

2009

Annual Report

Contents

	Page
Chairman's Letter	2
Report of the Board of Directors' Responsibilities for Financial Reports.....	4
Report of the Audit Committee	5
General Information	7
Financial Highlights	9
Overview of the Company's Business	10
Revenue Structure	11
Significant Developments	12
Business Lines.....	13
Risk.....	22
Company's Shareholders and Management.....	26
Good Corporate Governance	40
Prevention of the Misuse of Insider Information	47
Internal Controls.....	48
Company's Dividend Policy	48
Related Party Transactions	49
Management Discussion & Analysis	49
Financial Statements.....	55
Summary of Directors and Executives	110
Branches Address	121

Chairman's Letter

Dear Shareholders,

I am glad to report that 2009 was a successful year for your company, especially considering the negative sentiment that was prevalent at the start of 2009, and the uncertainty as to the recovery prospect.

Due to continued rapid and concerted government action worldwide, the fear of a global recession was averted. As a result, asset prices including share prices began to recover in most markets from the start of the second quarter in 2009, including Thailand. Investors moved back into equities and the SET rose strongly from 2Q2009 onwards with significant increase in market volume.

KGI launched important new products during 2009. Of note, KGI was Thailand's first broker to issue derivative warrants (DW), which were well received in the marketplace and by our clients. By being the first mover, KGI has established itself to be a leader in DW business in Thailand, and will continue to benefit as the market size grows in 2010 and beyond.

As a result of these factors KGI was able to improve its profitability in 2009. For the whole of 2009 KGI produced a net profit of Baht 242 million, equivalent to EPS 12 satang. This represents an increase of 30% from the profit achieved in 2008.

Thailand

Thailand's financial and property markets did not suffer from the same excesses which were seen in the US and much of Europe. In fact, this time around, Thailand and the rest of Asia are in a better position than the rest of the world. As a result, the decline in the Thai stock market during the 2008 banking crisis and in 2009 was less than that seen in the developed countries. The subsequent recovery seen during 2009 was also less dramatic. At the end of 2009 the SET index stood at 734.54, having risen by 284.58 points or 63.24% during 2009, one of the strongest performances by the Thai market since the 1997 Asian financial crisis.

Average daily trading volume on the Thai stock market also increased, rising to Baht17.8bn in 2009, an increase of 12.5% compared with the Baht16.1bn level seen in 2008. Foreign investors returned to become net buyers of Baht38bn in 2009, after heavy net selling of Baht162bn of Thai stocks during 2008. The SET market capitalization rose to Baht5.87trn at the end of 2009, an increase of 64.60%, from Baht3.57trn at the end of 2008.

Thailand's economy contracted in 2009, the real economy continued to suffer from a sharp contraction in export demand and an associated de-stocking in the manufacturing sector. In the first and second quarters, Thai GDP contracted by 7.1% YoY and 4.9% YoY, respectively. The situation improved in the third quarter as the GDP decline eased to just 2.8% YoY. Meanwhile, the country's GDP is widely expected to show an expansion YoY in the fourth quarter, the first growth since the start of the US banking driven crisis. The growth seen in 4Q09 was due the global economic recovery combined with a low base effect from 4Q08 as the Thai economy was hit by local political conflict and the closure of Bangkok's two international airports.

Thailand's political uncertainty returned at times during 2009, most notably during the Songkran festival, when the government was forced to call off an ASEAN Summit due to security concerns. However, overall the political situation was quieter than in previous years, and the current Democrat-led coalition platform maintained a stable government.

Outlook for 2010

The current year will provide some specific new challenges; the deregulation of commission rates, as well as some of the same issues which we have seen before, may re-emerge during 2010. KGI will remain vigilant and flexible to manage ourselves as the situation arises, and I am confident that with our financial and human resources at hand, KGI will be up to the task in dealing with whatever challenges may come our way.

At the beginning of this year, brokerage rates for trades on the SET have become negotiable. Previously commission was fixed by the SET at a minimum rate of 0.25%. Following the change to negotiated commissions average commission revenue per trade is expected to decline but we hope this will be offset by an increase in trading volume encouraged by the lower cost.

The outlook for Thailand's stock market for the current year remains positive, although volatility is likely to be higher than in the previous year. Whilst the outlook for macro-economic and earnings growth is positive, the market has now recovered to a level where it is close to that before the 2008 crisis.

Given its long-term positive fundamentals we expect that foreign investment interest in Thailand will remain positive in 2010, and net foreign inflows will accelerate. However, the key country specific risk factor for investing in Thailand, the political situation, remains uncertain and may be the source of further market volatility during the year.

Brokerage

Starting from the beginning of 2010, Thai brokerage commission rates have been reduced. The previous floor of 0.25% has been replaced with a sliding scale. KGI is now offering a sliding scale of brokerage commissions to its clients. This new sliding scale of commission rates is in line with the policy of the SET to move towards fully deregulated Thai securities brokerage fees, with full deregulation expected in 2012. The sliding scale should encourage clients to trade with us at a higher volume.

The net impact of this industry-wide change in the way commission rates are set and charged will not be known for some time. Whilst in terms of the rate charged commissions will decline, total trading volume may increase as share trading is now cheaper.

Equity Derivatives

2009 was another successful year for our Equity Derivatives department. During the year KGI became the first Thai broker to launch a Derivative Warrant (DW); PTT13CA. This was soon followed by others and by year end we had issued 3 more DW's. Investor response was very positive and we expect to build on this platform and to launch many more DW's during 2010. Investors who are interested to learn more at the web site we have set up, "www.thaiwarrant.com".

Dividend

In view of the company's strong performance in 2009 and in order to reward shareholders for their continued support of the company, the directors propose a final dividend for 2009 of Baht0.10 or 10 satang per share. If approved by share holders at the company's AGM, the dividend will be paid on 26th April. With KGI shares currently trading at Baht1.10, the proposed dividend represents a yield of more than 9%. In times of continuing very low interest rates we are happy to be able to provide shareholders with such a healthy return on their investment.

Employees

I would like to take this opportunity to thank all of KGI's employees for their hard work and dedication to the company throughout the year, and to thank KGI's shareholders for their continuing support.



Foong Hock Meng
Chairman

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of KGI Securities (Thailand) Public Company Limited is responsible for the financial statements and financial reports of the Company as presented on its annual report for the year 2009. The financial statements and financial reports of the Company were prepared in compliance with generally accepted accounting principles, with due care and carefulness. The Company has provided sufficient disclosure of important information in the notes to financial statements for the benefit of shareholders and general investors.

For the purpose of preparing reliable and accurate financial statements and information, the Board of Directors set up a risk management and internal control system to ensure accurate, complete and sufficient recording of accounting data for the purpose of asset custody and prevention of any fraud and unusual activities. As well, the Company set up an Audit Committee to review its accounting policies, sufficiency of the internal control system, auditing and disclosure of financial data to ensure accurate, reliable and reasonable data regarding its financial status, results of operations, and cash flows.

The Company's financial statements were audited by Ernst & Young Office Limited. In auditing, the Company's financial statements, the Board of Directors and the management provided data and documents necessary for the auditor to perform auditing tasks and provide the opinion in accordance with applicable auditing standards. The auditor's opinion already appears on the Company's annual report.

It is the Board of Directors' opinion that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for the year ended 31 December 2009 are prepared in line with generally accepted accounting principles and relevant rules and regulations.



Mr. Foong Hock Meng
Chairman of the Board



Mr. Wei Chang Fang
Chief Operating Officer



Ms. Khunmira Thunnom
Executive Vice President
Finance & Accounting Department

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of KGI Securities (Thailand) Public Company Limited consists of three independent directors

- | | |
|-----------------------------|---------------------------------|
| 1. Dr. Pisit Leeahtam | Chairman of the Audit Committee |
| 2. Dr. Don Bhasavanich | Audit Committee members |
| 3. Mr. Pradit Sawattananond | Audit Committee members |

During the year 2009, the Audit Committee held four meetings and each audit committee member attended every meeting. The Audit Committee performed its duties in 2009 as assigned by the Board of Directors in accordance with the Charter of the Audit Committee. These duties included reviewing of financial statements, reviewing of the Company's internal control, reviewing of the Company's compliance with laws relating to securities and the stock exchange, reviewing of the related party transactions, monitoring of risk management, as well as proposing the appointment of external auditors for the year 2010. The duties are summarized as follows:

1. Reviewing of financial statements

The Audit Committee reviewed the quarterly and annual financial statements for the year 2009 of the Company and its subsidiaries with the Executive of Finance & Accounting Department, Audit Department, and the external auditor which does not participate with the top management of the Company. Thus, the Audit Committee consulted with the external auditors so as to freely discuss important issues in the preparation of the financial statements.

The Audit Committee agreed that the financial statements of KGI Securities (Thailand) Public Company Limited for end of dated December 31, 2009, were correct and complete adhering to the general accepted accounting principles and in accordance to the law and related regulations.

2. Reviewing of internal control system

The Audit Committee monitored and reviewed the Company's internal control along with considering on the quarterly and annual reports of the Audit Department for the year 2009 as well as reports and comments of the external auditors for the Company's internal control for the year 2009 and the Audit Committee recommend the Company's internal control could be more effective.

3. Reviewing of Company's compliance with laws relating to securities and the stock exchange

The Audit Committee monitored and reviewed the Company's compliance with laws relating to securities and the stock exchange along with considering on the quarterly and annual reports of the Legal & Compliance Department for the year 2009. The Audit Committee regarded that the Company had abided on the laws and regulations for the year 2009.

4. Reviewing of related party transactions

In 2009 the Audit Committee reviewed related party transactions which were general business terms and approved in principle by the Board. For other related transactions, the Audit Committee and the Board of Directors has considered and agreed that these transactions were necessary and reasonable and served the benefit of the Company including disclosing all significant information complied with SET regulations.

5. Monitoring of risk management

In year 2009, the Audit Committee monitored the risk management practices and assessed the adequacy and effectiveness of the risk management system. These risks include Credit Risk, Marketing Risk, Operation Risk and reviewing important transactions to be disclosed as required by law.

6. Appointment of the external auditors for 2010

In the last year, the Audit Committee considered the performance of the external auditor Ernst & Young Office Ltd. and agreed that such auditor has expertise in the auditing of financial businesses including suggestions and consultation on accounting, tax and internal control. Thus, the Audit Committee agreed to propose appointing Ernst & Young Office Ltd. to be the external auditor of the Company for another period. The Audit Committee has the opinion that the audit fee for 2010 that Ernst & Young Office Ltd. has proposed is appropriate for the business and size of business of the Company.

Consequently, the Audit Committee recommended that the Board of Directors seek approval at the ordinary general shareholder's meeting for the appointment of Mrs. Nonglak Pumnoi, Certified Public Accountant registration No. 4172, and/or Ms. Rungnapa Lertsuwankul, Certified Public Accountant registration No. 3516, and/or Ms. Saifon Inkeaw, Certified Public Accountant registration No. 4434 of Ernst & Young Office Ltd. as the Company's auditor for 2010.

7. Other

7.1 Establish a self assessment for the Audit Committee

The Audit Committee members performed a self assessment on authority and functions, members of the audit committee, meetings, internal controls, financial statement reports, compliance with rules & regulations, external auditor, internal auditor, reports of the Audit Committee, assessment of performance and Charter. In 2009, the evaluation revealed that the Audit Committee's performance completely fulfilled its Charter and complied with good principles, enhancing good corporate governance effectively.

7.2 Self Assessment Questionnaire on Adequacy of Internal Control System

The Audit Committee members performed a self assessment questionnaire on the adequacy of the internal control system in regards to organizational control and environment measures, risk management measures, management control activities, information and communication measures, and monitoring. Regarding the evaluation result, the Company gave the opinion that the Company had an appropriate good internal control system for 2009.

Respectfully,



Mr. Pisit Leeahtam

Chairman of Audit Committee

General Information

Information of KGI Securities (Thailand) Public Company Limited (“the Company”)

Type of business	Securities businesses, main business consisting of:- <ul style="list-style-type: none">• Securities Broking Business• Securities Dealer Business• Investment Banking Business• Fixed Income Business• Private Repo Business• Selling Agent of Unit Trust Business• Futures Business• Securities Borrowing and Lending Business• OTC Derivative Business• Derivative Warrants Business.
Head office address	173 Asia Centre Building, 8 th - 11 th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand
Telephone number	66 (0) 2658 8888
Fax number	66 (0) 2658 8012
Website	www.kgieeworld.co.th
Company’s PCL registration number	No. 0107536000293
Paid up capital	Baht 1,991,763,130
No. of paid-up shares	1,991,763,130 shares
Par Value	Baht 1.00

Juristic Information which is 10% up of paid-up shares owed by the Company

One Asset Management Limited (ONEAM)

% of holding by the Company	97 %
Business Type	Fund Management
Address	989 Siam Tower (Siam Discovery), 24 th Floor, Rama I Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330, Thailand
Telephone number	66 (0) 2659 8888
Fax number	66 (0) 2659 8860
Website	www.one-asset.com
Amount and Type of paid-up shares	Common stock : paid-up 10,500,000 shares at par value Baht 10.00

KGI Securities (Thailand) International Holdings Limited (HOLDCO)

% of holding by the Company	100%
Business Type	Investment
Address	41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Telephone number	(852) 2878 6888
Fax number	(852) 2878 6800
Amount and Type of paid-up shares	Common stock : paid-up 39,444,670 shares at par value US\$ 1.00

KGI (Thailand) Holdings Limited (KTHL)

% of holding by the Company	100 %
Business Type	Investment
Address	P.O. Box 3340, Road Town, Tortola, British Virgin Islands
Telephone number	(852) 2878 6888
Fax number	(852) 2878 6800
Amount and Type of paid-up shares	Common stock : paid-up 20,000,000 shares at par value US\$ 1.00

Information of references

<u>Registrar</u>	Thailand Securities Depository Co., Ltd. (TSD)
Address	62 The Stock Exchange of Thailand Building , 4 , 6-7 Floor Rachadapisek Road, Klong Toey Sub-District, Klong Toey District, Bangkok 10110, Thailand
Telephone number	66 (0) 2229-2800
Call Center	66 (0) 2229-2888
Fax number	66 (0) 2359-1259
Website	www.tsd.co.th
E-mail	contact.tsd@set.or.th
<u>Auditor</u>	The Company's auditors for the 2009 accounting period : 1. Mrs. Nonglak Pumnoi, CPA No. 4172 and/or 2. Ms. Rungrapa Lertsuwankul, CPA No. 3516 and/or 3. Ms. Saifon Inkeaw, CPA No. 4434 Ernst and Young Office Limited
Address	193/136-7 Lake Rachada Office Complex, 33 rd Floor, Rachadapisek Road, Klong Toey Sub-District, Klong Toey District, Bangkok 10110 G.P.O Box 1047, Bangkok 10501, Thailand
Telephone number	66 (0) 2264-0777
Fax number	66 (0) 2264-0789-90
Website	www.ey.com

Financial Highlights

(in Baht millions except per share data and ratio)
For year 2009-2007, as of or for year ended December 31

	2009	2008	2007
Operating Results			
Total income	1,290	1,363	1,523
Total expenses	962	1,110	1,027
Earning before income tax	329	254	496
Net profit*	242	187	334
Balance Sheet Results			
Total assets	8,059	6,655	8,278
Total liabilities	3,543	2,198	3,785
Paid-up capital	1,992	1,992	1,992
Shareholders' equity **	4,511	4,450	4,485
Per Share Information			
Per value per share (Baht)	1.00	1.00	1.00
Book value per share (Baht)	2.26	2.23	2.25
Basic Earning per share (Baht) *	0.12	0.09	0.17
Dividend per share (Baht)	0.10	0.075	0.12
Profitability Ratios			
Gross profit margin (%)	87.89%	87.23%	90.42%
Net profit margin (%)	18.78%	13.72%	21.91%
Return on equity (%)	5.41%	4.19%	7.56%
Return on investment (%)	9.79%	14.52%	16.47%
Efficiency Ratios			
Return on assets (%)	3.29%	2.51%	4.56%
Assets turnover (times)	0.18	0.18	0.21
Financial Ratios			
Liquid assets to total liabilities (times)	1.37	1.78	1.16
Earning assets to total liabilities (times)	1.97	2.60	1.91
Liquid assets to total assets (%)	60.09%	58.75%	52.90%
Earning assets to total assets (%)	86.64%	85.84%	87.27%
Debt to equity (times)	0.79	0.49	0.84
Dividend payment (%)	80.65%	71.43%	70.59%
Other ratios			
Securities investment to total assets (%)	67.32%	41.60%	47.49%
NCR to net liquid assets (%)	208.04%	425.64%	188.58%

Note: * Net income attributable to equity holders of the parent

** Equity attributable to the Company's shareholders

Overview of the Company's Business

KGI Securities (Thailand) Public Company Limited was incorporated as a public limited company under the Public Limited Companies Act. The Company operates its business in Thailand with five securities licenses; securities brokerage, securities dealing, investment advisory, securities underwriting and securities borrowing and lending services. In addition, the Office of the Securities and Exchange Commission (SEC) has granted the Company licenses to operate securities registrar business and derivatives broker business and approved to operate financial advisory business, Over-the-Counter (OTC) derivative business and to act as a sales agent for unit trusts in designed areas as specified by SEC.

The Company's registered office is located at 173 Asia Centre Building, 8th-11th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok 10120. As at 31 December 2009, the Company had 13 branches in Bangkok and provincial as follows.

Bangkok	Provincial	
1) Pin klao	1) Chiang Rai	5) Samut Sakhon
2) Changwattana	2) Nakhon Sawan	6) Suphan Buri
3) Thapra	3) Nakhon Ratchasima	7) Nakhon Pathom
4) Silom Center	4) Udon Thani	8) Phetchaburi
		9) Hat Yai

Note: During 2009, the Company closed its Chiang Mai Branch

Credit Rating

TRIS Rating Co.,Ltd affirmed the company rating of the Company as of 29 June 2009 at BBB+. The rating reflects the firm's capable management team with a proven track record, strong market position in derivative business, as well as sufficient liquidity and stable revenue contribution from One Asset Management Limited (97% owned by the Company). See Rating report at www.kgiworld.co.th.

KGI Securities (Thailand)'s shareholding in subsidiaries

(Subsidiary companies included in consolidated financial statements)

As of 31 December 2009

Company	Country of Incorporation	Business Type	% holding
One Asset Management Limited	Thailand	Fund Management	97
KGI Securities (Thailand) International Holdings Limited	Hong Kong	Investment	100
KGI (Thailand) Holdings Limited	British Virgin Islands	Investment	100

(See details of investments in subsidiary companies in section 9 of the notes to financial statements)

One Asset Management Limited (ONEAM)

ONEAM was established on March 19, 1992 with registered capital of Baht 100 million (fully paid-up). At the beginning, the company has been granted a license from the Ministry of Finance for mutual fund management only. Later, the company has acquired additional licenses for private fund management and provident fund management.

ONEAM has increased its registered capital to Baht 105 million (fully paid-up) with KGI Securities (Thailand) holding 97%, ONEAM's directors and employees holding 3% of outstanding shares.

ONEAM offers many types of funds to provide its clients with investment alternatives to suit their diversified investment requirements. The mutual funds under ONEAM are as follows:

- | | |
|---------------------------|------------------------------|
| 1. Equity Fund | 6. Foreign Investment Fund |
| 2. Fixed Income Fund | 7. Country Fund |
| 3. Mixed Fund | 8. Special Fund |
| 4. Retirement Mutual Fund | 9. SMEs Venture Capital Fund |
| 5. Long Term Equity Fund | |

ONEAM has built up a strong reputation with both individual and institutional investors and has total asset size under management of Baht 73.98 billion (as of 31 December 2009). Investment performance has been good, stable and suitable to each investor under acceptable risk level.

KGI Securities (Thailand) International Holdings Limited (HOLDCO)

Formerly known as “KGI Securities One International Holdings Limited”, a wholly owned offshore subsidiary established in Hong Kong. Its name was changed to “KGI Securities (Thailand) International Holdings Limited” on December 7, 2001.

KGI (Thailand) Holdings Limited (KTHL)

KGI (Thailand) Holdings Limited (KTHL), a wholly owned offshore subsidiary established in British Virgin Islands.

Policy for group operations

The Company and its subsidiaries have hired professional managers and the Company also appointed persons to be directors for setting policies of its subsidiaries.

Revenue Structure

The majority of the operations of the Company and its subsidiary companies involve the single business segment of securities related business, including mutual fund management, the Company’s revenue structure as of 31 December 2009 is as follow.

	Operate By	% Share Holding By Company	Income of 2009 (before contra)	Contra	Total Income of 2009 (after contra)	% of total income
1. Brokerage fee from securities business	the Company	-	570.99	-	570.99	44.25%
2. Brokerage fee from derivatives business	the Company	-	80.23	-	80.23	6.22%
3. Fees and services income ^{/1}	the Company	-	20.18	-	20.18	1.56%
Fees and services income ^{/1}	ONEAM ^{/2}	97%	183.26	(2.73)	180.53	13.99%
4. Gain (loss) on trading in securities	the Company	-	(331.15)	-	(331.15)	(25.67)%
5. Gain (loss) on trading derivatives	the Company	-	627.62	-	627.62	48.64%
6. Interest and dividends	the Company	-	133.05	(31.52)	101.53	7.87%
Interest and dividends	ONEAM ^{/2}	97%	3.22	-	3.22	0.25%
7. Interest on margin loans	the Company	-	28.09	-	28.09	2.18%
8. Share of profit from subsidiary Companies accounted for Under equity method	the Company	-	26.95	(26.95)	-	-
9. Other income	the Company	-	9.01	-	9.01	0.71%
TOTAL INCOME			1,351.45	(61.20)	1,290.25	100.00%

Note /1 See note of financial statements No. 23: Fees and Services Income.

/2 ONEAM: One Asset Management Limited, 97% owned by the Company.

Significant Developments

KGI Securities (Thailand) Public Company Limited, formerly Securities One Company Limited which began its securities business operations in 1986, KGI Group became the major shareholder of the Company in 1998. The Company's significant developments in its businesses in the three preceding years were as follows.

2007	February	1) The Company joined a group led by One Asset Management Limited (97% owned by the Company) and won the right to launch Thailand's first Equity Exchange Traded Fund (ETF). 2) The Company won the "Best House of the Year 2006", which was given to the futures brokerage firm with the most outstanding performance and best service quality, and won the "Most Active House 2006", which was given to the futures brokerage firm with the most active futures derivatives business, at the TFEX Best Awards 2006.
	September	The Company was the first and only service provider of Market Maker (MM) and Participating Dealer (PD) for ThaiDEX SET50 ETF (TDEX), Thailand's first equity exchange traded fund.
	October	The Company started to provide trading in SET50 Index Options, giving more alternatives to investors.
2008	June	TRIS Rating Co., Ltd. announced the company rating of KGI Securities (Thailand) Public Company Limited at "BBB+"
	September	The Company started providing OTC Equity Derivatives on foreign equity underlying covering markets; Hong Kong, Japan, Singapore, Australia, USA, and Europe.
	November	The Company started to provide trading in Single Stock Futures, increasing the alternatives for investors.
2009	January	The Company moved its Head Office from United Center Building on Silom Road to Asia Centre Building on South Sathorn Road
	February	The Company started to provide trading in Gold Futures, increasing the alternatives for investors.
	June	1) The Company was the first securities company in Thailand to launch Derivative Warrants (DW). The first DW of the Company was Call Warrants on PTT issued by KGI # A or PTT13CA. The Company also acted as Market Maker (MM) of this DW. 2) TRIS Rating Co., Ltd. affirmed the company rating of KGI Securities (Thailand) Public Company Limited at "BBB+"
	August	1) The Company joined a group led by One Asset Management Limited (97% owned by the Company) to launch ThaiDEX FTSE Set Large Cap ETF (TFTSE). The Company acts as Market Maker (MM), providing liquidity in the secondary market and as Participating Dealer (PD), facilitating the creation and redemption of TFTSE in the primary market. 2) The Company launched the second DW, warrants on KBANK issued by KGI # A or KBAN13CA. The Company also acted as Market Maker (MM) of this DW.
2010	October	The Company launched the third DW, warrants on PTTEP issued by KGI # A or PTTE13CA. The Company also acted as Market Maker (MM) of this DW.
	January	The Company launched the fourth DW, warrants on PTT issued by KGI # B or PTT13CB. The Company also acted as Market Maker (MM) of this DW.

Business Lines

Securities Broker

KGI Securities (Thailand) Public Company Limited, a member of the Stock Exchange of Thailand (SET Broker seat No. 13), provides broking services to both local and foreign investors and to both individual and institutional investors.

The Company's daily trading volume increased from Baht 1,208.45 million in 2008 to Baht 1,380.80 million in 2009 and the Company's market share increased from 3.75% in 2008 to 3.88% in 2009.

In 2009, The Company's daily trading volume breakdown by types of clients comprised of 65.19% for retail and corporate clients, 6.05% for fund, 3.36% for foreign clients, and 25.40% for the Company's portfolio.

The Company's daily trading volume breakdown by types of account comprised of Cash account, which were traded through marketing officers and internet trading at 86.61% and 5.14%, respectively, and Credit balance account which was 8.25%. The Company had no dependence on any client over 30% of the Company's total income.

The following table shows market share, a breakdown by type of clients and type of accounts for the past 3 years.

