest in the stock market and expand the value-investor base in the stock market by using Dollar Cost Average investment methodology.

Qualifications of EJIP members

1. Must be the company’s permanent staff, except the company’s directors.
2. Must commit themselves to invest a certain amount of money every month in buy the CNS shares and this investment amount shall be deducted from their salaries.
3. Must strictly follow terms and conditions of the program and other related procedures.

Period of EJIP

EJIP has come effective since October 1, 2009 and shall remain until it is terminated by the Company's Board of Directors.

Contribution of the EJIP member

1. Members must commit themselves to pay a certain amount to invest every month. The minimum monthly investment amount is 500 Baht and the amount must not exceed 10% of their salaries.
2. Members must allow the Human Resource Department to deduct monthly investment amount and withholding tax on the Company's contribution (the Company's granted money) from their salaries on the pay days of each month.
3. Members must be responsible for brokerage commission and other fees related to securities trading charged by the securities company, except the account management fee which shall be absorbed by the Company.
4. The members are allowed to change the investment amounts twice a year.
5. Any members who encounter any problems relating to the payment for such monthly investment, they may ask for a suspension of the payment. In light of this the members who wish to suspend the payments should clearly explain their objectives, reasons and follow the conditions applied in the program.
6. Any members who wish to withdraw from this program are required to inform to the EJIP chairman in a written form in advance. Any members who withdraw from the program are not allowed to re-apply for some periods.

Contributions from the Company

1. The Company shall contribute 10% of the members' own investment amounts to their accounts on a monthly basis. However, the percentage, amount of money and conditions of the Company's contribution is subject to change based on the Board of Executive Directors' decision.
2. In first year of this program, the Company provided additional benefit as below.
 - 2.1 In first month of the program, i.e. October 2009, the members were allowed to invest 20% of their salaries.
 - 2.2 In addition, the Company shall contribute up to 200% of the Company's contributions during the past year to each member's accounts. The members who are eligible to gain this extra contribution are those who :
 - applied to be the EJIP's member in first year
 - maintained the EJIP membership until September 2010
 - Note that this extra contribution shall be paid in October, November and December 2010, under the condition that the members must continuously maintain their membership until the days this additional contribution is paid.



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and renamed the Branch from Ratchadaphisek Branch to Vibhavadi-Rangsit Branch

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