Daily Trading Volume	2009	%	2008	%	2007	%
SET (Baht Million)*	17,777.00		16,118.31		17,435.95	
The Company (Baht Million)*	1,380.80		1,208.45		1,458.82	
The Company's market share (%)	3.88%		3.75%		4.18%	
1) Clients	2.89%		2.59%		2.87%	
2) The Company's portfolio	0.99%		1.16%		1.31%	
Breakdown by types of clients (Baht Million)						
1) Fund	83.63	6.05	60.02	4.97	82.52	5.66
2) Retail and corporate clients	900.09	65.19	736.30	60.93	839.89	57.57
3) Foreign clients	46.41	3.36	35.07	2.90	76.50	5.24
Total clients volume	1,030.13	74.60	831.39	68.80	998.91	68.47
4) The Company's portfolio	350.67	25.40	377.06	31.20	459.91	31.53
Total	1,380.80	100.00	1,208.45	100.00	1,458.82	100.00
Breakdown by types of accounts (Baht Million)						
1) Cash account						
1.1) Trading via marketing officers	1,195.93	86.61	1,007.52	83.37	1,238.40	84.89
1.2) Trading via internet trading	70.96	5.14	114.69	9.49	128.51	8.81
2) Credit balance accounts	113.91	8.25	86.24	7.14	91.91	6.30
Total	1,380.80	100.00	1,208.45	100.00	1,458.82	100.00

Note : * Trading volume referred to volume in both SET and MAI

Information for year 2009 Jan - Oct including the Company's portfolio

Nov - Dec excluding the Company's portfolio

Internet Trading (E-Business)

KGI Securities (Thailand), one of Thailand's leading securities companies, provides internet trading services and also Futures online trading services. Clients can see real time information to follow price movements 24 hours a day, 7 days a week, wherever they are. We provides in-depth research for fundamental analysis and technical analysis. The reports issued by its research institute can be used as decision making tools for clients.

The Company provides the foremost high quality services that are fast and accurate. The Company also employs high technology enabling clients to trade stock trading via mobile phones and Pocket PCs. Investors are being updated with various important information, they can trade, get updates on stock prices and check their portfolios anywhere and anytime online. The commission rates for trading online are lower than through a marketing representative.

Our company aims at providing services with a high level of customer satisfaction. We continue to develop our internet trading services so they become even more convenient, efficient and secure for our clients. The Company cooperates closely with Settrade.com Co., Ltd, to develop internet trading programs in order to allow our investors to trade via the internet. We also offer seminars and training for clients and investors. In these seminars, clients learn to use the internet trading program to trade both equity and derivatives products.

If you have any questions, need additional information or would like to open an Internet Trading account with our company, please visit our website : www.kgiworld.co.th or contact us at Hotline : 02 658 8555 or email : CorporateSale@kgi.co.th

In 2010, the Company plans to enhance the Company's website trading support features for futures and options traders and further support the growth of TFEX.

Securities Dealer

The Proprietary Trading Department and Fixed Income Department are responsible for stock, bond, and derivatives, futures and option, selection and investment allocation according to the established policy, while the Risk Management Department will closely track those departments' exposure to control the Company's overall risks.

The Company pays serious attention to conflict of interests, especially the misuse of inside information. The Company regards such departments as investors; therefore, such departments have no right to receive information or research that differs from other clients of the Company.

Investment Advisory

SEC granted an approval to the Company to operate investment advisory business on 6 January 2004, allowing the Company to provide a full range of services.

Financial advisory and securities underwriting

The SEC has granted the Company approval to operate financial advisory business under the scope specified by the SEC which covers the full range of Investment Banking Services, including fund raising, IPOs and secondary market placements, mergers and acquisitions, firm valuations, loan arrangements, debt restructuring and other advisory works. In addition, the Company provides a securities underwriting service to those companies intending to issue securities including debt, equity, and equity-linked products.

In 2009, the stock market was very volatile, resulting from the negative impact of the US and Global economic crisis, as well as the domestic political conflict which caused investors to lose confidence in investment in the stock market while the performance of companies mostly declined following the slowdown of the economy. As a result, many companies delayed their listing plans, which led to fewer-than-expected companies being listed on the stock market.

During the year 2009, the Company acted as co-underwriter on 7 IPOs and act as financial advisor and lead underwriter on 4 IPOs. One of those clients has already been granted approval from the SEC to launch IPO but later decided to postpone IPO to 2010. While others were also delayed their listing plans. Furthermore, the Company successfully diversified its source of revenues to provide other financial advisory services, including Financial Advisor for TDR issuance, Private placements, M&A, valuation, Independent Financial Advisor, etc.

With our group of experienced staff and expertise in financial engineering to structure products that suit our clients' needs and with our regional group network, KGI's investment banking team can provide a full line of products and services in both the domestic and foreign markets.

Securities Registrar

The Company received approval to conduct securities registrar business on 14 June 1994, and the Company continues to maintain its securities registrar license in order to support its derivatives products in the future.

Fixed Income Business

The Company is a member of Bond Electronic Exchange (BEX) and Thai Bond Market Association (ThaiBMA), provides trading fixed income securities services to the Company's clients. Investors can open an account for fixed income trading together with opening an account for securities trading. The Company has an experienced staff that is proficient in providing services and advice that allow clients to make investment decisions in their best interest.

In 2009, the Company was ranked No. 1 in bond outright trading among securities brokers, with total trading value of Baht 65,188 million while KGI was ranked No. 3 in corporate bond trading among total dealers, with total trading value of Baht 10,963 million.

Private Repo Business

KGI Securities (Thailand), pioneered Private Repo to corporate and high net-worth clients, providing a new alternative investment. The Company was ranked No. 1 in terms of Repo volume among securities firms in 2009. Moreover, it was the first and the only one to provide Repo agreement in Thai version, approved by SEC, to offer clients with more convenience.

Selling Agent of Unit Trust Business

The Company received a selling agent of unit trust approval from SEC on 16 January 2002, and at the end of 2009 the Company was appointed as a selling agent of unit trust for 20 asset management firms.

Total net asset value (NAV) of mutual funds at the end of 2009 was Baht 1.8 trillion, increasing 20.88% from 2008 (2008 NAV was Baht 1.5 trillion). The grand total of mutual funds at the end of 2009 was 1,264 funds (increasing by 159 funds from 2008). The NAV of the Equity Fund increased 34.65%, which is a result of the increase in stock indexes around the world since March 2008. The NAV of the Fixed Income Fund increased 21.31%, driven by an increase in the number of investors who preferred to invest in safe haven assets, such as Fixed Income Fund and Property Fund (Type 1) etc.

Furthermore, when we consider just special funds, we find that at the end of 2009, FIF fund's NAV rose a significant 89.01% from 2008. FIF fund's return was better than the deposit rate and onshore bonds. Moreover, investors can get more profit from the foreign exchange for example dollar/baht and dollar/won (in the case of investing in Korean bonds). RMF fund's NAV and LTF fund's NAV also increased 48.12% and 88.06%, respectively. The rise in the Thai index at the beginning of 2009 was one of the reasons and the other was that investors buy funds to get tax benefits.

Futures Business

The Company received a license to conduct futures business from the Securities and Exchange Commission (SEC) and also got approval to act as a futures broker from the Thailand Futures Exchange Plc. (TFEX) and the Thailand Clearing House Co., Ltd. (TCH). Futures trading started on 28 April 2006.

The Company won the "Best House of the Year 2006", which was given to the futures brokerage firm with the outstanding performance and best service quality, and won the "Most Active House 2006", which was given to the futures brokerage firm with the most active futures derivatives business, at the TFEX Best Awards 2006.

Currently, the Company provides trade on the following derivative products:

- SET50 Index Futures
- SET50 Index Options
- Single Stock Futures
- Gold Futures

In addition to Futures retail brokerage business, the Company also trades futures in Proprietary Trading and furthermore acted as a Market Maker to increase and stabilize trading liquidity and volume of SET50 Index Futures, SET50 Index Options, Single Stock Futures, and Derivative Warrants in Thailand Futures Exchange (TFEX) and Stock Exchange of Thailand. In 2009, the Company was ranked No. 3 with market share of 7.78% of TFEX market.

On February 2, 2009, TFEX launched gold futures (50 baht contract). In order to expand the gold traded client base, KGI introduced the Introducing Agent product (AI). This scheme will give, in return, incentives to goldsmith shops who introduce their clients to trade gold futures with KGI.

In November 2009, the company launched a TFEX trading campaign. Three lucky clients received package tours to Japan worth Baht 334,000. The campaign was successful in attracting investors.

Securities Borrowing and Lending (SBL)

The Company was the first broker to act as a principal and agent assisting of clients who want to lend or borrow securities: 1. Institutional Lenders, 2. Local and Foreign Institutional Borrowers, 3. Retail Borrowers. This service will help increase liquidity and price stability to the Thai capital market.

In 2009, SBL gained popularity due to the volatile stock market. SBL was popular among local and foreign institutional clients. Especially retail clients, SBL volume increased double from 2008 resulting from campaign “Short Selling for Children” by Equity Derivatives Department. This campaign summarized total SBL volume from 3 September - 30 December 2009 from retail borrowers. Every SBL volume of Baht 1 million, the Company donated amount for children 100 Baht. The total donation amount equaled to 16,400 Baht and donated to Pakkred Babies' Home and the Foundation for the Welfare of the Mentally Retarded of Thailand. This campaign aimed to contribute to social. In 2010, the Company plans to expand its SBL business as follows:

1. Reduce SBL fee to handle with new sliding commission rate and to repay the Company's clients and also introduce SBL to new clients who never borrow securities before.
2. Expand client base, especially foreign institutional clients who are increasingly interested in borrowing and lending Thai securities.
3. Consider to develop internal system to support SEC's relaxation on regulations. Among the relaxation is the allowance of SBL on cash account over than only credit balance account in the past.
4. Consider to develop internal system to support SBL on DMA for local and foreign institutional clients. Moreover the Company plans to develop SBL on internet to make retail clients more convenient.

OTC Derivatives

The Company is recognized as one of the leaders in innovation in the development of derivatives products in Thailand. The Company has spent more than 10 years preparing for issuing and trading of derivatives products. The major shareholder, the KGI Group has also provided valuable assistance by transferring knowledge and technology to the Company. The KGI Group sent derivatives experts to train our staffs to be ready for this new market in Thailand. At the same time, the Company sent staff to its related companies in Taiwan and Hong Kong to closely study their sophisticated derivatives markets.

The Company adopts the same program and software as those used in Taiwan and Hong Kong. The software is widely recognized in developed derivatives markets in many countries and should be effective in the Thai market as well. Such system will greatly enhance the risk management capability of the Company in hedging our derivatives positions. The Company is ready to provide services relating to derivatives products to clients. KGI Group and the Company always develop such system to handle every market situation. The Company is completely ready for OTC Derivatives. At the moment, the Company focuses mainly on institutional clients who have better understanding about the risks and rewards of such products.

1. OTC Equity Derivatives

OTC Equity Derivatives products are tailor-made, and designed according to client's request.

In 2009, OTC Equity Derivatives gained popularity due to the volatile stock market. OTC Equity Derivatives was popular among local and foreign institutional clients including Private Fund, purposely to manage their risk and gain their return. The Company provides three types of OTC Equity Derivatives,

- 1) Basic Options, which are Call Options and Put Options
- 2) Combination Options, which are Call Spread Options, Put Spread Options, and Strangle, etc.
- 3) Exotic Options, apart from the basic options and combination options, the Company has been launching more complex derivatives, such as Asian Call Spread Options and Digital Call Options, Auto Redemption Options, Forward Start Options, and Himalaya Options and will innovate more and more to match clients' risk and return profiles in the future.

In 2010, the Company views the market is still volatile from both internal and external factors including low interest rate trend, so the Company expects OTC Equity Derivatives will maintain its popularity. The Company formed a partnership with reputed foreign banks in the area of OTC Equity Derivatives on foreign equity underlying covering markets; Hong Kong, Japan, Singapore, Australia, USA, and Europe. The Company will regularly organize training/seminars to ensure that our clients thoroughly understand the products before investing in equity derivatives with us and that our equity derivatives products would help reduce risk and/or enhance return of clients' portfolios.

2. Structured Products

The Company is focusing on developing structured products that combine equity derivatives with money market instruments to serve clients who want to invest in both the equity market and money market. The Company offers structured products exclusively to institutional clients and private funds with a good understanding and knowledge of derivatives. The structured product that the Company provides is:

Equity Linked Note (ELN): To serve the needs of the clients who prefer investment in short term money market with high yield and who can invest in equity market. At present, the Company provides various types of ELN with maximum term of 270 days, whose return is linked to the price of a single stock and TDEX, TFTSE or basket of stocks with good fundamental and high trading volume (Blue chip Stock) or Index. Examples of ELN the Company provides are ELN-Vanilla, ELN-Buffer, ELN-Up&Out, ELN-4U, and ELN-D&G, ELN-StepUP, ELN-KO, and ELN-Accumulator.

In 2009, the Company formed a partnership with reputed domestic banks to issue Structured Products to fulfill need of bank-base clients who need higher return than interest from deposit.

In 2010, the Company will continue to develop new types of Structured Products that attractive and serve the needs of our value clients.

Equity Exchange Traded Fund (Equity ETF)

The Company joined a group led by One Asset Management Limited (97% owned by the Company) and four other leading securities companies as well as a foreign fund advisor that won the right to launch Thailand's first equity exchange traded fund (Equity ETF) in the name of ThaiDEX SET50 ETF or TDEX since 2007. The Company acts as Market Maker (MM), providing liquidity in the secondary market and as Participating Dealer (PD), facilitating the creation and redemption of TDEX in the primary market. By the end of 2009, Asset Under Management (AUM) of TDEX was Baht 2,547 million, showing growth of 152% from Baht 1,011 million at inception in August 2007.

From great success of TDEX in 2007-2008, the Company joined a group led by One Asset Management Limited and five other leading securities companies to launch Thailand's third equity ETF in the name of ThaiDEX FTSE SET Large Cap ETF or TFTSE. During the IPO period, July 20-28, 2009, Asset Under Management (AUM) of TFTSE was Baht 166 million or 22 million units.

In 2010, The Company expects AUM of TDEX and TFTSE to reach Baht 4,000 million and Baht 200 million respectively. The Company believes it can achieve such target due to its capabilities, Thai market recovery and increasing popularity of TDEX and TFTSE.

Derivative Warrants (DW)

More than 5 years, the Company has been developing its infrastructure and workforce and expects to launch Derivative Warrants (DW).

In 2009, the Company was the first securities company in Thailand to launch DW. The Company launched three DW i.e. PTT13CA, KBAN13CA and PTTE13CA since June 2009. All 3 DW were highly successful and get great response from investors at IPO period and trading on the exchange, which total IPO subscription amount of all three DW was around Baht 150 million.

DW is new investment product in Thailand. The Company plans to educate investors for the deeper understanding, enhancing knowledge and build confidence in DW investment. The Company plans to roadshow to local and foreign institutional investors to publicize new financial products and attract new clients to invest in Thai Capital Market. The Company launched the first website in Thailand, www.thaiwarrant.com. This website provides information of all DW in Thailand which is useful for investors who are interested in DW.

DWs issued by the Company

In 2009, the Company has issued DWs as follows;

	NAME OF DW	IPO PERIOD	MATURITY DATE
1.	PTT13CA	22 - 30 JUNE 2009	18 DECEMBER 2009
2.	KBAN13CA	10 - 21 AUGUST 2009	19 FEBRUARY 2010
3.	PTTE13CA	19 - 30 OCTOBER 2009	30 APRIL 2010

MARKET OVERVIEW AND COMPETITION

(A) The Company Marketing Project in 2009

1. The Company has launched new products as investment alternatives for the Company's clients and investors. In 2009, the Company researched and developed the following new products:
 - 1.1 The Company services Gold Futures to be another investment alternative for investors to make profits, diversify risk, and increase liquidity for making profits both in the increase and decrease of gold price.

- 1.2 The Company develops structured products by combining equity derivatives with money market instruments (Equity Derivatives) to serve clients who want to invest in both the equity market and money market.
- 1.3 The Company was the first securities firm launching Derivative Warrants (DW). In 2009, the Company launched three DWs and the Company is member of IB Club's working group to launch DW Direct Listing regulations which will make issuing process faster and follow the international standard. SET, SEC, and IB Club's working group are currently pushing Direct Listing regulations which are expected to be done in first quarter 2010.
- 1.4 Thailand's first equity ETF (Equity Exchange Traded Fund), TDEX, and TFTSE have been a great success. The Company, as one of consortium members of TDEX and TFTSE, foresees opportunity in other equity ETFs. The Company is confident that with its extensive experience and technology it will play a major role in other equity ETFs such as equity ETF on SET Bank Sector, equity ETF linked to foreign Index and Gold ETF.
2. The Company held seminars to educate clients and investors on topics such as Internet Trading, Securities Fundamental and Technical Analysis, and Derivative Warrants Knowledge. The seminars not only educated the clients and investors, they also expanded the Company's customer base.
3. The Company held marketing promotions to support trading futures and options. The Company held a "TFEX Campaign" that offered clients the opportunity to win one of three packages to Japan with a total value of Baht 334,000. The campaign was well received and gained a lot of interest from investors.
4. The Company developed its systems to support new business transactions such as Equity Exchange Traded Fund (Equity ETF), Derivative Warrants, and TMS (Interest rate swap). Furthermore, the Company has developed its computer systems to be more efficient, such as Risk Management Control System, Computer Assets, and Synchronize Clients Account, etc. The Company also enhanced a new network, Multiprotocol Label Switching (MPLS) which is very accurate and has a lower cost to support the Company's operations.
5. The Company is continually developing its website to provide information to all clients and investors. The Company always updates information and news to ensure it is useful to clients and investors. Furthermore, the Company posts its research papers, news, special activities and seminars. The Company has also created the first website about Derivatives Warrant (DW) named www.thaiwarrant.com. The website collects all DW information in Thailand, making it more convenient for investors to find all relevant DW information at one location.

(B) Market Overview and Competition in 2009

In the year 2009, the Thai market rallied strongly, reversing the trend of economic contraction which had been the case for both Thailand and the global economy. The spectacular rise in the Thai market was actually in tandem with equity markets around the world. It is widely accepted that in this US-led financial crisis, governments and major central banks reacted faster than in previous crisis. Ultra-low interest rate policies and the injection of emergency liquidity to financial systems were conducted since late 2008. Hence, the problems were contained faster than originally expected. Therefore, equity prices around the world began to rally in the second quarter of 2009, as investors believed the worst was seen in the first quarter.

Meanwhile, the near-zero interest rate policy on the US side also drove the allocation of investment funds to high-yielding assets in Asia, which have a stronger growth outlook than the West. Not only did stock prices rise sharply, the price of gold also moved up significantly in 2009 as investors viewed it as a contra-US dollar play. For the Thai stock market, the SET Index rose by 284.58 points or 63.2% in 2009, the second strongest rise since the 1997 Asian financial crisis. Meanwhile, the strongest year was in 2003 when the SET Index rose by 116%.

Local political conditions have been moderately stable. While there have been a number of political gatherings by the anti-government group, violence took place only once in April 2009 during the Songkran festival. Street violence was seen both in Bangkok and Chonburi province, and the government had to call off the ASEAN Summit on security concerns. However, the government was able to control the situation relatively quickly. In the second half of the year, things went more smoothly. There was no political violence and the government, under the coalition platform, fared relatively well.

On economic issues, Thailand's economy contracted in 2009. Although the stock market began to rally in the second quarter, real economic figures still suffered from the dramatic contraction in export demand, which led to de-stocking in manufacturing space. Confidence in labor, consumption and also investment markets deteriorated. In the first and second quarters, Thai GDP contracted by 7.1% YoY and 4.9% YoY, respectively. The situation improved a bit in the third quarter, as GDP eased only 2.8% YoY. Meanwhile, the country's GDP is widely expected to expand YoY in the fourth quarter, following the global economic recovery and the low base effect from 4Q08 when the economy was hit by the local political stalemate and the closures of Bangkok's two international airports.

In 2009, the daily average turnover stood at Baht17.8bn, increasing 10.29% from Baht16.1bn in 2008. Foreign investors returned to a net buying position of Baht38bn in 2009, after heavily net selling Baht162bn of Thai stocks during 2008. The market capitalization rose to Baht5.87trn at the end of 2009, up 64.60%, from Baht3.57trn at the end of 2008.

Stock Exchange of Thailand

	2552	2551	2550
Total trading value* (Baht million)	4,355,318	3,981,230	4,271,820
Avg. daily trading value* (Baht million)	17,777	16,118	17,436
Total market capitalization (Baht million)	5,873,101	3,568,223	6,636,069
SET Index (year-end)	734.54	449.96	858.10
Dividend yield (%)	3.7	6.6	3.3
P/E ratio (times)	25.6	7.0	17.0
P/BV ratio (times)	1.6	1.0	2.0
No. of listed companies	475	476	475

*including MAI

As for new listings, there were 17 new companies listed in Thailand's stock markets (both SET and MAI) in 2009, compared to only 11 new listings in 2008. It is worth noting that, in 2009, 14 out of the 17 companies were listed after the month of March, as the Thai stock market started to recover.

IPO Stocks in 2009

Stock	First trading date	IPO size (Baht million)
AIM	19-Feb-2009	88
AGE	26-Feb-2009	227.5
TPOLY	4-March-2009	168
HTECH	27-March-2009	61.12
QLT	9-June-2009	76
TTCL	16-June-2009	552.5
JMART	25-June-2009	135
SENA	29-July-2009	346.5
GLOBAL	19-Aug-2009	663
2S	2-Sep-2009	114
SMT	24-Sep-2009	455.4
BLA	25-Sep-2009	2,700

Stock	First trading date	IPO size (Baht million)
MOONG	1-Oct-2009	64.4
KIAT	21-Oct-2009	180
JUBILE	9-Nov-2009	98
NBC	11-Nov-2009	188.5
THANA	15-Dec-2009	87.5

Competition in the brokerage business

In regards to competition in the brokerage business in 2009, more balance was seen between Thai brokers and brokers who are foreign-related or have foreign research affiliates. In 2008, the brokers that were connected to foreign partners posted outstanding performances as heavy selling by foreign investors dominated the market. Meanwhile, the sum of the market share of the top 10 brokers increased from 48.73% in 2008 to 51.86% in 2009.

Top 10 securities brokers (2009)

Rank	Company Name	Name	Market Shares (%)
1	Kim Eng Securities (Thailand) Plc.	KEST	10.68
2	Asia Plus Securities Plc	ASP	5.71
3	KT ZMICO Securities Company Limited	KTZ	5.47
4	Phillip Securities (Thailand) Plc.	PST	5.11
5	Country Group Securities Plc.	CGS	4.83
6	Phatra Securities Plc.	PHATRA	4.45
7	Thanachart Securities Plc.	TNS	4.38
8	Bualuang Securities Plc.	BLS	4.08
9	KGI Securities (Thailand) Plc.	KGI	3.88
10	Credit Suisse (Thailand) Ltd.	CS	3.36
The sum of market share of the top 10 brokers			51.95
Others			48.05
Total			100.00

Industry trend in 2010

Competition among brokerages should be intense in 2010, since the SET has announced a cascade calculation policy for commission, the first step toward full liberalization of brokerage fees in 2012. Therefore, investors would not only care about service and the quality of research reports, like in the past, they would also look at the pricing factor. Therefore, it is crucial to monitor the direction of major brokerages in Thailand and how aggressive each one will be in order to retain its market share.

Thailand's stock market should remain positive this year, but with much greater volatility, as the current stock prices have recovered close to the levels before the crisis took place. More or less, the economic and earnings outlooks are still on upward trends while there is still ample system liquidity. Therefore, we believe foreign investors' interest in Asia and Thailand's market will remain. Last but not least, the key risk factor for investing in the Thai market is the local political uncertainty, which is invariably difficult to predict in the present context.

Funding for Products and Services

Source of funds

If the Company requires new funds, the Company's policy is to try to procure the cheapest source of funds available, and to match the duration of any loan to its needs. As far as possible, the Company will not depend upon one source of funds.

Subordinated Loans from Subsidiary

The Company has subordinated loans amounting to Baht 1,700 million from an overseas subsidiary company. These are unsecured, interest free Baht loans with an original maturity in September 2010. During year 2009, the Company and the subsidiary company agreed to extend the maturity date to 21 March 2011 and the Board of Directors' Meeting No. 1/2010 of the Company held on 25 February 2010 approved the extension of the maturity date of the subordinated loans from 21 March 2011 to 21 September 2011.

Liquidity management policy

The Company analyses its cash flow needs on a daily basis and tries to match its funding and investment in money market instruments to its needs as forecasted.

Risks

Company Risks

1) Market Risk

Market risk refers to the risk that the trading volume of the market has changed and has a direct impact on the Company's revenue. Factors causing market price and volume volatility include political developments, economic outlook, and investors' sentiment (both domestic and international). The Company has carried out a policy of diversifying its business by sustaining and expanding its market share. Furthermore, the Company has a policy to earn revenue from its other businesses such as securities dealer, investment banking, fixed income, Private Repo, Selling Agent of Unit Trust, futures, securities borrowing and lending, OTC derivative, and derivatives warrants.

2) Competition Risk in securities broker business

The securities broker business is highly competitive, especially as the Stock Exchange of Thailand will change its policy on brokerage commissions to a cascade calculation. The commission will vary based on trading volume, during 1 January 2010 to 31 December 2011. If the Company is unable to maintain a high quality of service compared to other brokers, it may lose its market share. Therefore, the Company has a policy to continually enhance the efficiency of its staff in giving advice and service to clients. The Company also has always developed its research and expanded with new businesses to give more convenience to clients and offer investment alternatives.

3) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiary companies.

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables, loans and other accounts receivable. The Company's management controls such risk by establishing credit limits for customers and counter parties and analyzing their financial position as an ongoing basis. As a result, the Company does not expect to incur material financial losses.

The Company is not exposed to concentrations of credit risk because it has a variety of customer base and large number of customers. The maximum exposure to credit risk is limited to the carrying amount of securities and derivatives business receivables, loans, other receivables as stated in the balance sheet.

As of 31 December 2009, the Company has receivables due from brokerage services to clients totaling Baht 666.28 million and credit balance loans totaling Baht 407.32 million.

4) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company and subsidiary companies.

The exposure to interest rate risk of the Company and its subsidiary companies relate primarily to their cash at banks, long-term investments in debt securities and borrowings. However, because most of the financial assets and liabilities carry floating interest rate which will fluctuated in line with the market interest rates or carry fixed interest rate which approximate the current market interest rate, the Company and its subsidiary companies do not use derivatives to manage their interest rate risk.

As of 31 December 2009, the Company had borrowings of Baht 340.00 million, long-term deposits at financial institutions of Baht 131.07 million and the Company also has invested in fixed income instruments and the return or values of those are sensitive to interest rate movements.

5) Exchange Rate risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. As of 31 December 2009, the Company has investments in subsidiary companies in foreign currency under cost method of USD 59.4 million (equivalent to Baht 2,383 million). However, the Company also has obtained Thai Baht loans from a subsidiary company totaling Baht 1,700 million.

As at 31 December 2009, the Company and its subsidiaries has not entered into any forward exchange contracts to manage its foreign exchange risk.

6) Liquidity risk

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

The Company has adequate liquidity. As of 31 December 2009 the company had cash and cash equivalents totaling Baht 208.91 million, and it had Baht 131.07 million long-term deposits at financial institutions. The Company's net capital ratio (NCR) was 208.04% (the Securities and Exchange Commission defines the NCR should be maintained at least 7% of liabilities).

7) Securities investment risk and return risk

Securities investment risk and return risk refer to the risk that the Company has been wrong to expect its return. The Company has assigned its Risk Management Committee to set strict guidelines and policies regarding asset allocation, portfolio limits and risk control in order to manage risk of losses due to market volatility.

As of 31 December 2009, the Company's net investment in debt and equity securities was Baht 5,425.58 million (86% in net short term investments, 14% in net long term investments).

8) Risk from investment in subsidiaries and associated companies

This type of risk may arise if the subsidiaries and associate companies incur losses which have an effect on the Company's performance. The Company's investments in subsidiaries and associated companies are accounted for under the equity method.

9) Risk from investment banking business

In operating an investment banking business, including an underwriting business, there is a risk of losses from unsubscribed securities that must be transferred to the Company's portfolio. Inappropriate size or pricing of issues, unexpected fluctuations of the stock market, interest rates or foreign exchange rates can cause the investors not to subscribe for such securities. To reduce such risk, the Company studies and analyzes information regarding the issuer and the interest of clients or investors. In the financial advisory business, the Company always studies clients carefully and conducts due diligence before entering deals.

10) Risk from having a major shareholder

As of 20 March 2009 (the last registration close book date), the KGI Group owned approximately 34.97% of the Company's total shares. KGI Group as a major shareholder may exercise greater influence over the Company's management and business policies. However, if the KGI Group wishes to hold more than 50% of the Company, it still needs to seek approval from relevant government agencies.

11) Risk from establishing a Thai Trust Fund and having a Non-Voting Depository Receipts (NVDRs)

Since investors in the Thai Trust Fund and NVDR holders have no voting rights, this effectively leads to a decrease in the number of voting shares. As a result, major shareholders may have an increased level of control over the company. However, as of 31 December 2009, there were no shares held by the Thai Trust Fund and investors had bought only 150,223,776 NVDRs shares (equivalent to 7.54% of paid-up capital).

12) Risk related to Derivatives products

Having taken into consideration various risks involved in derivatives, the Company has approved the Equity Derivatives Department and Fixed Income Department to sell derivative products to clients. However, the Risk Management Committee has to first approve the document called "Product Program" before the Equity Derivatives Department and Fixed Income Department can issue derivatives to clients. The Product Program mainly focuses on (1) characteristics of securities, services, and target clients; (2) risk policies such as acceptable level of loss and other risk policies depending on attributes of securities and services offered to clients; and (3) internal operational procedures including internal control. The Risk Management Department monitors the Company's exposure on a daily basis to ensure compliance with the approved risk policies. The Company is therefore confident that it has put in place a system for limiting risks associated with derivatives to an acceptable minimal level.

Risk factors related to Derivative Warrants (DW)

In 2009, the Company was the first and only securities company in Thailand launching Derivative Warrants (DW). The risks related to DW are as follows.

- 1) DW constitute general unsecured contractual obligations of the Company and of no other person and will rank equally with the Company's other general unsecured contractual obligations.
- 2) The price of DW issued by the company may fall in value rapidly and may rise rapidly. DW holders may lose all of their investment in a DW. Before investing, selling, or exercising the DW, DW holders should carefully consider, among other things,

- 2.1) Trading price of the DW
- 2.2) Trading price of the underlying asset
 - Generally, when the price of the underlying asset decreases, the price of a call DW may decrease
 - Generally, when the price of the underlying asset increases, the price of a call DW may increase
- 2.3) Volatility of the underlying assets
 - Generally, when the volatility of the underlying asset decreases, the price of a call DW may decrease
 - Generally, when volatility of the underlying asset increases, the price of a call DW may increase
- 2.4) Time to maturity of a DW and last trading date of a DW
 - Generally, as the time to maturity of a DW decreases, the price of a call DW may decrease
 - Generally, when time to maturity of a DW increases, the price of a call DW may increase
- 2.5) Interest rates
 - Generally, when interest rates decrease, the price of a call DW may decrease
 - Generally, when interest rates increase, the price of a call DW may increase
- 2.6) Dividend of the underlying company
 - Generally, when dividend of the underlying company decreases, price of call DW may increase
 - Generally, when dividend of the underlying company increases, price of call DW may decrease
- 2.7) The liquidity of the underlying asset, the liquidity of DW and the market making obligation of the Market Maker of DW
- 2.8) Trading commission, exercise expenses, and other related expenses of trading DW
- 2.9) The credit and financial status of the Issuer
- 3) If the Exchange issues an order temporarily prohibiting the purchase or sale of securities by posting the “H” (Halt) or “SP” (Suspension) sign on the board of the underlying security of the DW, the Exchange shall also issue an order to prohibit the purchase or sale of the DW.
- 4) The price of the underlying asset may change for many reasons including corporate action of the underlying company, performance of the underlying company and market situation. In some events such as corporate action, the Company may adjust the exercise price and the exercise ratio of the DW. However, if there is a corporate action and the Issuer decides not to make any adjustment, the price of DW may be affected by the corporate action.
- 5) An investment in a DW is not the same as owning the underlying asset or having a direct investment in the underlying asset. The change in the value of the DW may be disproportionate to or opposite to the change in value of the underlying asset. DW holders have no right to the underlying asset or, for example, voting rights or rights to receive dividends.
- 6) On maturity, DW holders may receive the Net Cash Settlement later than normal if there is a Market Disruption Event,
 - 6.1) If the Market Disruption Event occurs before or on the Last Trading Date and ends within 30 days after Maturity Date, the Settlement Price shall be the Closing Price of the Underlying Asset on the first trading day after the Market Disruption Event ends.

- 6.2) If the Market Disruption Event occurs on or before the Last Trading Date and ends not less than 30 days after Maturity Date,
- The Issuer shall announce the Fair Value of the Underlying Asset within 20 days or 30 days after the Maturity Date
 - The Issuer shall use the Fair Value of the Underlying Asset calculated by a Financial Advisor approved by the SEC and made not more than 50 days before the date that the Issuer informs the market of the Fair Value. The Fair Value of the Underlying Asset shall be deemed to be the Settlement Price.

If the Settlement Price is greater than Exercise Price, the Issuer will pay the Net Cash Settlement to the Holder's bank account or send a crossed cheque to the registered Holder on the Automatic Exercise Date. It shall be sent by registered mail within 5 business days following the day that the Issuer determines the Fair Value or the Settlement Price.

- 7) DW Holders may be required to pay taxes including tax on the Net Cash Settlement from the exercise

Not all of the risk factors described above will necessarily be applicable to a particular DW. Please consider all risks carefully prior to investing in any DW. Please carefully read the Terms and Conditions of the DW. DW investors should be confident they understand all related risks before investing in a DW.

Company's Shareholders and Management

Company's shareholders

KGI Group is the Company's major shareholder, owning approximately 34.97% of the Company's shares as of 20 March 2009 (the last registration close book date). The top ten shareholders are as follows:

Shareholder	Shares	%
1 RICHPOINT COMPANY LIMITED*	696,614,400	34.97%
2 Thai NVDR Company Limited	147,387,806	7.40%
3 Gerlach&Co.- Dimensional Emerging Markets Value Fund, Inc	11,756,100	0.59%
4 Mr.Santi Mahapiyasilp	10,000,000	0.50%
5 Mr.Chankit Jitwattanapakdee	8,039,400	0.40%
6 Mr.Viroj Tansirikongkol	7,929,000	0.40%
7 Mr.Thavee Asawasopee	7,550,000	0.38%
8 One Holding Public Company Limited	6,774,532	0.34%
9 Mr.Khomsun Thammapiwan	6,335,575	0.32%
10 Mr.Rangsan Charoenkitmongkol	6,150,600	0.31%
11 Others	1,083,225,717	54.39%
Total	1,991,763,130	100.00%

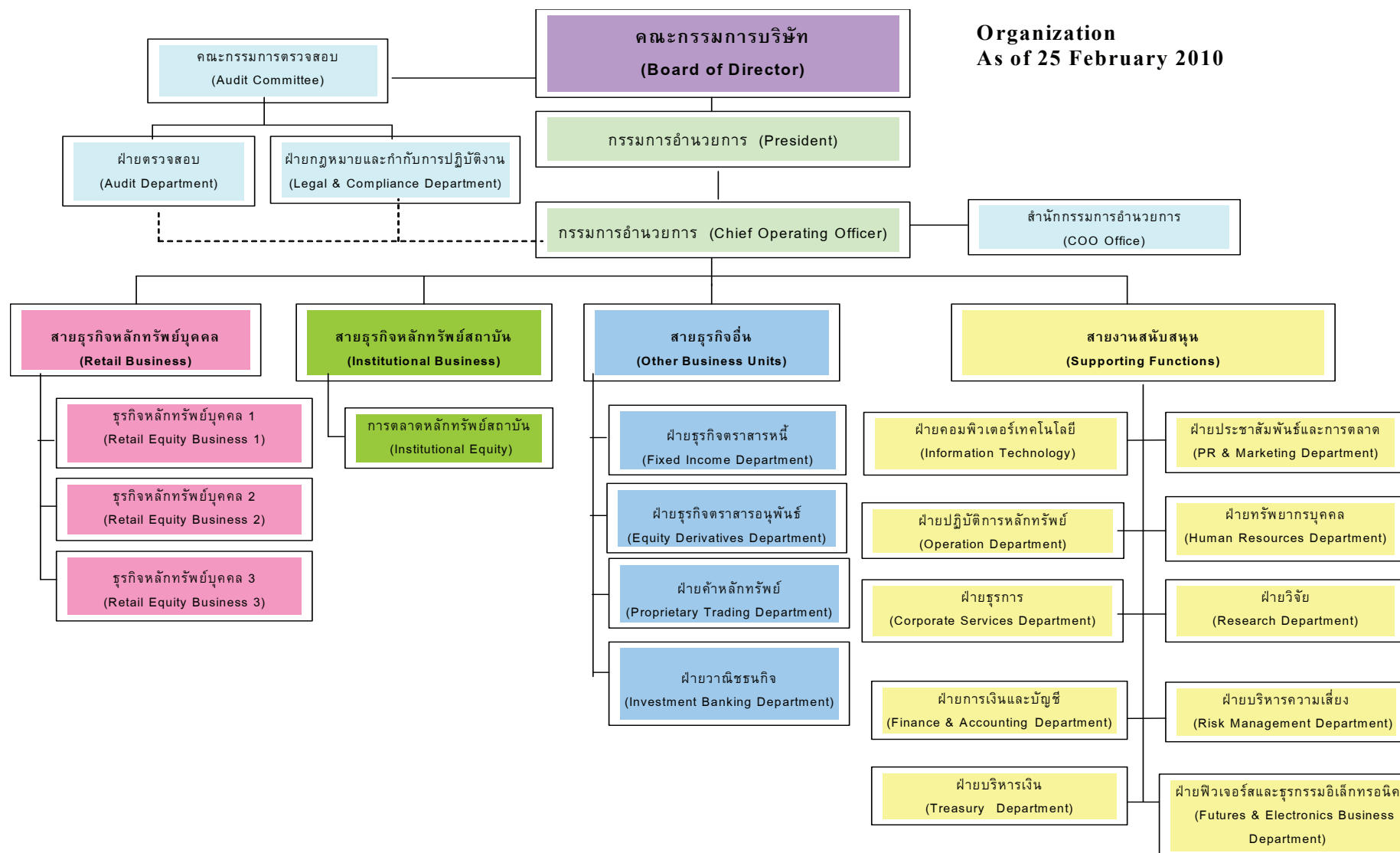
Note * KGI Group

Management Structure

The Company structure consisting of the Board of Director and sub-committees, which are

- | | |
|------------------------------|--------------------------------------|
| 1) Board of Director | 7) Purchasing Committee |
| 2) Audit Committee | 8) Human Resource Committee |
| 3) Compensation Committee | 9) Disciplinary Committee |
| 4) Nomination Committee | 10) Welfare Committee |
| 5) Risk Management Committee | 11) Health and Environment Committee |
| 6) Debt Recovery Committee | 12) ESOP Committee |

Organization As of 25 February 2010



1) Board of Directors

As of 31 December 2009, the Company's Board of Directors consisted of the following 12 members; in 2009, the Company had 6 Board of Directors' meetings; details of attendance of each director are as follows:

Board Director	Board Position	Attendance Record / Total Board Meeting
1. Mr. Foong Hock Meng ^{/1}	Chairman	1/1
2. Dr. Pisit Leeahtam	Vice Chairman (Independent Director)	5/6
3. Mr. Chin-Lung Tseng ^{/1}	Director	5/6
4. Mr. Wisit Wongpaisan	Director	6/6
5. Mr. Wei Chang Fang ^{/2}	Director (Authorized Director)	6/6
6. Dr. Don Bhasavanich	Director (Independent Director)	6/6
7. Mr. Pradit Sawattananond	Director (Independent Director)	6/6
8. Mr. Eugenio Tan	Director (Independent Director)	4/6
9. Ms. Bee Leng Ooi ^{/2}	Director (Authorized Director)	6/6
10. Ms. Suchada Sodthibhaphkul ^{/2}	Director (Authorized Director)	5/6
11. Ms. Pi-Lin Huang ^{/2}	Director (Authorized Director)	5/6
12. Mr. Yen, Chih-Chien ^{/2}	Director (Authorized Director)	5/6

Note 1/ - The Company has appointed Mr. Foong Hock Meng as a director of the Company in place of Ms. Shen Chu Wang who resigned 27 August 2009. Mr. Foong Hock Meng received an approval from SEC on 14 September 2009 and registered with MOC on 21 September 2009.

- Mr. Foong Hock Meng was appointed Chairman of the Board directors of the Company in place of Mr. Chin-Lung Tseng from 10 November 2009. Mr. Chin-Lung Tseng remains a director.

2/ Any two Authorized Directors shall be required to bind the Company.

Responsibility of the Board of Directors

The Board of Directors has responsibilities as follows:

The Board of Directors' duties

The Board of Directors must carefully carry out their duties with competence, using their knowledge and experience to run the business for the benefit of shareholders and the Company. They must perform their duties in line with the Company's objectives, its Articles of Association, relevant Thai laws and the resolutions of shareholders.

To review and approve appropriate policies

The Board of Directors must review and approve the appropriate policies and directions of the Company's business as proposed by the Management.

To monitor and supervise the management

The Board of Directors must monitor and supervise the management and their implementation of the Company's policies effectively. The Board of Directors should advise the management of any significant matters regarding the Company's business, connected party transactions, or other issues, according to its by-laws, and the rules and regulations of the SEC and the SET. The Directors can seek independent professional advice concerning the Company's business, when considered necessary.

To monitor internal controls and internal audit procedures

The Board of Directors should monitor the effectiveness of the Company's internal controls and internal

audit systems. It should set up an Audit Committee, which should supervise on internal audit and compliance.

Conduct of non-executive directors

Non-executive directors should bring independent judgment to bear on issues of strategy, performance, resources, key appointments, and standards of conduct. They should oppose any proposal brought by other directors or management that they consider may lead to inequitable treatment of shareholders.

Code of best practice and ethics

The Board of Directors should ensure that the Company has a Compliance Manual which consists of Code of Corporate Conduct and a Code of Ethics as guidelines for the Company and employees.

Directors' position in other sub-committee

Board Director	Board Position	Directors' position in other sub-committee
1. Mr. Foong Hock Meng	Chairman	-
2. Dr. Pisit Leeahtam	Vice Chairman (Independent Director)	• Audit Committee Chairman • Nomination Committee Chairman
3. Mr. Chin-Lung Tseng	Director	• Compensation Committee Chairman
4. Mr. Wisit Wongpaisan	Director	• Risk Management Committee
5. Mr. Wei Chang Fang	Director (Authorized Director)	• Risk Management Committee Chairman • Debt Recovery Committee Chairman • Human Resource Committee Chairman • ESOP Committee Chairman
6. Dr. Don Bhasavanich	Director (Independent Director)	• Audit Committee
7. Mr. Pradit Sawattananond	Director (Independent Director)	• Audit Committee • Compensation Committee • Nomination Committee • ESOP Committee
8. Mr. Eugenio Tan	Director (Independent Director)	-
9. Ms. Bee Leng Ooi	Director (Authorized Director)	• Nomination Committee • Risk Management Committee • Human Resource Committee • ESOP Committee
10. Ms. Suchada Sodthibhaphkul	Director (Authorized Director)	• Risk Management Committee • Debt Recovery Committee • Human Resource Committee
11. Ms. Pi-Lin Huang	Director (Authorized Director)	-
12. Mr. Yen, Chih-Chien	Director (Authorized Director)	-

Company Secretary

The Board of Directors' Meeting No.5/2002 dated 6th November 2002 approved to appoint Ms. Nongluk Ningsanond, as acting Company Secretary and the Company Secretary has duties as follows.

- (1) To do and storage documents as follows.
 - (a) The Board of Directors' Record
 - (b) Notice and Minute of the Board of Directors' Meeting and Annual Report
 - (c) Notice and Minute of the Annual General Shareholders' Meeting
- (2) To storage reports of interests of the Board of Directors and Executives
- (3) Other responsibilities following Announcement of Capital Market Committee

Criteria for selecting independent director

The Company has the following criteria for selecting independent directors:

1. The Company will select an independent director who has all qualifications and no prohibited characteristics as determined by the SET and SEC. The Nomination Committee will select qualified candidates and propose to Board's meeting for approval.
2. As far as possible, the Company will try to select an independent director who has relevant knowledge and working experience so that he may provide best advice to the Board.

Characteristics of Independent directors

Independent directors of the Company are qualified as per SEC regulation as follows:

- (1) Any shareholding they, and any related persons, have is equivalent to not more than 1 percent of the paid-up capital of the Company, the parent company, any subsidiary company, associated company or major shareholder or any other juristic person which could result in a conflict of interest.
- (2) A director who is not an employee, staff member, or advisor who receives a regular salary, or a controlling person of the Company, the parent company, any subsidiary company or associated company, major shareholders, or of any other juristic person which could result in a conflict of interest, either at present or during the past two years. Not including a director who used to be a government official or advisor of any government department which is a major shareholder of the Company.
- (3) A director who has no biological or legal relationship such as; parent, spouse, sibling, child or spouse of the child with any of the company's executives, major shareholder, controlling person, or any person already proposed to be appointed as an executive or controlling person of the Company or its subsidiaries.
- (4) A director who has no business relationship* with the Company, the parent company, subsidiary company, associated company, major shareholders, or any conflict of interest with the company which would affect the ability of the director to provide independent opinions relating to the operations of the Company and a director who is not a major shareholder, or persons who have relationship with the Company, the parent company, any subsidiary company, associated company, major shareholder, or of any juristic person resulting in a conflict of interest, either at present or during the past two years.

*Business relationship includes transactions for operating the business, leasing, asset or services transactions, or financial subsidies such as loaning or borrowing, providing guarantees, giving assets as guarantee, and all behaviours which will affect the Company or counterparties have duties to liquidate in case that the value is from 30% of tangible assets of the Company or Baht 20 million up, up to the lower amount. However, the concept to calculate transaction follows the disclosure of the Securities and Exchange Commission and will calculate total liabilities which have been for one year before a director has business relationship with.

- (5) A director who is not and has never been an auditor of the Company, the parent company, any subsidiary company, associated company or any juristic person which might result in a conflict of interest. A director who is not a major shareholder or director (other than an independent director) or executive or partner of the audit company which has the auditor of the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest, either at present or during the past two years .
- (6) A director who is not or never been a professional advisor, such as legal advisor or financial advisor that received service fees of more than Baht 2 million per year, for services for the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest. In the case that the service provider is a juristic person, a director should never be a major shareholder, person with a conflict of interest, or partner of the juristic person, either at present or during the past 2 years.

- (7) A director who is not a representative of any of the Company's directors or major shareholder or a shareholder who is related to the Company's major shareholder.
- (8) A director who does not own or control any business which would result in a conflict of interest with the Company or any subsidiary of the company, and is not a partner of such a business or a director, executive, employee, or advisor who receives a regular salary, or hold shares equivalent to more than 1 percent of the paid-up capital of such business.
- (9) No other characteristic that would prevent the director providing an independent opinion relating to the operations of the Company.

In this regards of Accounting period of 2009, The Company's independent directors have fully characteristics of SEC's regulation. There is no business relationship or any services with the Company.

2) Audit Committee

As of 31 December 2009, The Audit Committee composed of three Independent Directors and all the Independent Directors have attended director training programs of the Thai Institute of Directors Association ("IOD"). They have adequate expertise and experience to review creditability of financial reports. Ms. Apaporn Vorapun acts as the Secretary of the Audit Committee.

In 2009, the Audit Committee had 4 meetings and details of attendance of each director are as follows:

Name	Position	IOD Program and Other Program	Attendance Record / Total Meeting
1. Dr. Pisit Leehtam	Chairman of Audit Committee / Independent Director	DCP 18/2002	4/4
2. Dr. Don Bhasavanich	Audit Committee / Independent Director	DCP 62/2005 ACP 7/2005 FND 8/2004	4/4
3. Mr. Pradit Sawattananond	Audit Committee / Independent Director	DCP 3/2000 ACP 3/2004 QFR 4/2006 CFO 1/2004	4/4

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the following scope of duties and responsibilities, and reports to the Board of Directors.

1. To review the company's financial reporting process to ensure its accuracy and adequacy.
2. To review the Company's internal control systems and internal audit systems to ensure that they are suitable and efficient.
3. To review the Company's compliance with laws relating to securities and the stock exchange, the SET's regulations, and laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, and to attend a meeting with the auditor at least once a year at which the Company's management is not present.
5. To review any connected transactions, or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the relevant laws and the SEC/SET's regulations, and that they are in the best interests of the Company.
6. To review the Company's risk management policies and procedures to ensure that they are suitable and efficient.

7. To prepare and to disclose in the Company's annual report, an audit committee report which must be signed by the audit committee's chairman and contain at least the following information:
 - 7.1 an opinion on the accuracy, completeness and creditability of the Company's financial statements,
 - 7.2 an opinion on the adequacy of the Company's internal control systems,
 - 7.3 an opinion on the compliance with the relevant laws relating to securities and the stock exchange, the SET's regulations, and other laws relating to the Company's business,
 - 7.4 an opinion on the suitability of the auditor,
 - 7.5 an opinion on any transactions that may involve conflicts of interests,
 - 7.6 the number of the audit committee meetings, and the attendance at such meetings by each committee member,
 - 7.7 an opinion or overview comment by the audit committee regarding the performance of its duties in accordance with the charter,
 - 7.8 any other transactions which, in the audit committee's opinion, should be disclosed to the Company's shareholders and general investors.
8. In the performance of its duties, if it is found or suspected that a transaction or any of the following acts has taken place, which may materially affect the Company's financial condition or operating results, the audit committee shall report it to the Board of directors for rectification within a period of time to be set by the audit committee
 - 8.1 a transaction which causes a conflict of interest,
 - 8.2 any fraud, irregularity, or material defect in an internal control system,
 - 8.3 an infringement of the laws relating to securities or the stock exchange, the SET's regulations, or any other law relating to the Company's business.

If the Board of Directors or management fails to make a rectification within the specified time, any audit committee member may report the transaction or act to SEC or SET.
9. If the auditor becomes suspects that a director, manager, or any person responsible for the Company's operations has violated any relevant securities law, they should report the evidence relating to such event to the audit committee for investigation immediately. The audit committee will report the results of its preliminary investigation to the Office of the Securities and Exchange Commission and to the auditor within 30 days. Notification of the suspicious events and procedures for investigating such shall comply with the notification of the Capital Market Supervisory Board.
10. To perform any other act as assigned by the Board of Directors and accepted by Audit Committee.

3) Compensation Committee

As of 31 December 2009 The Company's Compensation Committee consisted of three members and there was one conference meeting in 2009, as follows:

Name	Position	Attendance Record / Total Meeting
1. Mr. Chin-Lung Tseng	Compensation Committee Chairman	1/1
2. Mr. Pradit Sawattananond	Compensation Committee / Independent Director	1/1
3. Ms. Chao Ling Chen	Compensation Committee	1/1

Scope of duties and responsibilities of the Compensation Committee

1. To consider and approve the compensation of the Company's management.

2. To set the criteria, components, structure and form of payment of the Directors, to ensure their interests are aligned with those of the shareholders.
3. To recommend the compensation of the Directors to the Board for approval and proposal to a shareholders' meeting for final approval.

4) Nomination Committee

As of 31 December 2009 The Company's Nomination Committee consisted of three members and there were two Nomination Committee meetings in 2009. The details of attendance of each director are as follows:

Name	Position	Attendance Record / Total Meeting
1.Dr. Pisit Leeahtam	Nomination Committee Chairman / Independent Director	2/2
2.Mr. Pradit Sawattananond	Nomination Committee / Independent Director	2/2
3.Ms. Bee Leng Ooi	Nomination Committee	2/2

Scope of duties and responsibilities of the Nomination Committee

Nomination Committee is responsible for selection of qualified candidates to be directors and top management and proposes to Board's meeting for approval.

5) Risk Management Committee

The Risk Management Committee consists of executives from every department both in business units and support units. There are 17 members as follows.

1. Mr. Wisit Wongpaisan President
2. Mr. Wei Chang Fang Chief Operating Officer
3. Ms. Bee Leng Ooi Managing Director
4. Ms. Suchada Sodthibhapakul Managing Director
5. Ms. Pakavalee Jearsawatvattana Executive Vice President, Investment Banking Department
6. Ms. Naruemol Artamnuayvipas Executive Vice President, Equity Derivatives Department
7. Ms. Jariya Posayajinda Executive Vice President, Proprietary Trading Department
8. Mr. Apichart Tungkiatsilp Executive Vice President, Fixed Income Department
9. Ms. Saranya Larksukthom Executive Vice President, Operation Department
10. Ms. Khunmira Thunnom Executive Vice President, Finance & Accounting Department
11. Ms. Nongluk Ningsanond Executive Vice President, PR & Marketing Department
12. Mr. Mark Antony Hodge Senior Vice President, Corporate Strategy Division
13. Mr. Chai Durongkarattanakul Senior Vice President, Information Technology Department
14. Ms. Acharee Turongsomboon Senior Vice President, Treasury Department
15. Mr. Pakornpolathip Ittichaicharn Senior Vice President, Legal & Compliance Department
16. Mr. Chaimongkol Phraphinit Senior Vice President, Risk Management Department
17. Ms. Ujjima Kitpoka Vice President, Institutional Equity Sales Department

Scope of duties and responsibilities of the Risk Management Committee

1. Implement risk policies and risk architecture.
2. Approve risk budgeting and risk limits to all Business Units.
3. Approve new product programs, which specify the product characteristic, the risk control, and the work flow.
4. Monitor all risks and exposures within the Company's risk framework.
5. Monitor credit profiles, credit quality, collateral, and counterparty risk for operation.
6. Origination Pricing – assign to Investment Banking sub-committee.
7. Grant credit limits to Business Units.
8. Establish and maintain internal control discipline.
9. Monitor local market risk, liquidity risk and funding.
10. Monitor IT security and operations.
11. Other matters as deemed necessary by the committee.

In the regards that the Company's as the DW issuer. The Company's risk management procedures are described in its regulatory filings for the issue of DWs.

In addition, to avoid violation of Chinese wall or for greater efficiency, the company also established 5 sub-committees under the Risk Management Committee as follows:

A) Credit Risk Sub-committee for Brokerage Business: consisted of the following 5 members:

- | | |
|-------------------------------|-----------------------------------------------------------|
| 1. Mr. Wei Chang Fang | Chief Operating Officer |
| 2. Ms. Suchada Sodthibhaphkul | Managing Director |
| 3. Ms. Saranya Larksukthom | Executive Vice President, Operation Department |
| 4. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. Mr. Chaimongkol Phraphinit | Senior Vice President, Risk Management Department |

Scope of duties and responsibilities of Credit Risk Sub-committee for Brokerage Business

1. To approve credit policy; collateral evaluation and management guidelines and others.
2. To approve account opening policy.
3. To list the qualified securities for credit balance and Stock Borrowing and Lending
4. To deliberate on contents of any agreement made with clients or counterparties.

B) Credit Risk Sub-Committee for Fixed Income: consisted of the following 5 members:

- | | |
|-------------------------------|-----------------------------------------------------------|
| 1. Mr. Wisit Wongpaisan | President |
| 2. Mr. Wei Chang Fang | Chief Operating Officer |
| 3. Ms. Bee Leng Ooi | Managing Director |
| 4. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. Mr. Chaimongkol Phraphinit | Senior Vice President, Risk Management Department |

Scope of duties and responsibilities of Credit Risk Sub Committee for Fixed Income

Credit Risk Sub Committee for Fixed Income is responsible for approving trading units' credit limits for investments or holding of financial securities with inherent credit risk, and for approving credit limits for counterparties – both in brokerage and Re-Purchase Agreement transactions.

C) Credit Risk Sub-Committee for Equity Derivatives: consisted of the following 5 members:

- | | |
|-------------------------------|-----------------------------------------------------------|
| 1. Mr. Wisit Wongpaisan | President |
| 2. Mr. Wei Chang Fang | Chief Operating Officer |
| 3. Ms. Bee Leng Ooi | Managing Director |
| 4. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. Mr. Chaimongkol Phraphinit | Senior Vice President, Risk Management Department |

Scope of duties and responsibilities of Credit Risk Sub Committee for Equity Derivatives

Credit Risk Sub Committee for Equity Derivatives is responsible for approving trading units' credit limits on investments or holding of financial securities with inherent credit risk and for approving exceptional credit limits for OTC derivatives market with counterparties and also approve the policy as well as procedure for securities borrowing and lending transactions.

D) Investment Banking Sub-committee: consisted of the following 5 members:

- | | |
|-------------------------------|-----------------------------------------------------------|
| 1. Mr. Wisit Wongpaisan | President |
| 2. Mr. Wei Chang Fang | Chief Operating Officer |
| 3. Ms. Bee Leng Ooi | Managing Director |
| 4. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. Mr. Chaimongkol Phraphinit | Senior Vice President, Risk Management Department |

Scope of duties and responsibilities of Investment Banking Sub-committee

Investment Banking Sub-committee is responsible for approving underwriting deals and other investment banking businesses.

E) Information Technology Security Sub-Committee : consisted of the following 6 members:

- | | |
|--------------------------------|-----------------------------------------------------------|
| 1. Mr. Wei Chang Fang | Chief Operating Officer |
| 2. Ms. Bee Leng Ooi | Managing Director |
| 3. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 4. Mr. Chai Durongkarattanakul | Senior Vice President, Information Technology Department |
| 5. Mr. Chaimongkol Phraphinit | Senior Vice President, Risk Management |
| 6. Ms. Apaporn Vorapun | Vice President, Audit Department |

Scope of duties and responsibilities of Information Technology Security Sub-Committee

Information Technology Security Sub-Committee is responsible for reviewing and approving policies relating to Information Technology security.

6) Debt Recovery Committee : consisted of the following 5 members:

- | | |
|-------------------------------------|-----------------------------------------------------------|
| 1. Mr. Wei Chang Fang | Chief Operating Officer |
| 2. Ms. Suchada Sodthibhaphkul | Managing Director |
| 3. Ms. Saranya Larksukthom | Executive Vice President, Operation Department |
| 4. Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. Mr. Pakornpolathip Ittichaicharn | Senior Vice President, Legal & Compliance Department |

Scope of duties and responsibilities of Debt Recovery Committee

1. To periodically review the progress of debt recovery from time to time.
2. To set guidelines and criteria for restructuring of doubtful debts.
3. To approve settlements with debtors.
4. To monitor and approve management/sale of real estate portfolio incurred from the debt recovery.

7) Purchasing Committee : consisted of the following 3 members:

- | | |
|-------------------------------------|------------------------------------------------------|
| 1. Ms. Kobkarn Cholchanupatumpa | Executive Vice President, Human Resources Department |
| 2. Ms. Nongluk Ningsanond | Executive Vice President, PR & Marketing Department |
| 3. Mr. Pakornpolathip Ittichaicharn | Senior Vice President, Legal & Compliance Department |

Scope of duties and responsibilities of Purchasing Committee

1. Setting up and approving the purchasing process of the Company for items such as office equipment, computer systems and capital expenditure, including insurance of the Company's assets to comply with good internal control. The purchasing process includes:
 - 1.1 Comparing prices, quality of products, and service.
 - 1.2 Selecting lists of suppliers and vendors of products or services to have variety.
2. To recommend negotiations with suppliers or vendors.
3. To select and approve the suppliers and vendors of products or services appropriate for and in the best interest of the Company.

8) Human Resource Committee : consisted of the following 4 members:

- | | |
|---------------------------------|------------------------------------------------------|
| 1. Mr. Wei Chang Fang | Chief Operating Officer |
| 2. Ms. Bee Leng Ooi | Managing Director |
| 3. Ms. Suchada Sodthibhaphkul | Managing Director |
| 4. Ms. Kobkarn Cholchanupatumpa | Executive Vice President, Human Resources Department |

Scope of duties and responsibilities of the Human Resource Committee

1. To review and approve HR related policies; and
2. To review and approve promotions

9) Disciplinary Committee : consisted of the following 4 members:

1. Ms. Kobkarn Cholchanupatumpa Executive Vice President, Human Resources Department
2. Mr. Pakornpolathip Ittichaicharn Senior Vice President, Legal & Compliance Department
3. Ms. Apaporn Vorapun Vice President, Internal Audit Department
4. The Department Head of the person being charged
Scope of duties and responsibilities of the Disciplinary Committee

Disciplinary Committee is responsible for investigating into alleged misconduct and suggesting the penalty for any individual who violates SEC/SET regulations, and the Company's policies.

10) Welfare Committee : consisted of the following 7 members:

1. Ms. Saranya Larksukthom Executive Vice President, Operation Department
2. Mr. Somchai Siripaiboolpong Executive Vice President, Retail Equity Business
3. Ms. Pimchai Fuengaromya Vice President, Human Resources Department
4. Mr. Bundit Worapaphapin Vice President, Retail Equity Business
5. Ms. Sumana Siribovornkiat Assistant Vice President, COO Office
6. Ms. Onusa Maieiam Manager, COO Office
7. Ms. Sirisuda Sujariyanurak Deputy Manager , Investment Banking Department

Scope of duties and responsibilities of the Welfare Committee:

1. To join and cooperate with the employer in providing the necessary welfare for the employees.
2. To give advice and recommendations, as well as propose ideas, on ways for the employer to provide for the employees.
3. To check, control, and supervise the provision of the welfare extended to the employees by the employer.
4. To propose ideas and guidelines on providing useful welfare for the employees to the "Welfare Committee."

11) Health and Environment Committee : consisted of the following 14 members:

1. Ms. Saranya Larksukthom Executive Vice President, Operation Department
2. Mr. Chai Durongkarattanakul Senior Vice President, Information Technology Department
3. Mrs. Suchada Wongrak Vice President, Corporate Services Department
4. Ms. Wipha Katikubanan Vice President, Finance & Accounting Department
5. Mrs. Sujittra Duangpattra Assistant Vice President, Corporate Services Department
6. Mr. Adisorn Morakotamporn Assistant Vice President, Audit Department
7. Mr. Surachet Amnuaywittayakul Assistant Vice President, Legal & Compliance Department
8. Ms. Prungsukon Saengklang Manager, President Office

9. Ms. Onusa Maieiam	Manager, COO Office
10. Ms. Sirirat Chimkaew	Assistant Manager, Corporate Services Department
11. Ms. Pimploy Kankaew	Assistant Manager, Finance & Accounting Department
12. Ms. Petcharat Ongartpajon	Deputy Manager, Research Department
13. Ms. Chananchida Poakpeenaphat	Deputy Manager, Operation Department
14. Ms. Ornveena Ruangsuan	Officer, Information Technology Department

Scope of duties and responsibilities of Health and Environment Committee

To prepare for the Company and its employees a safe working environment, and to prevent and reduce the occurrence of accidents and the suffering of injury due to unsafe working conditions.

12) ESOP Committee : consisted of the following 5 members:

1. Mr. Wei Chang Fang	Chief Operating Officer
2. Mr. Pradit Sawattananond	Independent Director
3. Ms. Bee Leng Ooi	Managing Director
4. Ms. Kobkarn Cholchanupatumpa	Executive Vice President, Human Resources Department
5. Ms. Chao Ling Chen	Member

Scope of duties and responsibilities of ESOP Committee

1. Determine allocation rules and conditions.
2. Review and approve the list of directors and/or employees eligible to receive the warrants.
3. Review and approve the amount of warrants allocated to directors and/or employees.
4. Determine exercise price, exercise period and other related conditions and other details as deemed necessary.

Management

As of 31 December 2009, Company's Executives consisted of the following 17 members:

	Name	Title
1.	Mr. Wisit Wongpaisan	President
2.	Mr. Wei Chang Fang	Chief Operating Officer
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Managing Director
5.	Mr. Suthep Rungsiam	Managing Director, Retail Equity Business
6.	Mr. Pisit Patumban*	Executive Vice President, Retail Equity Business
7.	Mr. Somchai Siripaiboolpong	Executive Vice President, Retail Equity Business
8.	Mr. Hua-Feng Chang	Executive Vice President, Retail Equity Business
9.	Mr. Natthawut Khemayotin	Executive Vice President, Retail Equity Business
10.	Ms. Pakavalee Jearsawatvattana	Executive Vice President, Investment Banking Department
11.	Ms. Naruemol Artamnuayvipas	Executive Vice President, Equity Derivatives Department
12.	Ms. Jariya Posayajinda	Executive Vice President, Proprietary Trading Department

13.	Mr. Apichart Tungkiatsilp	Executive Vice President, Fixed Income Department
14.	Ms. Kobkarn Cholchanupatumpa	Executive Vice President, Human Resource Department
15.	Ms. Saranya Larksukthom	Executive Vice President, Operation Department
16.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
17.	Ms. Nongluk Ningsanond	Executive Vice President PR & Marketing Department

Note * Mr. Pisit Patumban has been appointed as Managing Director : Retail Equity Business since 1 January 2010

Selection of Directors & Executives

The Nomination Committee is responsible for selection of qualified candidates to be directors and top management and proposes to Board's meeting for approval. Furthermore, the Company is a securities business under SEC's control; therefore, directors and executives must receive approval from the SEC.

In the case there is vacancy among the Directors other than a retirement by rotation, the Board shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event the period of time the Director is entitled to retain his office is less than 2 months. The resolution of the Board of Directors shall consist of votes of not less than three-fourth of the remaining Directors.

In case selection of director has to get approval from shareholders, the director appointment has to gain voting from majority shareholders having right to vote. Election of Directors shall be made by the shareholders' meeting according to the following procedure and rules;

- Each shareholder shall have one vote for each share;
- Each shareholders shall exercise all votes applicable under (a) in appointing one or more person to be a Director, but provided that any of the vote shall not be divisible; and
- Person who has the most vote respectively shall be elected to be the Directors equivalent to the number of Directors required; in case the following persons be elected have equivalent vote, the Chairman shall have a casting vote.

As of 31 December 2009, the Board of Directors consisted of 12 directors and the Company's Directors from the KGI Group, a major shareholder, were as follows: 1) Mr. Foong Hock Meng 2) Mr. Chin-Lung Tseng 3) Ms. Pi-Lin Huang and 4) Mr. Yen, Chih-Chien.

Remuneration of Directors and Management

(A) Directors' remuneration

In 2009, the Company paid remuneration for non-executive directors of Baht 8.16 million, details are as follow:

Directors' remuneration	Amount
Directors' bonus *	Baht 5.50 million (for year 2008)
Audit Committee bonus *	Baht 0.50 million (for year 2008)
Board Attendance allowance and Monthly Allowance	Baht 2.04 million (for year 2009)
Others (traveling & accommodation expenses)	Baht 0.12 million (for year 2009)
Total	Baht 8.16 million

Note: * Directors' bonus and Audit Committee bonus was the bonus of year 2008 which be paid in 2009

Details of each Directors' remuneration

Name	Directors' Bonus	Audit Committee's Bonus	Board Attendance and Monthly allowance	Others (Traveling & accommodation)	Total Cash Remuneration
	2008	2008	2009	2009	
1. Mr. Chin-Lung Tseng	1,100,000	-	-	-	1,100,000
2. Dr. Pisit Leeahtam	2,600,000	200,000	460,000	-	3,260,000
3. Mr. Pradit Sawattananond	320,000	150,000	360,000	-	830,000
4. Mr. Don Bhasavanich	320,000	150,000	360,000	-	830,000
5. Mr. Eugenio Tan*	160,000	-	320,000	118,476	598,476
6. Ms. Pi-Lin Huang	320,000	-	-	-	320,000
7. Mr. Yen, Chih-Chien	320,000	-	540,000	-	860,000
8. Ms. Shen Chu Wang **	320,000	-	-	-	320,000
9. Mr. Tuan Wen Wu ***	40,000	-	-	-	40,000
Total	5,500,000	500,000	2,040,000	118,476	8,158,476

Note : * Mr. Eugenio Tan has been as an independent director of the Company since 20 June 2008

** Ms. Shen Chu Wang has resigned as a director of the Company since 27 August 2009

*** Mr. Tuan Wen Wu has resigned as a director of the Company since 6 March 2008

(b) Management's remuneration

In 2009, the Company paid remuneration for 18 Executives of Baht 74,600,195 (including those who left during the year 2009), the details are as follows.

Details of remuneration of executives *	Baht
Salary, bonus and others **	72,849,566
Provident funds	1,750,629
Total	74,600,195

Note * Executive means Manager and executive in the first four rank after the Manager, include everyone in the fourth rank position

** Bonus paid by cash basis (including part of 2008 bonus and part of 2009 bonus which paid in 2009).

Good Corporate Governance

Implement of Good Corporate Governance Policy in 2009

The Company shall abide with Good Corporate Governance so that quality of management is effective, transparent and accessible. The Good CG will enhance confidence and trust from shareholders, investors, stakeholders, and related parties. The Good CG is a tool to increase value and enhance stable growth to the Company. In 2009, the Company was assessed on Good Corporate Governance by the Thai Institute of Directors Association (IOD) at the range of "Very Good". Good Corporate Governance is presented in five categories, as follows.

Section 1 : Right of Shareholders

Section 2 : Equitable Treatment of Shareholders

Section 3 : Role of Stakeholders

Section 4 : Disclosure and Transparency

Section 5 : Responsibilities of the Board

Section 1 : Rights of Shareholders

1.1 Rights to Receive Dividend

Following to the Company's dividend policy, any dividend payment will be considered by the Board of Directors and, if approved, be proposed to the shareholders' meeting, on a case by case basis, and will take into account prevailing business conditions, outlook, investment opportunities, and other relevant factors. The Board of Directors has approved to propose a dividend payment to the Annual General Shareholders' meeting (AGM) no. 1/2010 for the year 2009 of Baht 0.10 per share (i.e. at the payout ratio of 81%), approximately amounting to Baht 199 million. The record date on which shareholders had the right to receive dividend on 15 March 2010 and the closing of share register book for gathering shareholders' names under the Section 225 of the Securities and Exchange Act on 16 March 2010. The dividends will be paid on 26 April 2010.

1.2 Right to attend shareholders' meeting

Before the Meeting

- 1.2.1 The Company requests Thailand Securities Depository Co., Ltd. the Company's registrar to send out the Notice of the AGM and relevant information to shareholders, which was prior to AGM day and earlier than required by regulations. For the AGM no. 1/2009, the Company sent such information on 25 March 2009, which was 14 days prior to the AGM day.
- 1.2.2 The Company provides the notice and all relevant information relating to the AGM no. 1/2009 in both Thai and English language on the Company's website on 9 March 2009, 30 days prior to the meeting. Such information was the same as the Notice in hard copy sent to shareholders.
- 1.2.3 The notice of AGM no.1/2009, the Company provided sufficient information for every agenda.

On Meeting Day

- 1.2.4 The Company has specified relevant information relating to shareholders' meeting such as date, time, and place by considering the convenience of shareholders. The Company held AGM no.1/2009 on 9 April 2009, at 2 p.m., at the Conrad Hotel, Bangkok, All Seasons Place, Ballroom, Wireless Road, Bangkok. As well, the Company has staff and technologies to support shareholders' convenience to check shareholders' documents. The Company also prepared revenue stamps to support shareholders who were appointed as proxy and allowed shareholders who came after the meeting began to attend the meeting.
- 1.2.5 At AGM no. 1/2009, the Company follows CG as follows:
 - a) All directors and executives were present at the meeting to explain and answer the shareholders' questions. The Company introduced all directors (12 persons), Management, Auditor and Chairman of Sub-Committees to shareholders.
 - b) The Company informed the proportion of shareholders and shareholders who were appointed as proxy who attended the meeting. Furthermore, the Company informed the counting procedures and voting procedures before the meeting started.
 - c) The Company operated the meeting following each agenda and did not add any agenda or switch agenda beyond what was in the Notice.
 - d) The meeting Chairman allowed shareholders to ask questions or express their view relevant to the agenda freely and the Company answered all shareholders questions.
 - e) The Company conducts transparent shareholders' voting and allows shareholders to vote separate in each agenda; therefore, shareholders can exercise their rights in each agenda freely. For the directors' election agenda, each shareholder can exercise his/her rights in electing directors and the votes will be counted from individual voting cards handed in by shareholders regardless of whether they are voting "approve", "against" or "abstention".

- f). The Company counted the votes and announced the result on each agenda during the meeting and specified the voting of “approve”, “against” or abstention”. There were no shareholders opposed to the voting results.

After the Meeting Day

- 1.2.6 The Company disseminates the resolutions of the shareholders’ meeting a work day following the meeting day through the SET’s ELCID System. On the AGM no. 1/2009 the Company announced the resolutions and the voting, separating the “approve”, “against” or “abstention” through the SET’s ELCID System on 9 April 2009.
- 1.2.7 The Company records the minutes of shareholders’ meetings including all significant information such as the meeting’s time, names of directors who attended/did not attend the meeting, important explanations and clarifications, summaries of questions, answers, and opinions, and the voting, separating the “approve”, “against” or “abstention”, and minute taker.
- 1.2.8 The AGM no. 1/2009, the Company disseminates the minutes of the shareholders’ meeting to SET and posts in the Company’s website both in Thai and English language on 23 April 2009, which was 14 days after the meeting.

1.3 Right to Receive Information

The Company provides significant information to shareholders such as the Company’s businesses, annual report, shareholders’ structure, directors’ names, corporate governance policies and its implementation, ethical and professional standards, Company’s news via the SET ELCID system, and analytical reports on the Company’s website and always updates the information on the website.

Section 2 : Equitable Treatment of Shareholders

2.1 Fair and Equal Treatment to Shareholders

- 2.1.1 In the case shareholders cannot attend the shareholders’ meeting, the Company encouraged them to cast their votes independently on each important matter (proxy form B). Nevertheless, shareholders can use another proxy form. The Company has posted all forms of the proxy issued by the Ministry of Commerce on the Company’s website.
- 2.1.2 In the case shareholders would like to appoint an independent director to vote on their behalf as a proxy, the Company has proposed names of independent directors, at least one, on the notice of the shareholders’ meeting for their consideration. At AGM no. 1/2009, the Company proposed names and profiles of three independent directors which were 1. Dr. Pisit Leeahtam 2. Dr. Don Bhasavanich and 3. Mr. Pradit Sawattananond on the notice of the shareholders’ meeting for the shareholders’ considerations to appoint as a proxy and there were 19 shareholders appointed independent directors who the Company proposed.

2.2 Preventive Policy regarding Use of inside Information

The Company gives importance to preventing the use of confidential information; therefore, the Company has a policy to prevent the misuse of Inside Information (see details in “Prevention of Misuse of Inside Information”)

2.3 Disclosures of reports on interests of Directors, Executives, and Related Persons.

The Board of Directors’ meeting no. 4/2009, held on 14 May 2009, determined the policies of report on interests of directors, executives and related persons in accordance with the SEC and SET regulations as follows.

- 2.3.1 All directors and executives have to report their interests and those of their related persons, as follows:
- A) The first submission of the report on interests was 1 July 2009.
 - B) If there are any changes on the information on the report on interests, all directors and executives have to report the update within 7 days of the change.

- C) All directors and executives have to update yearly on the report of interests.
- 2.3.2 All directors and executives have to submit the reports on interests to the Company Secretary and the Company Secretary will submit such information to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 days of receiving the reports.
- 2.3.3 When the Board of Directors would like to consider any transaction between the Company and directors or executives of the Company, they will use the report on interests to compose their consideration and not allow persons who have a conflict of interest with the transaction participate in the decision making process.

Section 3 : Role of Stakeholders

3.1 Treatment of Stakeholders

Shareholder

The Company has attempted to provide the highest return to shareholders. As well, the Company has encouraged shareholders to exercise their legal rights covering statutory rights of shareholders such as receiving dividends and voting rights, and the Company has taken care of shareholders over what is required by regulations such as providing necessary information through the Company's website.

Client

The Company has the principle that clients are the first importance. Therefore, the Company has continued to improve and develop products and services to provide comprehensive services. The Company has been recognized as the leader in developing innovative products that help clients have more investment alternatives. Furthermore, the Company has put emphasis on equal and fair treatment to all clients and client information is kept confidential. Additionally, the Company's compliance covers the procedures to deal with clients' complaints and comments.

Employee

The Company values its human resources and regards them as important human capital. The Company also gives high priority to developing and strengthening the efficiency of its employees. This should improve their performance and the efficiency of the organization.

1. The Company organizes training programs to educate and develop its employees' skills continuously.
2. The Company shall give appropriate and fair compensation and welfare. The Company has the Welfare Committee to consider and recommend welfare to employees such as providing health check-ups every year, having welfare for IPD and OPD medical expenses. For IPD the welfare covers employees' families, spouse and children.
3. The Company gives equitable rights to employees to be members in the Company's provident fund.
4. The Company gives importance to a healthy and safe environment for working thus the Company has set up a Health and Environment Committee to ensure that employees have a safe and healthy work environment.

Competitor

The Company has supported the policy of competition fairness following the regulations of the SEC and SET.

Supplier

The Company will treat all suppliers fairly and transparently. The Company has a purchasing committee to ensure that the competing vendors are given fair treatment and to review purchasing procedures and systems to ensure they are appropriate.

Creditor

The Company shall comply with contract terms and conditions and treat creditors fairly.

Community and Society

The Company has continually implemented policies to enhance the community and society such as donating money to construct schools and libraries in remote areas, donating money to help victims who suffered from disasters, donating computers to supporting education, and holding seminars to provide knowledge to students and general investors.

Environment

The Company has always been concerned about the environment. Therefore, the Company joined in planting trees for the sustainable forest program in honor of the 60th anniversary of His Majesty the King's Accession to the Throne. The trees were planted on 10 acres of land in Kuiburi District, Prachuabkhirikhan Province. The Company also donated money to Wat Phra Baht Nam Phu to support the monarch's AIDS patients of Thammarak Niwet Housing Project. Furthermore, the Company has had campaigns on Global Warming concerns such as persuading employees to save on electricity consumption in the office by turning off electrical equipment and lights whenever they are not used etc.

3.2 Participation of Stakeholders

All stakeholders can file complaints with the Legal and Compliance Department, at 173 Asia Centre Building, 11th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok 10120 or telephone 02 658 8888 ext. 8745-6, or e-mail at compliance@kgi.co.th. The Legal and Compliance Department will report complaints to the Audit Committee and report to the Board of Directors.

SECTION 4 : Disclosure and Transparency

4.1 Efficiency of Information Disclosure in accordance with the rules of listed companies.

For the year 2009, the Company has disclosed significant information in accordance with the rules of listed companies such as the Company Annual Registration Statement (form 56-1), and Annual Report (form 56-2) in both Thai and English language via the SET's ELCID System and on the Company's website.

4.2 Quality of Financial Reports

The Company discloses the Report of the Board of Directors' responsibilities for financial statements which is signed by the Chairman of the Board, Chief Operating Officer, and Executive of Finance & Accounting Department and has published in the Annual Report. For financial year 2009, the Board reported that the financial statements of the Company and its subsidiaries ended 31 December 2009 are prepared in line with generally accepted accounting principles and relevant rules and regulations.

4.3 Investor Relations

The Company has set up an Investor Relations Division to be the representative of the Company which can be contacted by shareholders, institutional investors, analysts, other investors and related government agencies. Investors can contact Investor Relations Division at 02-658-8881 or email investorrelations@kgi.co.th

SECTION 5 : Responsibilities of the Board

5.1 Board Structure

The Company has considered an appropriate Board structure and balanced their responsibilities. As of 31 December 2009, the Board of Directors consisted of 12 persons. Each director has various qualifications, skills, experience, and expertise that are useful to the Company. The Board Structure is as follows.

- The Chairman of the Board of Directors is not the same person as the Chief Operating Officer
- There are 4 independent directors, following the SEC's regulations
- There are 4 representative directors from major shareholder, which are 1/3 of all directors and proper with the Company's investment fund.
- There are 4 executive directors which are 1/3 of all directors.
- There are 4 directors who attend the IOD program.
- The Company has assigned the Company Secretary to provide regulatory advice, take care of the Board's activities, and monitors compliance to the Board's resolutions. The Board of Directors approved to appoint Ms. Nongluk Ningsanond, who graduated from the Company Secretary Program class 5/2004 conducted by Thai Institute of Directors (IOD), to act as the Company Secretary.

Board Structure

Director	Position	Independent Directors	Representative Directors from major shareholder	Executive Director	Details of Directors who attended IOD Program and other Program
1. Mr. Foong Hock Meng	Chairman	-	✓	-	-
2. Dr. Pisit Leeahtam	Vice Chairman	✓	-	-	DCP 18/2002
3. Mr. Chin-Lung Tseng	Director	-	✓	-	-
4. Mr. Wisit Wongpaisan	Director	-	-	✓	-
5. Mr. Wei Chang Fang	Director	-	-	✓	-
6. Dr. Don Bhasavanich	Director	✓	-	-	DCP 62/2005, ACP 7/2005 FND 8/2004
7. Mr. Pradit Sawattananond	Director	✓	-	-	DCP 3/2000, ACP 3/2004 QFR 4/2006, CFO 1/2004
8. Mr. Eugenio Tan	Director	✓	-	-	-
9. Ms. Bee Leng Ooi	Director	-	-	✓	-
10. Ms. Suchada Sodthibhaphkul	Director	-	-	✓	DCP 38/2003, CMA 2/2006
11. Ms. Pi-Lin Huang	Director	-	✓	-	-
12. Mr. Yen, Chih-Chien	Director	-	✓	-	-

5.2 Sub-Committees

For the efficiency of the Board of Directors' actions, the Board of Directors has organized sub-committees to study and screen accordance with necessity. The Board has set policies, duties, and responsibilities for each sub-committee. The details of each sub-committee have been published under the topic "Management Structure".

5.3 Roles, Duties and Responsibilities of the Board of Directors

Besides the Roles, Duties and Responsibilities of the Board of Directors, revealed under the topic "Management Structure", the Board of Directors are responsible for Good Corporate Governance as follows:

- 5.3.1 The Board of Directors approved the Good Corporate Governance Policy in writing. The Board of Directors will review and assess the implementation of the policy at least once a year. The Company encourages its staff to follow that policy. The Board of Directors' meeting no. 1/2010, held on 25 February 2010, reviewed the Good Corporate Governance Policy and Company's Implementation of its CG policy in 2009, and announced that all staff had acknowledged and followed the policy. The Company has posted the policy on the Company's website under the topic "Good Corporate Governance".
- 5.3.2 Board of Directors has carefully considered conflicts of interest for the best interest of the company and all shareholders. Persons who have interest in the transaction can not participate in the decision making process. The Board also monitors compliance to the regulations regarding criteria, procedures and disclosures of transactions with conflict of interests.
- 5.3.3 The Board assigns the Audit Department and Legal and Compliance Department to be responsible for ensuring the Company has effective internal control systems and for ensuring that the systems are used properly and comply with SEC/SET regulation. The Audit Committee will consider and review the suitability and sufficiency of the internal control measure at least once a year.
- 5.3.4 The Company has established a Risk Management Committee, comprised of representatives from all business units for the risk management policies to cover all business units. The Company has assigned the Risk Management Department to take responsibility in following the risk management policies including paying attention to early warning signs and unusual transactions.
- 5.3.5 The Board of Directors formulated a written the Company's code of conduct for all corporate ranges, directors, executives, and staff of the Company to follow, and regularly reviews the implementation. The Company has posted its ethical and professional standards on the Company's website.

5.4 Meeting of the Board of Directors

- 5.4.1 The Board of Directors sets its meeting schedule in advance and notifies each director of the schedule so that each member can arrange to attend the meetings. The Company has considered the number of Board meetings that it should be appropriate meet the obligations and responsibilities of the Board and nature of the company. In 2009, there were 6 Board of Directors' meetings held.
- 5.4.2 Notice of the meeting will be sent to the Board of Directors 7 days prior to the meeting with sufficient information for each agenda. The Board can request additional information through the Chief Operating Officer, the Company Secretary or the executive designated as a contact person.
- 5.4.3 The Chairman of the Board of Directors arranges a meeting time sufficient for each agenda and the Board of Directors invites executives for inquiry during the meeting. Therefore, the Board can inquire any additional information directly from the executives in charge.
- 5.4.4 The minutes of the Board of Directors' meeting have all necessary and relevant information, such as date, time, names of directors who attend and do not attend the meetings, significant information and comments, resolutions, and name of minute taker. The Company has good storage systems to retrieve the data. The Company Secretary has informed SEC of the storage place.

5.5 Self-Evaluation by the Board of Directors

The Board of Directors conducts a self-evaluation once a year. Each director will conduct an overall evaluation of the Board's implementation and then review conjointly to reconsider and resolve issues. The evaluation topics cover the following:

- 5.5.1 Structure and characteristics of the board.
- 5.5.2 Roles and responsibilities of the board.
- 5.5.3 Board Meeting
- 5.5.4 The board's performance of duties.
- 5.5.5 Relationship with management.
- 5.5.6 Self-development of directors and executive development

The assessment points are 0 – 4 and N/A; 0 = no processing on that issue, 1 = there is less processing on that issue, 2 = there is moderate processing on that issue, 3 = there is good processing on that issue, 4 = there is excellent processing on that issue, and N/A = not applicable. The Board's assessment for 2009 was satisfactory with high point (good-excellent processing on that issue).

5.6 Remuneration and Compensation

The Compensation Committee considers the remuneration of directors which will take into account prevailing profit of the Company, reflect experience, obligations, scope of work, accountability and responsibilities, contributions of each director and comparable to the industry level in which the company operates. The Committee will recommend the compensation of the directors to the Board of Director for approval and propose to the shareholders' for final approval.

5.7 Development of Directors and Executives

- 5.7.1 The Board encourages and facilitates training for all internal parties (such as directors, members of the Audit Committee, Executives, Company Secretary, etc.) on corporate governance. Training will enable them to continuously improve their performances.
- 5.7.2 If there are new directors, the Company will provide them with all useful documents and information, and roles and responsibilities to perform their duties to ensure that the new directors can perform effectively.

5.8 Succession Plan

The Company has a succession plan in the event that the Chief Operating Officer cannot perform his duties either temporarily and permanently. The Company will appoint the executive under the Chief Operating Officer to temporarily manage such duties and the Nomination Committee will select the qualified person and proposes to Board's meeting for approval.

Prevention of Misuse of Inside Information

The Board of Directors has set up a strictly policy to prevent the misuse of inside information. The punishment for those who do not follow the policy will be considered by the Disciplinary Committee. The policies are as follows:

1. Executives cannot trade the Company's securities one month prior to the disclosure of financial statements to the public until a day after disclosure.
2. In the case that directors or managers purchase or sell KGI securities, they must report the transaction to the SEC in accordance with Section 59 of Securities and Exchange Act and submit the copy one to the Company Secretary.
3. The Company Secretary reports changes in the holding of securities of directors and executives to the Board of Directors every quarter.

4. The Company informed all staff of the mentioned policies and procedures to have them implemented and followed up constantly.
5. Executives cannot conjoin to make decisions on any transactions which they have a conflict of interests with.

The Company has rules and regulations for staff relating to securities trading, including rules on the prohibition of use of inside information. For example, Legal and Compliance department has designated Research List, Grey List and Restricted List for staff in departments that deal with inside information.

Relationship between the Company and the underlying companies of the DWs which the Company has issued

The Company and the underlying companies of the DWs that the Company has issued are not related either in terms of Capital Structure or Management. The Company is not an insider of any of the underlying companies of which it has issued DWs.

Internal Controls

The Company has an appropriate internal control system with its businesses which helps it prevent damages that might occur and discover errors on time. Furthermore, it helps the Company reduce its business risks and directors' risks from their operation, and helps the Company's financial statements be more accurate and reliable.

The Company's Audit Committee is responsible for reviewing the Company's financial statements including quarterly, semi-annual and annual financial statements. By coordinating with external auditors and the relevant managers, the Audit Committee ensures that the Company discloses information fully and accurately.

The Audit Committee monitored and reviewed the Company's internal control along with considering on the quarterly and annual reports of the Audit Department for the year 2009 as well as reports and comments of the external auditors for the Company's internal control for the year 2009. In 2009, the external auditors gave recommendations to the Company on internal control regarding the information distribution. The Audit Committee has acknowledged and given advice to the Audit Department on the recommendations to prevent damages that might occur and not contrary with laws and relevant regulations.

In 2009, the Audit Committee members performed a self assessment questionnaire on the adequacy of the internal control system in regards to organizational control and environment measures, risk management measures, management control activities, information and communication measures, and monitoring. Regarding the evaluation result, the Audit Committee gave the opinion that the Company had an appropriate internal control system with its business.

Company's Dividend Policy

(See details of dividend in section 30 and 34 of Notes to Financial Statements)

Any dividend payment will be considered by the Board of Directors and, if approved, be proposed to the shareholders, on a case by case basis, and will take into account prevailing business conditions, outlook, investment opportunities, and other relevant factors.

The Board of Directors' meeting of the Company No. 1/2010 held on 25 February 2010 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for an approval of dividend payment of Baht 0.10 per share, or a total of Baht 199 million from the earnings of the 1 January 2009 to 31 December 2009 period. The dividend will be paid in April 2010.

For our subsidiary's dividend policy, the subsidiary's board will recommend and propose the appropriate dividend to the subsidiary's shareholders by looking at the profit of the subsidiary company and available investment opportunities.

The Board of Directors' meeting of the One Asset Management Co.,Ltd (97% owned by the Company) No. 1/2010 held on 24 February 2010 passed a resolution to propose to the Annual General Meeting of the subsidiary company's shareholders for an approval of dividend payment of Baht 3.3 per share, or a total of Baht 34.7 million from the earnings of the 1 January 2009 to 31 December 2009 period. As an interim dividend payment of Baht 1.1 per share was made during 2009, the final dividend payment would be Baht 2.2 per share, or a total of Baht 23.1 million. The dividend will be paid in March 2010

Related Party Transactions

Related Party Transactions in 2009

See details of related party transactions in Section 29 of Related Party Transactions of Notes to Financial Statements for the year ended 31 December 2009.

Necessity of and reason for transactions

In 2009, the Company's related party transactions, both commission fee and brokerage fee, were general business terms which were approved in principle by the Board. For other related transactions, the Company has process of approval and disclosure in compliance with the regulation, the Audit Committee and the Board of Directors has considered and agreed that these transactions were necessary and reasonable and served the benefit of the Company and shareholders.

Process for approval of related party transactions

The Company certifies that future related party transactions shall be reasonable and serve the benefit of the Company and Shareholders. The process for approval by the Audit Committee, Board and/or shareholders will be carried out in compliance with the notifications, regulations, orders or requirements of the SEC/SET, which include related party transactions and acquisitions or disposal of assets of listed companies or subsidiaries. Connected executives or shareholders will not be involved in that agenda.

Management Discussion & Analysis

(Analysis from consolidated financial statements as of December 31, 2009, "the Company mean the Company together with its subsidiaries")

Analysis of Performance

The Company reported total income of Baht 1,290.25 million and net profit (net income attributable to equity holders of the parent) of Baht 242.34 million (equivalent to earnings per share of Baht 0.12). Details of the Company's performance are as follows:

1. Revenue structure

To diversify its income base, the Company tried to expand its revenue from various businesses such as dealer business, fixed income business, futures business, securities borrowing and lending business, OTC equity derivatives business, and derivatives warrant business and Investment banking business.

In 2009, the Company reported total income of Baht 1,290.25 million. The main elements of the Company's securities income structure were; 50% from brokerage fees from securities business and derivatives business, 23% from gain on trading in securities and derivatives, 16% from fee and service income, 8% from interest and dividends income, and 2% from interest on margin loans and 1% from other income.

(Unit : Baht)				
	2009		2008	
	Amount		Amount	
Income				
Brokerage fee				
Brokerage fee from securities business	570,991,459	44%	478,581,158	35%
Brokerage fee from derivatives business	80,227,889	6%	82,377,524	6%
Fee and service income	200,707,183	16%	233,150,796	17%
Gain (Loss) on trading in securities	(331,147,935)	(26%)	195,858,757	14%
Gain on trading in derivatives	627,624,040	49%	155,614,638	11%
Interest and dividends	104,752,477	8%	135,010,520	10%
Interest on margin loans	28,089,902	2%	77,237,906	6%
Other income	9,008,117	1%	5,640,695	1%
Total income	1,290,253,132	100%	1,363,471,994	100%

2. Changes in income and expenses

2.1 Change in securities business income

2.1.1 Brokerage fee

Brokerage fee from securities business

Brokerage fee increased from Baht 478.58 million in 2008 to Baht 570.99 million in 2009. Accordingly, the daily average turnover increased and the Company's market share increased from 3.75% in 2008 to 3.88% in 2009.

Brokerage fee from derivatives business

The average daily total turnover of TFEX increased from Baht 3,810 million in 2008 to Baht 5,589 million in 2009 due to growth in Gold Futures turnover which was launched in February 2009, the major investor base investing in Gold Futures was with Gold Futures Brokers, which caused the Company's brokerage fee from derivatives business to decrease from Baht 82.38 million in 2008 to Baht 80.23 million in 2009. With increased competition, the Company's market share decreased and in 2009 the Company was ranked third with 7.78%.

2.1.2 Fee and service income

The Company's fee and service income decreased from Baht 233.15 million in 2008 to Baht 200.71 million in 2009. The main fee and service income was from mutual fund management fees and private fund management fees, which were Baht 153.82 million and Baht 18.85 million, respectively. These income fees were from One Asset Management Limited (a 97% owned by the Company). The changes in fee and service income are as follows:

	2009	%	2008	%
Fee and Service Income	Baht		Baht	
Mutual fund management fee	153,823,345	76.64%	165,029,021	70.78%
Private fund management fee	18,846,187	9.40%	26,910,051	11.54%
Provident fund management fee	1,246,320	0.62%	1,233,279	0.53%
Management fee, registrar and custodian fees	9,083,677	4.53%	9,886,152	4.24%
Underwriting fee	905,431	0.45%	2,453,460	1.05%
Financial advisory fee	3,440,514	1.71%	5,484,200	2.35%
Securities borrowing and lending fee	9,355,736	4.66%	7,577,337	3.25%
Selling agent fee	3,736,846	1.86%	13,564,479	5.83%
Others	269,127	0.13%	1,012,817	0.43%
Total Fee and Service Income	200,707,183	100.00%	233,150,796	100.00%

2.1.3 Gain on trading in securities and derivatives

The Company recognized a gain on trading in securities and derivatives business of Baht 296.48 million in 2009 and the details are as follows.

Unrealised gain on revaluation of investments held for trading	4,176,233	Baht
Gain (loss) of securities borrowed under the securities borrowing and lending business	(495,524,910)	Baht
Realised gain on trading of securities	160,200,742	Baht
Unrealised gain on revaluation of derivatives	16,885,739	Baht
Realised gain on derivatives	610,738,301	Baht
Total	296,476,105	Baht

2.1.4 Interest and Dividend Income

The Company's interest and dividend income decreased from Baht 135.01 million in 2008 to Baht 104.75 million in 2009. The main reasons were a decrease in interest on deposits at banks and financial institutions and a decrease in dividends from investments.

2.1.5 Interest on Margin Loans

The Company's interest on margin loans decreased from Baht 77.24 million in 2008 to Baht 28.09 million in 2009 as there was a decrease in credit balance accounts and the interest rate on margin loans decreased following the market rate.

2.2 Change in Expenses

The Company's total expenses decreased from Baht 1,109.90 million in 2008 to Baht 961.56 million in 2009, details are as follows:

	2009		2008	
	Expenses (Million Baht)	% of total income	Expenses (Million Baht)	% of total income
Expenses on borrowings	32.93	3%	77.75	6%
Fee and Service Expenses	122.18	9%	96.65	7%
Bad debt and doubtful accounts (Reversal)	(0.98)	-	150.50	11%
Operating Expenses	807.43	63%	784.99	57%
personnel expenses	414.27	32%	395.04	29%
premises and equipment expenses	160.34	13%	138.63	10%
taxes and duties	2.37	-	5.18	-
directors and management's remuneration	113.27	9%	112.36	8%
other expenses	117.18	9%	133.79	10%
Total expenses	961.56	75%	1,109.90	81%

2.2.1 Expenses on borrowings

Expenses on borrowings decreased from Baht 77.75 million in 2008 to Baht 32.93 million in 2009. The decrease was from decrease of interest paid on securities sold under repurchased agreement, interest paid to credit balance accounts and interest paid to borrowing from financial institutional, interest paid to cash balance accounts, interest paid to derivatives business receivables.

Expenses on borrowings of Baht 32.93 million in 2009, comprising interest paid on securities sold under repurchased agreement of Baht 18.19 million, interest paid to credit balance account of Baht 2.27 million, interest paid to financial institution of Baht 0.18 million, interest paid to cash balance accounts of Baht 4.02 million, and interest paid to derivatives business receivables of Baht 8.27 million.

2.2.2 Fee and Service Expenses

Fee and service expenses increased from Baht 96.65 million in 2008 to Baht 122.18 million in 2009. The increase was from increase of fees from brokerage business and fee from derivatives business, fees from securities borrowing and lending business, and others fees and service expenses. Those fees increased which varied with the Company's transactions.

2.2.3 Bad debt and doubtful accounts

The Company has provided an allowance for doubtful debts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor.Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, and consideration of other relevant factors.

In 2009, the Company transferred-back bad debt and doubtful accounts of Baht (0.98) million, which was from the Company recorded doubtful accounts of Baht 7.60 million and had transferred-back such doubtful accounts from settlement of Baht (8.58) million.

2.2.4 Operating Expenses

The Company's operating expenses increased from Baht 784.99 million in 2008 to Baht 807.43 million in 2009. The operating expenses comprised personnel expenses of Baht 414.27 million, premises and equipment expenses of Baht 160.34 million, taxes and duties of Baht 2.37 million, directors and management's remuneration of Baht 113.27 million, and other expenses of Baht 117.18 million.

3. Performance

In year 2009, the Company reported net profit (net income attributable to equity holders of the parent) of Baht 242.34 million and earnings per share of Baht 0.12, a gross profit margin of 87.89%, net profit margin of 18.78%, and return on equity of 5.41%.

Analysis of Financial Status

As of 31 December 2009, the Company had total assets of Baht 8,059.34 million, total liabilities of Baht 3,542.99 million and total shareholders' equity (equity attributable to Company's shareholders) of Baht 4,511.02 million. Analysis of financial status is as follows:

1. Assets

a) Investments in debt and equity securities

As of 31 December 2009, the Company had total investments in debt and equity securities of Baht 5,425.58 million comprised of net investments of short-term investments of Baht 4,666.71 million and long term investment of Baht 758.87 million. (See details in note of financial statements No 8: Investments in debt and equity securities.)

b) Net securities and derivatives business receivables and accrued interest receivables

As of 31 December 2009, the Company had net securities and derivatives business receivables totaling Baht 1,539.25 million, details as follows:

Unit :Baht	<u>2009</u>
<u>Securities business receivables</u>	
Cash accounts	666,278,320
Credit balance loans	407,323,842
Receivables under securities borrowing and lending business :-	
- Guarantee deposit receivables	270,055,489
- Securities borrowing receivables	171,169,785
Other receivables :-	
- Installment receivables	448,849,302
- Overdue customers' accounts	534,095
Total securities business receivables	1,964,210,833
Add : Accrued interest receivables	13,198,185
Less : Allowance for doubtful accounts	(438,157,077)
Securities business receivables - net	1,539,251,941
Total securities and derivatives business receivable - net	1,539,251,941

The Company had classified its securities business receivables in accordance with the relevant guidelines issued by the SEC governing accounting for the doubtful debts of securities companies. As of 31 December 2009, Baht 30 million were classified as substandard debt and Baht 432 million were classified as doubtful debt. The Company had set aside full provision for doubtful debt.

2. Liquidity

As of 31 December 2009, the value of the Company's liquid assets was Baht 4,842.73 million (equivalent to 60% of total assets). These liquid assets consisted of Baht 208.92 million in cash and cash equivalents, Baht 2,501.38 million in government securities and Baht 2,132.43 million of listed securities.

The Company has policy to reserve Net Capital Rule and Net Capital Ratio (NCR) higher than SEC's regulation which specified that the Net Capital Rule and Ratio must not be lower than Baht 25 million and 7% of liabilities and guarantees. The Company's NCR in past 3 year are as follows.

Capital Fund	31 Dec 2009	31 Dec 2008	31 Dec 2007
Net Liquid Capital Rule (Million Baht)	2,842	2,910	2,944
Net Liquid Capital Rule (NCR) ratio (%)	208%	426%	189%

3. Appropriateness of capital structure

As of 31 December 2009, the Company has an appropriate capital structure; debt to equity ratio was only 0.79 times.

4. Research and Development

In 2010, the Company has had plans to launch new products as follows.

Gold Futures Mini Contracts with 10 baht of multiplier, Interest Rate Futures & Bond Futures

In 2010, the Company is now preparing staff and system for new product that will be launched by TFEX. TFEX plans to launch Gold Futures mini contract with 10 baht of multiplier, interest rate futures and bond futures. These futures will increase the alternatives for investors.

Derivative Warrants (DW)

In 2010, the Company plans to launch 10 more DWs linked to many leading stocks. This number is subject to market sentiment and the local political atmosphere which directly affect the launch of DWs.

Equity Exchange Traded Fund (Equity ETF)

Thailand's first equity ETF (TDEX) and TFTSE have been great successes. The Company, as one of consortium members of TDEX and TFTSE, sees opportunities in other equity ETFs. Moreover the Company continuously exchanges knowledge with Asset Management companies in many countries in order to improve the Company's system. With its extensive experience, infrastructure and staff, the Company is ready to launch new ETFs. The Company is confident that with its extensive experience and technology it will play a major role in other equity ETFs such as equity ETF on SET Bank Sector, equity ETF linked to Foreign Index and Gold ETF.

Structured Note (SN)

The Company is now developing and preparing to issue Structured Notes, a debt security with one or more special features, such as making payments based on an underlying. The Company as an issuer can design the features of the Structured Note to match a client's risk and return.

The risk management department will strengthen its systems to better protect the Company and to support the new businesses.

Financial Statements

The Company's Auditors and the Auditor's opinion

The Company appointed Mrs. Nonglak Pumnoi, Certified Public Accountant registration No. 4172 of Ernst & Young Office Ltd. as the Company's auditor for 2009-2008. It is the Auditor's opinion that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for the year ended 31 December 2009 and 2008 present fairly, in all material respects, in accordance with generally accepted accounting principles. (See Financial Statements for 2009-2008 in page 56)

Audit fees

A) Audit fees

In 2009, the Company and its subsidiaries paid audit fees to auditor (Ernst & Young Office Limited) and any persons or companies related to auditor as follows:

Company and its subsidiary	Auditor	Audit Fee (Baht)	Audit Fee (HK Dollar)
KGI Securities (Thailand) Plc.	Ernst & Young Office Limited	1,500,000*	-
One Asset Management Limited	Ernst & Young Office Limited	380,000	-
KGI Securities (Thailand) International Holdings Limited	Ernst & Young Hong Kong	-	32,000
KGI (Thailand) Holdings Limited	Ernst & Young Hong Kong	-	60,000
Total Audit Fee		1,880,000	92,000

Note : *The above fees are exclusive of out-of-pocket expenses such as traveling, fax and photocopying charges which will be charged to the Company at actual cost

B) Non-audit fees

In 2009, the Company and its subsidiaries paid non-audit fees to auditor (Ernst & Young Office Limited) and any persons or companies related to auditor as follows:

Company and its subsidiary	Non-audit service	The auditor's firm, persons and companies related to the auditor	Non-audit fees	
			Year 2009 (Baht)	Year 2009 (HK Dollar)
KGI Securities (Thailand) Plc.	Tax Service	Ernst & Young Corporate Services Limited	120,000	-
KGI Securities (Thailand) International Holdings Limited	Tax Service	Ernst & Young Tax Services Limited	-	8,500
Total Non-Audit Fee			120,000	8,500

There is no further expense for services not yet completed which will become payable in the near future.

Report of Independent Auditor

To the Shareholders of KGI Securities (Thailand) Public Company Limited

I have audited the accompanying consolidated balance sheets of KGI Securities (Thailand) Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of KGI Securities (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries 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 positions of KGI Securities (Thailand) Public Company Limited and its subsidiaries and of KGI Securities (Thailand) Public Company Limited as at 31 December 2009 and 2008, the results of their 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: 25 February 2010

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Balance sheets
As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets					
Cash and cash equivalents	6	208,914,996	1,916,612,980	171,164,600	1,771,670,318
Long-term deposits at financial institutions	7	131,067,536	28,814,053	2,000	-
Investments in debt and equity securities	8				
Short-term investments, net		4,666,706,408	1,985,099,216	4,666,706,408	1,985,099,216
Long-term investments, net		758,870,213	783,314,628	20,749,963	12,969,963
Net investments in debt and equity securities		5,425,576,621	2,768,413,844	4,687,456,371	1,998,069,179
Investments in subsidiaries	9	-	-	2,623,223,160	2,622,744,581
Receivables from Clearing House	10	362,811,134	61,129,405	362,811,134	61,129,405
Securities and derivatives business receivab	11	1,539,251,941	1,433,586,582	1,539,251,941	1,433,586,582
Other derivatives assets		8,560	9,600	8,560	9,600
Land, premises and equipment - net	13	178,300,335	224,515,553	171,705,781	216,583,483
Intangible assets - net	14	27,125,023	25,709,146	23,090,613	19,957,795
Goodwill		26,713,599	26,713,599	-	-
Property foreclosed - net	15	63,799,155	63,799,155	63,799,155	63,799,155
Other assets		95,773,443	105,291,270	69,689,825	76,514,065
Total assets		8,059,342,343	6,654,595,187	9,712,203,140	8,264,064,163

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Balance sheets (continued)
As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
Liabilities and shareholders' equity					
Borrowings	16	340,000,000	-	340,000,000	-
Securities sold under repurchased agreemer	17	1,590,005,046	1,129,192,099	1,590,005,046	1,129,192,099
Payables to Clearing House		245,919,197	11,752,455	245,919,197	11,752,455
Securities and derivatives business payables	18	1,024,017,718	776,305,395	1,024,017,718	776,305,395
Subordinated loans from a subsidiary compa	19, 29	-	-	1,700,000,000	1,700,000,000
Accrued expenses		161,269,084	126,152,703	139,372,708	99,367,693
Corporate income tax payable		44,009,880	14,727,039	36,964,677	7,992,888
Other derivatives liabilities		82,101,156	16,906,588	82,101,156	16,906,588
Estimated liabilities		18,002,250	18,002,250	18,002,250	18,002,250
Other liabilities		37,665,818	105,295,766	36,614,160	102,924,202
Total liabilities		3,542,990,149	2,198,334,295	5,212,996,912	3,862,443,570
Shareholders' equity					
Share capital					
Registered					
1,991,763,130 ordinary shares of Baht 1.00 each		1,991,763,130	1,991,763,130	1,991,763,130	1,991,763,130
Issued and fully paid-up					
1,991,763,130 ordinary shares of Baht 1.00 each		1,991,763,130	1,991,763,130	1,991,763,130	1,991,763,130
Share premium		982,166,480	982,166,480	982,166,480	982,166,480
Surplus from unexercised warrants		101,922,580	101,922,580	101,922,580	101,922,580
Translation adjustment		22,345,104	54,840,837	-	-
Retained earnings					
Appropriated - statutory reserve	22	120,800,000	108,300,000	120,800,000	108,300,000
Unappropriated		1,292,019,052	1,211,500,672	1,302,554,038	1,217,468,403
Equity attributable to company's shareholders		4,511,016,346	4,450,493,699	4,499,206,228	4,401,620,593
Minority interest - Equity attributable to minority					
shareholders of subsidiary		5,335,848	5,767,193	-	-
Total shareholders' equity		4,516,352,194	4,456,260,892	4,499,206,228	4,401,620,593
Total liabilities and shareholders' equity		8,059,342,343	6,654,595,187	9,712,203,140	8,264,064,163

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Income statements
For the years ended 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	2009	2008	2009	2008
Income					
Brokerage fee					
Brokerage fee from securities business		570,991,459	478,581,158	570,991,459	478,581,158
Brokerage fee from derivatives business		80,227,889	82,377,524	80,227,889	82,377,524
Fee and service income	23	200,707,183	233,150,796	20,180,538	24,664,691
Gain (loss) on trading in securities	8.4	(331,147,935)	195,858,757	(331,147,935)	195,858,757
Gain on trading in derivatives	8.5	627,624,040	155,614,638	627,624,040	155,614,638
Interest and dividends		104,752,477	135,010,520	133,046,261	197,605,375
Interest on margin loans		28,089,902	77,237,906	28,089,902	77,237,906
Other income		9,008,117	5,640,695	9,016,649	4,667,803
Total income		<u>1,290,253,132</u>	<u>1,363,471,994</u>	<u>1,138,028,803</u>	<u>1,216,607,852</u>
Expenses					
Expenses on borrowings		32,934,645	77,749,622	32,934,645	77,749,622
Fees and service expenses		122,177,736	96,653,930	102,530,222	73,631,528
Bad debt and doubtful accounts (reversal)		(981,495)	150,501,885	(981,495)	150,501,885
Operating expenses					
Personnel expenses	24	414,273,807	395,042,132	357,854,432	335,426,150
Premises and equipment expenses		160,336,609	138,628,961	143,248,837	121,468,514
Taxes and duties		2,371,418	5,177,324	2,263,539	4,967,597
Directors and management's remuneration	26	113,271,457	112,356,483	92,052,205	89,274,093
Other expenses		117,175,795	133,788,435	90,855,720	107,752,710
Total operating expenses		<u>807,429,086</u>	<u>784,993,335</u>	<u>686,274,733</u>	<u>658,889,064</u>
Total expenses		<u>961,559,972</u>	<u>1,109,898,772</u>	<u>820,758,105</u>	<u>960,772,099</u>
Income before corporate income tax		<u>328,693,160</u>	<u>253,573,222</u>	<u>317,270,698</u>	<u>255,835,753</u>
Corporate income tax	27	(85,268,153)	(64,939,982)	(70,360,384)	(45,888,177)
Net income for the year		<u>243,425,007</u>	<u>188,633,240</u>	<u>246,910,314</u>	<u>209,947,576</u>
Net income attributable to					
Equity holders of the parent		242,343,059	187,118,450	<u>246,910,314</u>	<u>209,947,576</u>
Minority interests of the subsidiary		1,081,948	1,514,790		
		<u>243,425,007</u>	<u>188,633,240</u>		
Basic earnings per share					
Net income attributable to equity holders of th	28	0.12	0.09	0.12	0.11

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

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to the parent's shareholders						Minority interest -		
							Total	equity attributable	
			Surplus from	Translation	Retained earnings		equity attributable to	to minority	
	Share capital	Share premium	unexercised	adjustment	Appropriated	Unappropriated	the parent's	shareholders	Total
			warrants				shareholders	of subsidiary	
Balance as at 31 December 2007	1,991,763,130	982,166,480	101,922,580	37,545,403	97,800,000	1,273,773,554	4,484,971,147	7,492,797	4,492,463,944
Income and expenses recognised directly in equity:									
Translation adjustment	-	-	-	17,295,434	-	-	17,295,434	-	17,295,434
Net income and expenses recognised directly in equity	1,991,763,130	982,166,480	101,922,580	54,840,837	97,800,000	1,273,773,554	4,502,266,581	7,492,797	4,509,759,378
Net income for the year	-	-	-	-	-	187,118,450	187,118,450	1,514,790	188,633,240
Total income and expenses for the year	1,991,763,130	982,166,480	101,922,580	54,840,837	97,800,000	1,460,892,004	4,689,385,031	9,007,587	4,698,392,618
Dividend paid (Note 30)	-	-	-	-	-	(238,891,332)	(238,891,332)	-	(238,891,332)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	-	10,500,000	(10,500,000)	-	-	-
Decrease in minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	-	-	(3,240,394)	(3,240,394)
Balance as at 31 December 2008	1,991,763,130	982,166,480	101,922,580	54,840,837	108,300,000	1,211,500,672	4,450,493,699	5,767,193	4,456,260,892
Balance as at 31 December 2008	1,991,763,130	982,166,480	101,922,580	54,840,837	108,300,000	1,211,500,672	4,450,493,699	5,767,193	4,456,260,892
Income and expenses recognised directly in equity:									
Translation adjustment	-	-	-	(32,495,733)	-	-	(32,495,733)	-	(32,495,733)
Net income and expenses recognised directly in equity	1,991,763,130	982,166,480	101,922,580	22,345,104	108,300,000	1,211,500,672	4,417,997,966	5,767,193	4,423,765,159
Net income for the year	-	-	-	-	-	242,343,059	242,343,059	1,081,948	243,425,007
Total income and expenses for the year	1,991,763,130	982,166,480	101,922,580	22,345,104	108,300,000	1,453,843,731	4,660,341,025	6,849,141	4,667,190,166
Dividend paid (Note 30)	-	-	-	-	-	(149,324,679)	(149,324,679)	-	(149,324,679)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	-	12,500,000	(12,500,000)	-	-	-
Decrease in minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	-	-	(1,513,293)	(1,513,293)
Balance as at 31 December 2009	1,991,763,130	982,166,480	101,922,580	22,345,104	120,800,000	1,292,019,052	4,511,016,346	5,335,848	4,516,352,194

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Separate financial statements						
	Surplus from			Translation	Retained earnings		
	Share capital	Share premium	unexercised warrant	adjustment	Appropriated	Unappropriated	Total
Balance as at 31 December 2007	1,991,763,130	982,166,480	101,922,580	-	97,800,000	1,256,912,159	4,430,564,349
Net income for the year	-	-	-	-	-	209,947,576	209,947,576
Dividend paid (Note 30)	-	-	-	-	-	(238,891,332)	(238,891,332)
Unappropriate retained earnings transferred to							
statutory reserve (Note 22)	-	-	-	-	10,500,000	(10,500,000)	-
Balance as at 31 December 2008	1,991,763,130	982,166,480	101,922,580	-	108,300,000	1,217,468,403	4,401,620,593
Balance as at 31 December 2008	1,991,763,130	982,166,480	101,922,580	-	108,300,000	1,217,468,403	4,401,620,593
Net income for the year	-	-	-	-	-	246,910,314	246,910,314
Dividend paid (Note 30)	-	-	-	-	-	(149,324,679)	(149,324,679)
Unappropriate retained earnings transferred to							
statutory reserve (Note 22)	-	-	-	-	12,500,000	(12,500,000)	-
Balance as at 31 December 2009	1,991,763,130	982,166,480	101,922,580	-	120,800,000	1,302,554,038	4,499,206,228

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Cash flow statements
For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income before corporate income tax	328,693,160	253,573,222	317,270,698	255,835,753
Adjustments to reconcile net income before corporate income tax to net cash provided by (paid from) operating activities:				
Bad debt and doubtful accounts	7,593,386	157,011,875	7,593,386	157,011,875
Depreciation and amortisation	64,272,309	37,438,094	59,105,263	32,132,413
Unrealised gain on revaluation of investments	(18,391,581)	(207,516,633)	(18,391,581)	(207,516,633)
Discount on investment in debt securities of a subsidiary	(24,393)	(24,393)	-	-
Loss on write-off of equipments	439,440	2,910,605	439,440	2,910,605
Gain on sales of equipments	(1,753,557)	(4,798,398)	(1,760,490)	(3,825,507)
Interest income from deposits and investments	(76,716,658)	(85,934,679)	(73,496,084)	(79,557,833)
Dividend income	(11,805,968)	(21,139,025)	(43,321,254)	(90,134,230)
Interest expenses	33,170,401	78,067,789	32,934,644	77,749,622
Income from operating activities before changes in operating assets and liabilities	325,476,539	209,588,457	280,374,022	144,606,065
Decrease (increase) in operating assets				
Long-term deposits at financial institutions	(102,253,483)	229,578,161	(2,000)	146,898,161
Short-term investments	(2,677,430,959)	1,183,265,690	(2,677,430,959)	1,183,265,690
Receivables from Clearing House	(307,267,829)	177,733,936	(307,267,829)	177,733,936
Securities and derivatives business receivables	(113,258,745)	707,263,033	(113,258,745)	707,263,033
Other derivatives assets	(2,800)	(7,200)	(2,800)	(7,200)
Property foreclosed	-	1,240,000	-	1,240,000
Other assets	4,191,479	(13,964,486)	1,570,783	(15,409,574)
Increase (decrease) in operating liabilities				
Securities sold under repurchased agreements	460,812,947	(600,040,987)	460,812,947	(600,040,987)
Payables to Clearing House	234,166,742	(493,563,602)	234,166,742	(493,563,602)
Securities and derivatives business payables	245,041,933	(245,909,938)	245,041,933	(245,909,938)
Accrued expenses	35,554,316	(36,167,245)	40,442,950	(42,828,091)
Other derivatives liabilities	87,670,246	12,944,218	87,670,246	12,944,218
Other liabilities	(1,371,433)	(5,369,222)	195,400	9,730,405
Cash flows from (used in) operating activities	(1,808,671,047)	1,126,590,815	(1,747,687,310)	985,922,116
Cash received from interest on deposits and investment	82,072,995	91,076,105	78,779,528	84,696,359
Cash paid for interest expenses	(33,608,337)	(78,381,563)	(33,372,580)	(78,063,396)
Cash paid for corporate income tax	(55,985,312)	(143,227,983)	(41,388,595)	(121,432,489)
Net cash flows from (used in) operating activities	(1,816,191,701)	996,057,374	(1,743,668,957)	871,122,590

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries
Cash flow statements (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities				
Cash paid for purchase of investment in a subsidiary corp	(478,580)	(835,598)	(478,580)	(835,598)
Cash paid for purchase of long-term investments	(7,780,000)	-	(7,780,000)	-
Dividend received on investment	11,775,980	21,139,025	11,775,980	21,139,025
Dividend received from a subsidiary company	-	-	31,515,286	68,995,205
Cash paid for purchase of equipment and computer softw	(86,514,033)	(112,450,999)	(84,383,736)	(108,352,294)
Proceed from sales of equipment	1,849,743	6,833,802	1,838,968	5,860,905
Net cash flows used in investing activities	(81,146,890)	(85,313,770)	(47,512,082)	(13,192,757)
Cash flows from financing activities				
Cash received from borrowings	340,000,000	-	340,000,000	-
Repayment of borrowings	-	(606,954)	-	(606,954)
Dividend paid	(149,324,679)	(238,891,332)	(149,324,679)	(238,891,332)
Dividend paid to minority interest	(1,034,714)	(2,404,795)	-	-
Net cash flows from (used in) financing activities	189,640,607	(241,903,081)	190,675,321	(239,498,286)
Net increase (decrease) in cash and cash equivalents	(1,707,697,984)	668,840,523	(1,600,505,718)	618,431,547
Cash and cash equivalents at beginning of year	1,916,612,980	1,247,772,457	1,771,670,318	1,153,238,771
Cash and cash equivalents at end of year	208,914,996	1,916,612,980	171,164,600	1,771,670,318
	-	-	-	-

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

KGI Securities (Thailand) Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the years ended 31 December 2009 and 2008****1. General information****1.1 Corporate information**

KGI Securities (Thailand) Public Company Limited (“the Company”) was incorporated as a public limited company under the Public Limited Companies Act. The Company operates its business in Thailand with 5 securities licenses, securities brokerage, securities dealing, investment advisory, securities underwriting and securities borrowing and lending services. In addition, the Office of the Securities and Exchange Commission (SEC) has granted the Company licenses to operate securities registrar business and derivatives broker business and approval to operate financial advisory business, Over-the-Counter (OTC) derivative business and to act as a sales agent for unit trusts in designed areas as specified by SEC.

The Company's registered office is located on the 8th-11th Floor, Asia Centre Building, 173 South Sathorn Road, Kwang Thungmahamek, Khet Sathorn, Bangkok. As at 31 December 2009, the Company has 13 branches in Bangkok and upcountry (31 December 2008: 14 branches).

2. Basis of preparation

- 2.1** The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with requirement of the Notification 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.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2009	2008	2009	2008	2009	2008
			Percent	Percent	Percent	Percent	Percent	Percent
One Asset Management Limited	Mutual fund management	Thailand	97	97	2.56	3.16	14.45	16.09
KGI Securities (Thailand) International Holdings Limited (HOLDCO)	Holding company	Hong Kong	100	100	0.28	0.45	-	-
KGI (Thailand) Holdings Limited (KTHL)	Holding company	British Virgin Islands	100	100	8.87	11.22	-	-

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) The financial statements of overseas subsidiary companies are translated into Thai Baht at the closing exchange rate as to assets and liabilities, with the exception of those covered by forward exchange contracts which are translated into Thai Baht at the contract rates, and at monthly average exchange rate as to revenues and expenses. The resultant differences are shown under the caption of “Translation adjustment” in shareholders’ equity.
- e) Material balances and transactions between the Company and its subsidiaries, investments in subsidiaries in the Company’s account and the subsidiaries’ share capital have been eliminated from the consolidated financial statements.
- f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

- 2.3** The separate financial statements, which present investments in subsidiaries presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

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

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

Framework for Preparation and Presentation of Financial Statements (revised 2007)

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 years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes 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 Preparation and Presentation of Financial Statements (revised 2007), 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 which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

(a) Brokerage fees

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

(b) Fees and service income

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

(c) Gains (losses) on trading in securities and derivatives

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

(d) Interest and dividends

Interest is recognised as income on an accrual basis. Dividends are recognised as income when the right to receive the dividends is established.

(e) Interest on credit balance loans

Interest is recognised over the term of the loans based on the amount of principal outstanding. No accrual has been made for certain loans which, under Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, are not qualified for recognition of interest on an accrual basis and consideration of other relevant factors.

Discounts or interest already included in the face value of notes receivable or loans are deferred and taken up as income evenly throughout the terms of the notes or loans.

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 maturing within 3 months and call notes receivable and term notes receivable issued by financial institutions with an ordinary maturity of 3 months or less from the date of acquisition and not subject to withdrawal restrictions.

4.4 Recognition and elimination of customer deposits

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

4.5 Securities borrowing and lending

The Ministry of Finance granted the Company approval to conduct securities borrowing and lending business on 26 February 1999, whereby the Company can act as a principal or as an agent of the lender or borrower. The Company records its obligations to return borrowed securities which it has sold short or lent as “Securities borrowing payables” in the balance sheet. At the end of the period the balance of Securities borrowing payables, which securities has sold short is adjusted based on the latest offer price quoted on the Stock Exchange of Thailand. Gains or losses arising from such adjustment are included in determining income. Securities lent to customers are recorded as “Securities borrowing receivables” in the balance sheet. Cash paid or received as collateral for securities borrowing and lending is recorded as “Guarantee deposit receivables” or “Guarantee deposit payables”. Fees for borrowing and lending are recognised on an accrual basis over the term of the lending.

4.6 Investments

- a) Investments in securities held for trading are presented at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in income statements.
- b) Investments in available-for-sale securities are determined at fair value. Changes in the carrying amounts of securities are recorded as separate items in the shareholders’ equity until the securities are sold, the changes are then included in income statements.

- c) Investments in debt securities both due within one year or expected to be held-to-maturity are stated at amortised cost.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are valued at cost net of allowance for impairment (if any).
- e) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on 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.

Loss on impairment of investments (if any) are included in income statements. Allowance for loss on the impairment of other investments is based on net realisable value with reference to the net book value of ordinary share and other relevant factors.

The weighted average method is used for computation of the cost of investments.

4.7 Receivable from Clearing House

Receivable from Clearing House comprises the net balance receivable from Thailand Securities Depository in respect of securities trades settled through the Clearing House of Thailand Securities Depository and the net receivable from Thailand Clearing House. These also include 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 include related accrued interest receivables.

In addition, securities business receivables include the net receivable balances of cash accounts, credit balance accounts, securities borrowings receivable and guarantee deposit receivables (which comprise cash placed as security with securities lenders or securities depositories) and other receivables such as overdue cash customer 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 debts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, and consideration of other relevant factors.

4.9 Land, premises and Equipment/Depreciation

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building and building improvement	20 years
Furniture, fixtures and equipment	5 years
Vehicles	5 years

No depreciation is provided for land and installation in progress.

Depreciation is included in determining income.

4.10 Financial lease

Leases of vehicles which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to the income statements over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

4.11 Intangible assets and amortization

Intangible assets are initially measured at cost. Following initial recognition, 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.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Deferred derivative agent license fee	5 years
Computer software	3 - 5 years

4.12 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

4.13 Property foreclosed

Property foreclosed represents land received in payment of debt from the Company's securities business receivables, and is stated at the lower of cost or net realisable value. Loss on impairment is included in determining income.

4.14 Securities sold under repurchase agreements

The Company enters into sales of securities under agreements to repurchase securities at certain dates in the future at a fixed price. Securities sold under repurchase agreements presented as liabilities in the balance sheet are stated at amounts received from the sale of those securities and the underlying securities are treated as collaterals.

The difference between the purchase and sale considerations is recognised on an accrual basis over the period of the transaction and is included in expenses on borrowings.

4.15 Payable to Clearing House

Payable to Clearing House comprises the net balance payable to Thailand Securities Depository in relation to securities trading settlements made through the Clearing House of Thailand Securities Depository and the net balance payable to Thailand Clearing House.

4.16 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.

4.17 Provisions

Provisions are recognised when the Company and the subsidiaries have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that no independent market value can be obtained, then an estimate is assessed.

4.18 Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.19 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 rate ruling at the balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.20 Impairment of assets

At each reporting date, the Company and its subsidiaries performs impairment reviews in respect of whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.21 Employee benefits

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

4.22 Income tax

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

4.23 Derivatives

The Company engaged in the trading of financial derivative instruments, in response to client demand and/or trading purpose. Derivatives are regarded as off-balance sheet items and changes in the carrying amounts of derivatives are included in determining income.

Obligations under futures which the Company entered into for trading purpose are regarded as off-balance sheet items. Amounts deposited as security for these futures are recorded as receivable from Thailand Clearing House and gains (losses) from changes in the fair value of futures are included in determining income. The fair value of derivatives is based on the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited.

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. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

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 and arrangements.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts of securities and derivative business receivables

Allowances for doubtful accounts of securities and derivative business receivables are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding receivables by taking into account collection risk and the value of the security used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

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.

Impairment of investments

The Company treats other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Land, Premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and salvage values of the Company’s premises and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review land, premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Litigation

The Company and a subsidiary company has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

6. Cash and cash equivalents

	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Cash on hand	785,487	807,613	735,487	757,613
Current deposits and savings deposits	184,194,887	650,730,611	172,634,491	626,237,959
Fixed deposits with maturity date not more than 3 months from the date of acquisition	450,536,057	250,002,024	450,536,057	250,002,024
Promissory notes with maturity date not more than 3 months from the date of acquisition	576,140,000	1,919,206,214	550,000,000	1,798,806,204
Total cash and cash equivalents	1,211,656,431	2,820,746,462	1,173,906,035	2,675,803,800
Less: Cash deposits held for customers	(1,002,741,435)	(904,133,482)	(1,002,741,435)	(904,133,482)
Total cash and cash equivalents - net	208,914,996	1,916,612,980	171,164,600	1,771,670,318

7. Long-term deposits at financial institutions

	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Treasury bills with maturity date more than 3 months from the date of acquisition	200,000,000	100,000,000	200,000,000	100,000,000
Promissory notes with maturity date more than 3 months from the date of acquisition	130,970,000	28,720,000	-	-
Fixed deposits with maturity date more than 3 months from the date of acquisition	200,003,483	300,000,000	200,002,000	300,000,000
Deposits with restriction	94,053	94,053	-	-
Total long-term deposits at financial institutions	531,067,536	428,814,053	400,002,000	400,000,000
Less: Long-term deposits held for customers	(400,000,000)	(400,000,000)	(400,000,000)	(400,000,000)
Total long-term deposits at financial institutions - net	131,067,536	28,814,053	2,000	-

As at 31 December 2009 and 2008, a subsidiary company's fixed deposits with a bank totaling Baht 0.1 million were pledged to secure bank guarantee issued by a commercial bank on behalf of such subsidiary company.

8. Investments in debt and equity securities

(Unit: Baht)

	Consolidated financial statements			
	2009		2008	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Short-term investments				
<u>Trading securities</u>				
Equity securities				
Listed securities	2,069,685,780	2,132,426,785	349,289,132	339,965,577
Derivative warrants	50,605,784	40,855,380	-	-
Unit trusts	11,550	15,688	11,550	14,955
Total	<u>2,120,303,114</u>	<u>2,173,297,853</u>	<u>349,300,682</u>	<u>339,980,532</u>
Debt securities				
Government bonds	2,489,976,621	2,493,408,555	1,580,174,382	1,645,007,804
Corporate debentures	-	-	3,373,712	110,880
Total	<u>2,489,976,621</u>	<u>2,493,408,555</u>	<u>1,583,548,094</u>	<u>1,645,118,684</u>
Total trading securities	<u>4,610,279,735</u>	<u>4,666,706,408</u>	<u>1,932,848,776</u>	<u>1,985,099,216</u>
Add: allowance for revaluation	<u>56,426,673</u>		<u>52,250,440</u>	
Net trading securities	<u>4,666,706,408</u>		<u>1,985,099,216</u>	
Total short-term investments - net	<u>4,666,706,408</u>		<u>1,985,099,216</u>	
Long-term investments				
<u>Other investments</u>				
Foreign unit trusts	714,280,000		745,780,000	
Other securities - ordinary shares	47,914,415		41,093,127	
Less: allowance for impairment	<u>(11,299,809)</u>		<u>(11,509,713)</u>	
Net other investments	<u>750,894,606</u>		<u>775,363,414</u>	
<u>Held-to-maturity debt securities</u>				
Government bonds	<u>7,975,607</u>		<u>7,951,214</u>	
Net held-to-maturity debt securities	<u>7,975,607</u>		<u>7,951,214</u>	
Total long-term investments - net	<u>758,870,213</u>		<u>783,314,628</u>	
Total investments in debt and equity securities - net	<u>5,425,576,621</u>		<u>2,768,413,844</u>	

(Unit: Baht)

	Separate financial statements			
	2009		2008	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Short-term investments				
<u>Trading securities</u>				
Equity securities				
Listed securities	2,069,685,780	2,132,426,785	349,289,132	339,965,577
Derivative warrants	50,605,784	40,855,380	-	-
Unit trusts	11,550	15,688	11,550	14,955
Total	<u>2,120,303,114</u>	<u>2,173,297,853</u>	<u>349,300,682</u>	<u>339,980,532</u>
Debt securities				
Government bonds	2,489,976,621	2,493,408,555	1,580,174,382	1,645,007,804
Corporate debentures	-	-	3,373,712	110,880
Total	<u>2,489,976,621</u>	<u>2,493,408,555</u>	<u>1,583,548,094</u>	<u>1,645,118,684</u>
Total trading securities	<u>4,610,279,735</u>	<u>4,666,706,408</u>	<u>1,932,848,776</u>	<u>1,985,099,216</u>
Add: allowance for revaluation	56,426,673		52,250,440	
Net trading securities	<u>4,666,706,408</u>		<u>1,985,099,216</u>	
Total short-term investments - net	<u>4,666,706,408</u>		<u>1,985,099,216</u>	
 Long-term investments				
<u>Other investments</u>				
Other securities - ordinary shares	27,602,642		19,822,642	
Less: allowance for impairment	(6,852,679)		(6,852,679)	
Net other investments	<u>20,749,963</u>		<u>12,969,963</u>	
Total long-term investments - net	<u>20,749,963</u>		<u>12,969,963</u>	
 Total investments in debt and equity securities - net	<u>4,687,456,371</u>		<u>1,998,069,179</u>	

8.1 Investments subject to restrictions

As at 31 December 2009, investment in government debt securities held for trading included Baht 1,603 million of securities sold under repurchase agreements (31 December 2008: Baht 1,151 million). In addition, investments in held-to-maturity government securities of a local subsidiary amounting to Baht 8 million (31 December 2008: Baht 7.9 million) were pledged as security with the Ministry of Finance, in accordance with the agreement whereby the Ministry of Finance and the Ministry of Industry hired the subsidiary as the fund manager.

8.2 Long-term investments - other foreign investments

As at 31 December 2009, other foreign investments in the consolidated financial statements of Baht 714 million (31 December 2008: Baht 746 million) were investments in unit trusts of a foreign subsidiary which the subsidiary intends to hold for more than one year. Such investments are offshore funds, which invest in debt securities and equity securities of foreign companies.

8.3 Debt securities classified by maturity date

As at 31 December 2009 and 2008, a subsidiary classifies investments in held-to-maturity debt securities by the remaining periods to maturity as follows:

(Unit: Baht)

	Consolidated financial statements			
	2009			
	Maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Government bonds	-	7,975,607	-	7,975,607
Total investments in held-to-maturity debt securities	-	7,975,607	-	7,975,607

(Unit: Baht)

	Consolidated financial statements			
	2008			
	Maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Government bonds	-	7,951,214	-	7,951,214
Total investments in held-to-maturity debt securities	-	7,951,214	-	7,951,214

8.4 Gain (loss) on trading in securities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Unrealised gain (loss) on revaluation of investments held for trading	4,176,233	(3,080,074)	4,176,233	(3,080,074)
Gain (loss) of securities under the securities borrowing and lending business	(495,524,910)	269,478,107	(495,524,910)	269,478,107
Realised gain (loss) on trading of securities	160,200,742	(70,539,276)	160,200,742	(70,539,276)
Total gain (loss) on trading in securities	<u>(331,147,935)</u>	<u>195,858,757</u>	<u>(331,147,935)</u>	<u>195,858,757</u>

8.5 Gain on trading in derivatives

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Unrealised gain on revaluation of derivatives	16,885,739	34,060,538	16,885,739	34,060,538
Realised gain on derivatives	610,738,301	121,554,100	610,738,301	121,554,100
Total gain on trading in derivatives	<u>627,624,040</u>	<u>155,614,638</u>	<u>627,624,040</u>	<u>155,614,638</u>

8.6 Interest and dividend income from investments in securities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Interest income from debt securities	37,180,307	35,519,318	36,555,914	34,894,924
Dividend income from equity securities	11,805,968	21,139,025	11,805,968	21,139,025
Dividend income from subsidiary company	-	-	31,515,286	68,995,205
Total interest and dividend income from investments in securities	<u>48,986,275</u>	<u>56,658,343</u>	<u>79,877,168</u>	<u>125,029,154</u>

8.7 Trading transactions in securities

During the years 2009 and 2008, the Company has significant trading transactions in securities, as detailed below.

a) Current investments in listed equity securities and derivative warrants

(Unit: Million Baht)

	Value of trading volume	
	Consolidated and Separate financial statements	
	2009	2008
Buy	53,621	52,448
Sell	51,850	52,843

b) Futures Contracts traded on the Thailand Futures Exchange

	Number of contracts	
	Consolidated and Separate financial statements	
	2009	2008
Buy	111,584	60,660
Sell	108,213	60,889

c) SET50 Index Option Contracts traded on the Thailand Futures Exchange

	Number of contracts	
	Consolidated and Separate financial statements	
	2009	2008
Buy	5,571	10,023
Sell	5,586	9,994

9. Investments in subsidiary companies

As at 31 December 2009 and 2008, investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Business	Type of Relations	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
			2009	2008	2009	2008	2009	2008	2009	2008
					%	%	Million Baht	Million Baht	Million Baht	Million Baht
<u>Subsidiary companies included in consolidated financial statements</u>										
One Asset Management Limited	Mutual fund management	Shareholding	Baht 105 million	Baht 105 million	97	97	240	240	32	69
KGI Securities (Thailand) International Holdings Limited (incorporated in Hong Kong)	Holding	Shareholding	USD 39 million	USD 39 million	100	100	1,549	1,549	-	-
KGI (Thailand) Holdings Limited (incorporated in British Virgin Islands)	Holding	Shareholding	USD 20 million	USD 20 million	100	100	834	834	-	-
<u>Subsidiary companies excluded from consolidated financial statements</u>										
Thai Thamrong Finance Co., Ltd. (closed)	Finance	Shareholding	Baht 1,218 million	Baht 1,218 million	53	53	-	-	-	-
<u>Associated companies</u>										
Unitech System International Co., Ltd.	Software rights	Shareholding	Baht 42 million	Baht 42 million	40	40	-	-	-	-
Nithipat Finance Plc. (closed)	Finance	Shareholding	Baht 1,080 million	Baht 1,080 million	24	24	-	-	-	-
Total investments in subsidiaries in separate financial statements							2,623	2,623	32	69

9.1 During the year 2009, the Company acquired additional 29,034 ordinary shares of One Asset Management Limited from minority shareholders of that local subsidiary company.

10. Receivables from Clearing House

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2009	2008
Receivables from Thailand Securities Depository	228,983,485	58,723,832
Receivables from Thailand Clearing House	191,607,956	188,728,722
Total receivables from Clearing House	420,591,441	247,452,554
Less: Receivables from Thailand Clearing House for customers	(57,780,307)	(186,323,149)
Receivables from Clearing House - net	362,811,134	61,129,405

11. Securities and derivatives business receivables

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2009	2008
<u>Securities business receivables</u>		
Cash accounts	666,278,320	291,469,530
Credit balance accounts	407,323,842	534,977,231
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	270,055,489	481,456,193
- Securities borrowing receivables	171,169,785	81,201,100
Other receivables		
- Installment receivables	448,849,302	455,802,506
- Overdue customers' accounts	534,095	539,354
Total securities business receivables	1,964,210,833	1,845,445,914
Add: Accrued interest receivables	13,198,185	27,282,712
Less: Allowance for doubtful accounts	(438,157,077)	(439,142,044)
Securities business receivables and accrued interest receivables - net	1,539,251,941	1,433,586,582
Total securities and derivatives business receivables - net	1,539,251,941	1,433,586,582

11.1 As at 31 December 2009, the Company has other receivables totaling Baht 444 million from which recognition of interest income on an accrual basis has been suspended (31 December 2008: Baht 449 million).

11.2 As at 31 December 2009 and 2008, the Company has classified securities business receivables, including related accrued interest receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Million Baht)

	Debt balances		Allowance for doubtful accounts set up by the Company	
	2009	2008	2009	2008
Doubtful debt	432	439	432	439
Substandard debt	30	30	-	-
Total	462	469	432	439
Additional reserve for possible loan loss			6	-
Total			438	439

11.3 As at 31 December 2009, securities business receivables include guarantee deposit receivables of approximately Baht 270 million, which comprise cash which the Company placed as collateral for securities borrowed as part of the securities borrowing and lending business. As at the same date, the fair value of those borrowed listed securities was approximately Baht 232 million. The borrowed securities were sold under short sale transactions or relent to others for all amount (31 December 2008: guarantee deposit receivables Baht 481 million and fair value of listed securities Baht 414 million).

12. Allowance for doubtful accounts

(Unit: Baht)

	Consolidated and Separate financial statements	
	2009	2008
Balance - beginning of the year	439,142,044	288,753,788
Add: Doubtful accounts	7,596,858	157,011,875
Less: Reversal of doubtful accounts	(8,578,353)	(6,509,990)
Bad debt written-off	(3,472)	(113,629)
Balance - end of the year	438,157,077	439,142,044

13. Land, premises and equipment

(Unit: Baht)

Consolidated financial statements							
	Land	Building and improvement	Equipment	Furniture and fixtures	Vehicles	Installation in progress	Total
<u>Cost</u>							
31 December 2008	1,820,000	14,267,456	180,448,723	43,333,630	34,988,486	168,503,661	443,361,956
Purchase	-	311,050	4,247,302	901,901	145,500	12,593,971	18,199,724
Disposal/write-off	-	-	(7,002,345)	(3,132,178)	(2,728,233)	-	(12,862,756)
Transfer in/Transfer out	-	-	93,252,814	73,050,366	-	(175,864,845)	(9,561,665)
31 December 2009	1,820,000	14,578,506	270,946,494	114,153,719	32,405,753	5,232,787	439,137,259
<u>Accumulated depreciation</u>							
31 December 2008	-	12,562,911	138,533,559	41,286,115	26,463,818	-	218,846,403
Depreciation for the year	-	417,169	35,402,248	14,985,044	4,105,578	-	54,910,039
Disposal/write-off	-	-	(6,882,208)	(2,716,696)	(2,728,226)	-	(12,327,130)
Transfer out	-	-	(592,388)	-	-	-	(592,388)
31 December 2009	-	12,980,080	166,461,211	53,554,463	27,841,170	-	260,836,924
<u>Net book value</u>							
31 December 2008	1,820,000	1,704,545	41,915,164	2,047,515	8,524,668	168,503,661	224,515,553
31 December 2009	1,820,000	1,598,426	104,485,283	60,599,256	4,564,583	5,232,787	178,300,335
Depreciation charge included in income statements for the years ended 31 December							
2008							29,550,849
2009							54,910,039

(Unit: Baht)

Separate financial statements							
	Land	Building and improvement	Equipment	Furniture and fixtures	Vehicles	Installation in progress	Total
<u>Cost</u>							
31 December 2008	1,820,000	3,280,000	149,437,464	37,818,289	24,794,807	168,503,661	385,654,221
Purchase	-	-	2,927,943	647,013	-	12,593,971	16,168,927
Disposal/write-off	-	-	(1,308,481)	(3,079,695)	(2,728,233)	-	(7,116,409)
Transfer in /Transfer out	-	-	93,252,814	73,050,366	-	(175,864,845)	(9,561,665)
31 December 2009	1,820,000	3,280,000	244,309,740	108,435,973	22,066,574	5,232,787	385,145,074
<u>Accumulated depreciation</u>							
31 December 2008	-	2,412,910	110,102,662	35,802,759	20,752,407	-	169,070,738
Depreciation for the year	-	164,000	34,007,913	14,921,166	2,466,355	-	51,559,434
Disposal/write-off	-	-	(1,206,042)	(2,664,223)	(2,728,226)	-	(6,598,491)
Transfer out	-	-	(592,388)	-	-	-	(592,388)
31 December 2009	-	2,576,910	142,312,145	48,059,702	20,490,536	-	213,439,293
<u>Net book value</u>							
31 December 2008	1,820,000	867,090	39,334,802	2,015,530	4,042,400	168,503,661	216,583,483
31 December 2009	1,820,000	703,090	101,997,595	60,376,271	1,576,038	5,232,787	171,705,781
Depreciation charge included in income statements for the years ended 31 December							
2008							26,028,045
2009							51,559,434

As at 31 December 2009 and 2008, certain equipment, furniture and fixtures and vehicles of the Company and a subsidiary have been fully depreciated but are still in use. The original cost of those assets before deducting accumulated depreciation was approximately Baht 193 million and Baht 169 million, respectively (The Company only: Baht 153 million and Baht 126 million, respectively).

As at 31 December 2009, a subsidiary company has vehicle under finance lease agreement with net book value amounting to approximately Baht 2 million.

14. Intangible assets

(Unit: Baht)

Consolidated financial statements					
	Remaining amortisation period	Balance as at 1 January 2009	Increase	Amortisation	Balance as at 31 December 2009
Deferred derivative					
agent license fee	15 months	2,401,200	-	(1,067,200)	1,334,000
Computer software	1 - 5 years	23,307,946	10,778,147	(8,295,070)	25,791,023
Total		25,709,146	10,778,147	(9,362,270)	27,125,023

(Unit: Baht)

Separate financial statements					
	Remaining amortisation period	Balance as at 1 January 2009	Increase	Amortisation	Balance as at 31 December 2009
Deferred derivative					
agent license fee	15 months	2,401,200	-	(1,067,200)	1,334,000
Computer software	1 - 5 years	17,556,595	10,678,647	(6,478,629)	21,756,613
Total		19,957,795	10,678,647	(7,545,829)	23,090,613

15. Property foreclosed

(Unit: Baht)

Consolidated and Separate financial statements		
	2009	2008
Cost	71,191,583	71,191,583
Less: Allowance for impairment	(7,392,428)	(7,392,428)
Property foreclosed - net	63,799,155	63,799,155

Property foreclosed represents land received in settlement of the debts of the Company's receivables. They are stated net of allowance for impairment, based on each property's appraised value.

16. Borrowings

As at 31 December 2009, the Company had borrowings in the form of promissory notes with two commercial banks of Baht 200 million Baht 140 million, which carry interests at the rate of 1.61 and 3.45 percent per annum, respectively and having maturity periods in January 2010 and at call, respectively.

17. Securities sold under repurchased agreement

As at 31 December 2009 and 2008, securities sold under repurchased agreements consist of the following:

		(Unit: Baht)	
		Consolidated and Separate financial statements	
		2009	2008
Government bonds		1,590,005,046	1,129,192,099

18. Securities and derivatives business payables

		(Unit: Baht)	
		Consolidated and Separate financial statements	
		2009	2008
Securities business payables of securities trading business		663,218,786	331,605,857
Payables under securities borrowing and lending business			
- Securities borrowing payables		232,279,785	416,524,538
- Guarantee deposit payables		128,519,147	28,175,000
Total securities and derivatives business payables		1,024,017,718	776,305,395

19. Subordinated loans from a subsidiary company

The Company has subordinated loans amounting to Baht 1,700 million from an overseas subsidiary company. These are unsecured, interest free Baht loans with an original maturity in September 2010. During the year, the Company and the subsidiary company agreed to extend the maturity date to 21 March 2011.

20. ESOP warrants

The Company's Board of Directors' meeting held on 24 February 2006 approved the issuance up to 99,236,870 warrants to the Company's directors and employees free of charge. The exercise ratio is to be 1 warrant per 1 ordinary share and the warrants are to be exercisable every 6 months, with a term of no more than 4 years from the first offering date. The ESOP Committee was granted authority to determine the exercise date and exercise price, which is not to be below the par value of the shares.

However, the Company's Board of Directors' meeting held on 20 April 2006 approved the postponement of the issuance of the ESOP warrants in order to review the allocation of warrants, because there had been changes to the Board of Directors. Any issuance of the warrants is subject to approval by a meeting of the shareholders.

As at 31 December 2009, the Company had not yet issued the above ESOP warrants.

21. 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 capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

22. 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.

As at 31 December 2009, the Company had set aside the statutory reserve of Baht 12.5 million from its net income for the year 2009.

23. Fees and services income

(Unit: Baht)

	For the year ended 31 December			
	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Mutual fund management fee	153,823,345	165,029,021	-	-
Private fund management fee	18,846,187	26,910,051	-	-
Provident fund management fee	1,246,320	1,233,279	-	-
Management fee, registrar and custodian fees	9,083,677	9,886,152	29,670	50,235
Underwriting fee	905,431	2,453,460	905,431	2,453,460
Financial advisory fee	3,440,514	5,484,200	3,440,514	5,484,200
Securities borrowing and lending fee	9,355,736	7,577,337	9,355,736	7,577,337
Selling agent fee	3,736,846	13,564,479	4,138,355	6,125,599
Others	269,127	1,012,817	2,310,832	2,973,860
Total fees and services income	<u>200,707,183</u>	<u>233,150,796</u>	<u>20,180,538</u>	<u>24,664,691</u>

24. Number of employees and related cost

(Unit: Thousand Baht)

	For the year ended 31 December			
	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Personnel expenses for the year	421,960	406,569	365,540	346,953
Reversal of prior year accrued bonus expenses	(7,686)	(11,527)	(7,686)	(11,527)
	<u>414,274</u>	<u>395,042</u>	<u>357,854</u>	<u>335,426</u>
Number of employees at end of year (persons)	579	596	491	509

Personnel expenses of the current year and prior year included the reversal of 2008 and 2007 accrued bonuses amounting of Baht 7.7 million and Baht 11.5 million, respectively. These accrued bonuses was recorded at the end of the years at the estimated amounts approved by Board of Directors' meetings. However, the management reconsidered the appropriate amount of bonus paid and concluded that such amount should be less than the estimated amount. The unpaid amount was therefore reversed in the following year.

25. Provident fund

The Company, its local subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and the subsidiary company contributed to the fund monthly at the same rate of 3 to 6 percent of basic salary. The funds of the Company and its subsidiary are managed by One Asset Management Limited and Thanachart Fund Management Company Limited, respectively. The funds will be paid to employees upon termination in accordance with the rules of the fund. During the years ended 31 December 2009 and 2008, Baht 11.6 million and Baht 12.7 million, respectively were contributed to the fund by the Company and its subsidiary. (The Company only: Baht 8.8 million and Baht 9.7 million, respectively).

26. Directors and management's remuneration

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

The directors' remuneration and management's bonuses were recorded at the end of the years at the estimated amount with directors' remuneration based on the amount approved by Board of Directors for the prior year, and the amounts later adjusted when the amount approved by the Annual General Meeting of Shareholders is known.

Directors and management's remuneration for the year were as follows:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Directors and management's remuneration for the year	112,971	106,856	91,752	83,774
Additional of prior year accrued directors' remuneration	300	5,500	300	5,500
	<u>113,271</u>	<u>112,356</u>	<u>92,052</u>	<u>89,274</u>

27. Corporate income tax

Corporate income tax was calculated on net income before income tax for the current year, after adding back expenses and deducting income which are disallowable for tax computation purposes.

28. Earnings per share

Earnings per share presents in the income statements is basic earnings per share which is determined by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

29. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing Policies
	2009	2008	2009	2008	
<u>Transactions with subsidiary Company</u>					
(Eliminated from the consolidated financial statements)					
<u>Commission fee income</u>					
One Asset Management Limited	-	-	2,730	3,408	Commission fee at percentage of net asset value of fund servicing or agreement rate
<u>Transactions with related parties</u>					
<u>Brokerage fee income</u>					
KGI Asia Limited	142	23	142	23	Brokerage fee at the rate 0.15 - 0.25 percent of trade value
KGI Securities Co., Ltd.	546	345	546	345	
KGI Securities (Hong Kong) Limited	6,653	1,833	6,653	1,833	
KGI Finance Limited	5	-	5	-	
<u>Custodian fee income</u>					
Richpoint Company Limited	32	15	32	15	Baht 15 of every Baht 1 million on daily securities outstanding value
Bangkok Tiger Limited	-	28	-	28	
Pacific Line Limited	-	7	-	7	
<u>Capital expenditure for developing computer system (Global Standard Business Program)</u>					
KGI Hong Kong Limited	200	717	200	717	At the rate determined with reference to cost plus 4 percent margin
KGI Securities Co., Ltd.	84	-	84	-	
<u>Transaction of subsidiary companies with related parties</u>					
<u>Management fee</u>					
KGI Hong Kong Limited	616	600	-	-	Fee as stipulated in contacts

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Pricing Policies
	statements		statements		
	2009	2008	2009	2008	
<u>Transactions with management and directors</u>					
<u>Brokerage fee income</u>					
KGI Securities (Thailand) Plc.	111	152	111	152	Brokerage fee at the rate 0.20 - 0.25 percent of trade value
<u>Transactions with related person</u>					
<u>Advisory fee</u>					
KGI Securities (Thailand) Plc.	600	-	600	-	Fee as stipulated in contracts

As at 31 December 2009 and 2008, the outstanding balances of the above transactions, as presented in the balance sheets are as follows:

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
	2009	2008	2009	2008	Pricing Policies
<u>Accrued service fees</u>					No interest charged
<u>Subsidiary company</u>					
(eliminated from the consolidated financial statements)					
One Asset Management Limited	-	-	662	590	
<u>Related company</u>					
Richpoint Company Limited	9	5	9	5	
<u>Securities and derivatives business</u>					No interest charged
<u>receivables</u>					
<u>Related company</u>					
KGI Securities Co., Ltd.	116	-	116	-	
<u>Securities and derivatives business</u>					No interest charged
<u>payables</u>					
<u>Related companies</u>					
KGI Asia Limited	464	22	464	22	
KGI Securities (Hong Kong) Limited	39,823	-	39,823	-	
<u>Accounts payable - Global</u>					No interest charged
<u>Standard Business Program</u>					
<u>Related companies</u>					
KGI Securities Co., Ltd.	121	444	121	444	
KGI Hong Kong Limited	-	409	-	409	
<u>Advances from</u>					No interest charged
<u>Subsidiary company</u>					
KGI Securities (Thailand)	-	-	1,244	1,303	
International Holdings Limited					

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing Policies
	2009	2008	2009	2008	
<u>Other payables and advances from related company of subsidiary companies</u>					No interest charged
<i>Related company</i>					
KGI Hong Kong Limited	104	154	-	-	
<u>Subordinated loans from a subsidiary company</u>					No interest charged
<i>Subsidiary company</i>					
<i>(eliminated from the consolidated financial statements)</i>					
KGI Securities (Thailand)	-	-	1,700,000	1,700,000	
International Holdings Limited					

Company's name	Relationship
One Asset Management Limited	The Company's subsidiary which is 97% held by the Company
KGI Securities (Thailand)	The Company's subsidiary which is 100% held by the Company
International Holdings Limited	
KGI Asia Limited	KGI Group is a major shareholder of KGI Asia Limited and of the Company
KGI Securities Co., Ltd.	KGI Group is a major shareholder of KGI Securities Co., Ltd. and of the Company
KGI Securities (Hong Kong) Limited	KGI Group is a major shareholder of KGI Securities (Hong Kong) Limited and of the Company
KGI Finance Limited	KGI Group is a major shareholder of KGI Finance Limited and of the Company
KGI Hong Kong Limited	KGI Group is a major shareholder of KGI Hong Kong Limited and of the Company
Richpoint Company Limited	It is owned by KGI Group and it is one of major shareholders of the Company
Bangkok Tiger Limited	It is owned by KGI Group and it is one of major shareholders of the Company (closed)
Pacific Line Limited	It is owned by KGI Group and it is one of major shareholders of the Company (closed)

30. Dividends

The Company

During the year 2009 and 2008, the Annual General Meeting of the Company's shareholders passed a resolution for the Company to declare a dividend as follows:

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Dividends for earnings from 1 January 2008 to 31 December 2008	Annual General Meeting of the Company's shareholders on 9 April 2009	149,324,679	0.075
Total for 2009		149,324,679	0.075
Dividends for earnings from 1 January 2007 to 31 December 2007	Annual General Meeting of the Company's shareholders on 10 April 2008	238,891,332	0.12
Total for 2008		238,891,332	0.12

Local subsidiary company

During the year 2009 and 2008, the Annual General Meeting and the Board of Directors' Meeting of a subsidiary company's shareholders approved the payment of dividend as follows:

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Dividends for earnings from 1 January 2008 to 31 December 2008	Annual General Meeting of the subsidiary company's shareholders on 10 March 2009	21,000,000	2.00
Interim dividends for earnings from 1 January 2009 to 30 June 2009	Board of Directors' meeting of the subsidiary company on 26 August 2009	11,550,000	1.10
Total for 2009		32,550,000	3.10
Dividends for earnings from 1 January 2007 to 31 December 2007	Annual General Meeting of the subsidiary company's shareholders on 20 February 2008	29,400,000	2.80
Interim dividends for earnings from 1 January 2008 to 30 June 2008 and from retained earnings	Board of Directors' meeting of the subsidiary company on 19 August 2008	42,000,000	4.00
Total for 2008		71,400,000	6.80

31. Commitments and contingent liabilities**31.1 Significant contingent liabilities as at 31 December 2009 are as follows:**The Company

- 1) In October 2008, the former lessor of the head office's building filed a lawsuit with the Civil Court seeking to have the Court order the Company to sign an extension of the lease agreement, and to pay a deposit of Baht 3.9 million. On 28 January 2009, the Court of First Instance dismissed the lessor's lawsuit, and as a result the Company is not required to enter into a lease agreement and is not required to pay the deposit. However, the plaintiff has appealed the judgment of the Court of First Instance on 27 March 2009. Currently, the case is being heard by the Appeal Court. The management of the Company believes that the Company will not incur any significant losses as a result of the lawsuit.
- 2) In February 2009, the Company received a notice letter from the former lessor of the head office's building requesting the Company make payment of reinstatement charged of Baht 28 million, together with a fine of Baht 28 million per day, commencing from 8 February 2009 until the building reinstatement process has been completed. Currently, negotiations with the former lessor have yet to reach to a conclusion, but the Company recognised estimated liabilities of approximately Baht 18 million in respect of reinstatement of the leased building in the financial statements for the year 2008, based on the estimation of a property consultant.
- 3) In April 2009, a credit balance account customer demanded the Company pay compensation of Baht 0.7 million and submitted an application to the Office of the Securities and Exchange Commission (SEC) for an arbitration process under the SEC's regulations. On 8 October 2009, the Arbitrator issued a ruling ordering the Company to pay damages to such customer in the amount of Baht 0.4 million. On 9 February 2010, the Company filed a petition to the Civil Court requesting the Court order to overrule the Arbitrator's judgment.
- 4) In December 2009, a civil suit was jointly brought against the Company and a debt collection agency in connection with the execution of a legal order against a debtor of the Company. Currently, the lawsuit is pending the initial trial process before the Court of First Instance. However, the Company believes that significant losses will not be incurred by the Company as a result of this lawsuit.

- 5) In January 2010, the Company's debt collection agency ("Debt Collector") terminated its provision of debt collection services and requested that the Company pay service fees or professional fees of not less than of Baht 20 million. Currently, the Debt Collector has filed 11 civil lawsuits against the Company, with the total claimed under these amounting to Baht 2.6 million. The Company has a reasonable belief that there will be no significant losses to the Company as a result of this matter. Moreover, in the opinion of the Company's legal counsel, the Company is unlikely the party in breach of the Debt Collection Service Agreement because the Company has discovered that the Debt Collector breached the agreement by failing to deliver sums to the Company, which constituted an act beyond the authority assigned by the Company. Hence, there are no grounds for the Debt Collector to make such claims against the Company and the Company did not record any liabilities into its accounts.

A subsidiary company

- 1) During the year 2007, a commercial bank filed a lawsuit against a local subsidiary company on grounds of infringement and causing damage to the plaintiff as a result of the loss of securities pledged as collateral, namely units of a mutual funds under management of the subsidiary company, due to the dissolution and liquidation of such funds according to the SEC's regulations. Claims from such litigation total approximately Baht 50 million. The plaintiff claimed that the subsidiary company paid proceeds from the liquidation of the funds to the pledgor of the funds units instead of to the plaintiff, as the pledgee, thereby causing damage to the plaintiff. In fact, the pledgor agreed to invest all proceeds from the liquidation of the funds in another funds under the management of the subsidiary company and the plaintiff is not a damaged party with the legal right to sue the subsidiary company in respect of its not paying the proceeds from the funds liquidation to the plaintiff. In addition, the amount claimed by the plaintiff is much higher than the pledgor's obligation in respect of the funds units. The Court of First Instance ordered the case dismissed on 25 February 2008 and the plaintiff filed an appeal to the Court but subsequently dismissed during the current year. At present, the Appeal Court is in the process of approving the dismissal of the case. Therefore, the management of the subsidiary company believes that the case will not result in any loss and contingent liabilities to the subsidiary company.

- 2) In September 2008, a subsidiary company has been filed as one of accused on the Criminal lawsuit together with the other ordinary persons and juristic persons in connection with the auction sale of the residential loans of the financial institutions with the Financial Sector Restructuring Authority (FRA). At present, the lawsuit is still in the trial process at the First Instance Court. However, Management of the subsidiary company believes that there will be no significant losses to the subsidiary company as a result of this lawsuit.
- 3) In January 2009, a subsidiary company was sued for causing damage to a plaintiff as a result of neglecting to register the pledge of investment units as collateral for a commercial bank. The total amount of the claim is approximately Baht 9 million. The plaintiff alleges that the subsidiary company, as a mutual fund manger, had arranged to have money received from the liquidation of a fund transferred to purchase investment units in a new fund but did not register the pledge of the new investment units with the commercial bank, with which units of the liquidated fund had been pledged. As a result the plaintiff was unable to use funds from the fund's liquidation, lost the opportunity to make other investment and incurred other expenses. Based on the facts, the subsidiary company claims that no wrongdoing was committed and no rights of the plaintiff were infringed as claimed. In addition, the plaintiff is not a legally injured person with authority to sue the subsidiary company and the right in pledge of the new investment units in place of the former units is still with the pledgee bank. In October 2009, the plaintiff lodged a petition to withdraw the lawsuit from the Court, whereby the plaintiff will not claim damages from the subsidiary company. The Court approved the petition and dismissed the case on 3 November 2009.

31.2 Significant commitments as at 31 December 2009 are as follows:

- 1) The Company and its subsidiaries have the significant outstanding commitments under long-term office space, office equipment and motor vehicles rental and services agreements as follows:

(Unit: Million Baht)			
Year	The Company	The Subsidiaries	Total
2010	60.6	9.0	69.6
2011 - 2013	48.9	0.1	49.0
2014 - 2016	0.3	-	0.3

- 2) The Company has an obligation in respect of an agreement related to maintenance of computers and provision of related services under which the Company is to pay a monthly fee of approximately Baht 1.2 million. No due date is stipulated in the agreement.
- 3) The Company has an obligation in respect of IT service agreements with related parties amounting to USD 332,445. The projects' term are 1 to 5 years which are expected to be completed in year 2011. As at 31 December 2009, future obligation under these agreements are USD 146,583.
- 4) The Company is required to pay a membership fee to the Stock Exchange of Thailand comprising a monthly payment of Baht 50,000 and at a rate of 0.005 percent of the trading volume.
- 5) The Company is required to pay contributions to the Compensation Fund for Clearing and Settlement, which is overseen by the Thailand Securities Depository Company Limited (TSD), on a monthly basis, at a rate of 0.008 percent, 0.012 percent or 0.016 percent of its net settlements each month, depend on settlement risk of the Company.
- 6) The Company is required to pay contributions to the Securities Investor Protection Fund, which is overseen by the Stock Exchange of Thailand, on a monthly basis, at a rate of 0.0005 percent of the trading volume.
- 7) The Company has an obligation to pay a service fee under an on-line trading service agreement to Settrade.com Co., Ltd., which is overseen by the Stock Exchange of Thailand, at a rate of 0.0025 - 0.04 percent of its trading volume, with the minimum payment not less than Baht 40,000 per month.
- 8) The Company has an obligation to pay an annual fee of Baht 500,000 to Thailand Future Exchange Public Company Limited and is charged with execution fees for purchases or sales of futures contracts at the rate set by Thailand Future Exchange Public Company Limited.
- 9) The Company has an obligation to pay an annual fee of Baht 300,000 and other service fees as stipulated in the contract to Thailand Clearing House Company Limited.
- 10) The Company is required to pay contributions to the Clearing Fund, which is overseen by the Thailand Clearing House Company Limited, on a monthly basis, at the minimum rate of Baht 1,000. The Thailand Clearing House may change the monthly contribution rate and may request more fund, depend on settlement risk of the Company. During January to March 2010, the Company is required to pay contributions to the Clearing Fund at a rate of 0.04 percent of the average daily Margin Requirement.

- 11) The Company has an obligation to pay service fee upon an on-line derivative trading agreement to Settrade.com Co., Ltd., which is overseen by the Stock Exchange of Thailand, at the rate of Baht 10 - 60 per contract for buying or selling derivative. The minimum fee is set to be Baht 40,000 per month.
- 12) A subsidiary company is required to pay an annual fee to the Office of the Securities and Exchange Commission in relation to securities business licensed for mutual fund management and private fund management. 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.
- 13) The Company has the following commitments in respect of derivative contracts:

- **Derivatives on the Thailand Futures Exchange (TFEX)**

SET50 Index Futures

As at 31 December 2009, the Company has commitments in respect of SET50 Index Futures contracts traded through the Thailand Futures Exchange for 3,278 contracts detailed below.

	Short position	
	No. of Contracts	Cost*
		(Million Baht)
Future contracts of March 2010	3,262	1,677
Future contracts of September 2010	16	8
Total	3,278	1,685

* Delivery method of SET50 Index Futures listed in TFEX is cash settlement. Real exposure is a difference between cost of futures and SET50 Index level on settlement date.

As at 31 December 2009, The SET50 index stood at 520.69 and the contract multiplier is Baht 1,000 per index point.

Single Stock Futures

As at 31 December 2009, the Company has commitments in respect of Single Stock Futures contracts traded through the Thailand Futures Exchange for 232 contracts detailed below.

	Short position	
	No. of Contracts	Cost*
		(Million Baht)
Future contracts of March 2010	232	16
Total	232	16

* Delivery method of Single Stock Futures listed in TFEX is cash settlement. Real exposure is a difference between cost of futures and Single Stock price on settlement date.

Contract size of Single Stock Futures is 1,000 shares per contract.

SET50 Index Options

As at 31 December 2009, the Company has commitments in respect of SET50 Index Options contracts traded through the Thailand Futures Exchange for 15 contracts detailed below.

	Long position		Short position	
	No. of contracts	Cost*	No. of contracts	Cost*
		(Thousand Baht)		(Thousand Baht)
Call options of March 2010	1	4	-	-
Put options of March 2010	2	6	12	41
Total	3	10	12	41

* Cost of options is the premium paid (long position) and the premium received (short position) as at the date of the trade.

- Over-the-Counter derivatives (OTC)

As at 31 December 2009, the Company has commitments in respect of Over-the-Counter derivative contracts as follows:

Short position

- Six option contracts under which the option is a European-style exotic option linked to the SET50 index with theoretical values as of 31 December 2009 totaling Baht 3.77 million.
- One contract of Interest Rate Swap where the Company pays fixed rate and receives floating rate with the theoretical values as of 31 December 2009 totaling Baht 2.96 million.

- Derivative Warrants on the Stock Exchange of Thailand

Short Position

Derivative Warrants linked to listed Stock in the SET50 with fair values based on the offer price quoted in the Stock Exchange of Thailand as of 31 December 2009 totaling Baht 75.33 million.

32. Financial information by segment

The majority of the operations of the Company and its subsidiary companies involve the single business segment of securities related business, including mutual fund management, and are carried on in Thailand, Hong Kong and the British Virgin Islands. As a result, all revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry and geographic areas.

(Unit: Million Baht)

	For the year ended 31 December									
	Securities business (Thailand)		Holding business (Hong Kong and British Virgin Islands)		Mutual fund management (Thailand)		Elimination entries		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total incomes	1,138	1,217	-	-	186	219	(34)	(73)	1,290	1,363
Total expenses	(821)	(961)	(7)	(7)	(137)	(155)	4	13	(961)	(1,110)
Corporate income tax	(70)	(46)	-	-	(15)	(19)	-	-	(85)	(65)
Net income attributable to minority interest	-	-	-	-	-	-	(1)	(1)	(1)	(1)
Net income (loss)	247	210	(7)	(7)	34	45	(31)	(61)	243	187

(Unit: Million Baht)

	For the year ended 31 December									
	Securities business		Holding business		Mutual fund					
	(Thailand)		(Hong Kong and the British Virgin Islands)		(Thailand)		Elimination entries		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Cash and cash equivalents and long-term deposits at financial institutions	171	1,772	8	14	161	159	-	-	340	1,945
Investments in debt and equity securities - net	4,687	1,998	730	762	9	8	-	-	5,426	2,768
Investments in subsidiaries	2,623	2,623	-	-	-	-	(2,623)	(2,623)	-	-
Receivables from Clearing House	363	61	-	-	-	-	-	-	363	61
Securities and derivatives business receivables - net	1,539	1,434	-	-	-	-	-	-	1,539	1,434
Loans and advances to related companies	-	-	1,720	1,718	-	-	(1,720)	(1,718)	-	-
Land, premises and equipment - net	172	216	-	-	6	8	-	-	178	224
Other assets	157	160	-	-	31	35	25	27	213	222
Total assets	9,712	8,264	2,458	2,494	207	210	(4,318)	(4,314)	8,059	6,654

33. Financial Instruments

A 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.

Financial instruments of the Company and its subsidiaries carried in the balance sheets include cash and cash equivalents, long-term deposits at financial institutions, investments, receivables from and payables to Clearing House, securities and derivatives business receivables and payables, borrowings and subordinated loans from a subsidiary company.

Financial risk management policy

The Company and its subsidiary companies are exposed to risks from changes in interest rates and currency exchange rates and risks from nonperformance of contractual obligations by counterparties. The Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to be arisen from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

The accounting policies of derivatives are disclosed in related notes to financial statements.

33.1 Interest Rate Risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company and subsidiary companies.

The exposure to interest rate risk of the Company and its subsidiary companies relate primarily to their cash at banks, long-term investments in debt securities and borrowings. However, because most of the financial assets and liabilities carry floating interest rate which will fluctuated in line with the market interest rates or carry fixed interest rate which approximate the current market interest rate, the Company and its subsidiary companies do not use derivatives to manage their interest rate risk.

As at 31 December 2009 and 2008, the significant financial assets and liabilities classified by types of interest rate and, for the financial assets and liabilities carrying fixed interest rate, by the contractual repricing or maturity date (whichever is earlier) are as follows:

(Unit: Million Baht)

Consolidated financial statements										
Outstanding balance of financial instruments as at 31 December 2009										
	Floating interest rate	Fixed interest rate				Without interest	Total	Float	Fixed	Effective
		Remaining period to the contractual repricing date or maturity date						interest rate	interest rate	interest rate
		Within 1 year	1 - 5 years	Over 5 years	Unspecified			Percentage	Percentage	Percentage
<u>Financial Assets</u>										
Cash and cash equivalents	142	26	-	-	-	41	209	0.68	1.19	0.76
Long-term deposits at financial institutions	-	131	-	-	-	-	131	-	1.54	1.54
Investments in debts and equity securities - net	-	1,182	1,254	65	-	2,925	5,426	-	1.52	1.49
Receivables from Clearing House	134	-	-	-	-	229	363	1.51	-	1.51
Securities and derivatives business receivables - net	270	407	-	-	-	862	1,539	0.73	5.50	3.60
<u>Financial liabilities</u>										
Borrowings	-	340	-	-	-	-	340	-	2.37	2.37
Securities sold under repurchased agreements	-	1,590	-	-	-	-	1,590	-	1.28	1.28
Payables to Clearing House	-	-	-	-	-	246	246	-	-	-
Securities and derivatives business payables	-	-	-	-	-	1,024	1,024	-	-	-

(Unit: Million Baht)

Consolidated financial statements										
Outstanding balance of financial instruments as at 31 December 2008										
		Fixed interest rate						Floating	Fixed	Effective
	Floating	Remaining period to the contractual				interest		interest	interest	interest
	interest rate	repricing date or maturity date				rate	Total	rate	rate	rate
		<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Over 5 years</u>	<u>Unspecified</u>			Percentage	Percentage	Percentage
<u>Financial Assets</u>										
Cash and cash equivalents	237	1,619	-	-	-	61	1,917	1.84	2.72	2.61
Long-term deposits at										
financial institutions	-	29	-	-	-	-	29	-	3.80	3.80
Investments in debt and equity										
securities - net	-	826	209	618	-	1,115	2,768	-	3.32	2.28
Receivable from Clearing										
House	2	-	-	-	-	59	61	2.77	-	2.77
Securities and derivatives										
business receivables - net	481	535	-	-	-	417	1,433	2.00	6.50	4.37
<u>Financial liabilities</u>										
Securities sold under										
repurchased agreements	-	1,129	-	-	-	-	1,129	-	2.77	2.77
Payables to Clearing House	-	-	-	-	-	12	12	-	-	-
Securities and derivatives										
business payables	-	-	-	-	-	776	776	-	-	-

(Unit: Million Baht)

Separate financial statements										
Outstanding balance of financial instruments as at 31 December 2009										
		Fixed interest rate						Floating	Fixed	Effective
	Floating	Remaining period to the contractual				Without		interest	interest	interest
	interest rate	repricing date or maturity date				interest	Total	rate	rate	rate
		Within 1 year	1 - 5 years	Over 5 years	Unspecified			Percentage	Percentage	Percentage
<u>Financial Assets</u>										
Cash and cash equivalents	131	-	-	-	-	40	171	0.73	1.24	0.73
Investments in debts and equity										
securities - net	-	1,182	1,246	65	-	2,194	4,687	-	1.50	1.49
Investments in subsidiaries	-	-	-	-	-	2,623	2,623	-	-	-
Receivables from Clearing										
House	134	-	-	-	-	229	363	1.51	-	1.51
Securities and derivatives										
business receivables - net	270	407	-	-	-	862	1,539	0.73	5.50	3.60
<u>Financial liabilities</u>										
Borrowings	-	340	-	-	-	-	340	-	2.37	2.37
Securities sold under										
repurchased agreements	-	1,590	-	-	-	-	1,590	-	1.28	1.28
Payables to Clearing House	-	-	-	-	-	246	246	-	-	-
Securities and derivatives										
business payables	-	-	-	-	-	1,024	1,024	-	-	-
Subordinated loans from a										
subsidiary company	-	-	-	-	-	1,700	1,700	-	-	-

(Unit: Million Baht)

Separate financial statements										
Outstanding balance of financial instruments as at 31 December 2008										
	Floating	interest rate				interest	interest	Floating	Fixed	Effective
	interest rate	repricing date or maturity date				rate	rate	interest rate	interest rate	interest rate
		Within 1 year	1 - 5 years	Over 5 years	Unspecified			Percentage	Percentage	Percentage
<u>Financial Assets</u>										
Cash and cash equivalents	213	1,499	-	-	-	60	1,772	2.02	2.65	2.57
Investments in debt and equity										
securities - net	-	826	201	618	-	353	1,998	-	3.20	2.29
Investments in subsidiaries	-	-	-	-	-	2,623	2,623	-	-	-
Receivable from Clearing										
House	2	-	-	-	-	59	61	2.77	-	2.77
Securities and derivatives										
business receivables - net	481	535	-	-	-	417	1,433	2.00	6.50	4.37
<u>Financial liabilities</u>										
Securities sold under										
repurchased agreements	-	1,129	-	-	-	-	1,129	-	2.77	2.77
Payables to Clearing House	-	-	-	-	-	12	12	-	-	-
Securities and derivatives										
business payables	-	-	-	-	-	776	776	-	-	-
Subordinated loans from a										
subsidiary company	-	-	-	-	-	1,700	1,700	-	-	-

33.2 Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiary companies.

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables, loans and other accounts receivable. The Company's management controls such risk by establishing credit limits for customers and counter parties and analysing their financial position as an ongoing basis. As a result, the Company does not expect to incur material financial losses.

The Company is not exposed to concentrations of credit risk because it has a variety of customer base and large number of customers. The maximum exposure to credit risk is limited to the carrying amount of securities and derivatives business receivables, loans, other receivables as stated in the balance sheet.

33.3 Liquidity risk

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

The maturity dates of financial instruments held as of 31 December 2009 and 2008, counting from the balance sheet date are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2009					
	At call	within 1 year	1-5 years	over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	18	8	-	-	183	209
Long-term deposits at financial institutions	-	131	-	-	-	131
Investments in debt and equity securities - net	-	1,182	1,254	65	2,925	5,426
Receivables from Clearing House	-	363	-	-	-	363
Securities and derivatives business receivables - net	-	1,109	23	-	407	1,539
<u>Financial liabilities</u>						
Borrowings	140	200	-	-	-	340
Securities sold under repurchased agreements	-	1,590	-	-	-	1,590
Payables to Clearing House	-	246	-	-	-	246
Securities and derivatives business payables	-	1,024	-	-	-	1,024

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2008						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	1,509	110	-	-	298	1,917
Long-term deposits at financial institutions	-	29	-	-	-	29
Investments in debt and equity securities - net	-	826	209	618	1,115	2,768
Receivables from Clearing House	-	61	-	-	-	61
Securities and derivatives business receivables - net	-	868	30	-	535	1,433
<u>Financial liabilities</u>						
Securities sold under repurchased agreements	-	1,129	-	-	-	1,129
Payables to Clearing House	-	12	-	-	-	12
Securities and derivatives business payables	-	776	-	-	-	776

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2009						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	-	-	-	-	171	171
Investments in debts and equity securities - net	-	1,182	1,246	65	2,194	4,687
Investments in subsidiaries	-	-	-	-	2,623	2,623
Receivables from Clearing House	-	363	-	-	-	363
Securities and derivative business receivables - net	-	1,109	23	-	407	1,539
<u>Financial liabilities</u>						
Borrowings	140	200	-	-	-	340
Securities sold under repurchased agreements	-	1,590	-	-	-	1,590
Payables to Clearing House	-	246	-	-	-	246
Securities and derivatives business payables	-	1,024	-	-	-	1,024
Subordinated loans from a subsidiary company	-	-	1,700	-	-	1,700

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2008						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	1,499	-	-	-	273	1,772
Investments in debt and equity securities - net	-	826	201	618	353	1,998
Investments in subsidiaries	-	-	-	-	2,623	2,623
Receivable from Clearing House	-	61	-	-	-	61
Securities and derivatives business receivables - net	-	868	30	-	535	1,433
<u>Financial liabilities</u>						
Securities sold under repurchased agreements	-	1,129	-	-	-	1,129
Payables to Clearing House	-	12	-	-	-	12
Securities and derivatives business payables	-	776	-	-	-	776
Subordinated loans from a subsidiary company	-	-	1,700	-	-	1,700

33.4 Liquidity risk - derivatives

As of 31 December 2009, the Company has liquidity risk in respect of derivatives contracts as follows:

(Unit: Thousand Baht)				
Consolidated and Separate financial statements				
Remaining period before maturity date				
	1 - 6 months	6 months - 1 year	Over 1 year	Total
<u>Derivatives on the Thailand Futures Exchange</u>				
(Maximum exposure with commitment on maturity date)				
SET50 Index Futures				
Short position	16,604	139	-	16,743
Single Stock Futures				
Short position	40	-	-	40
SET50 Index Options				
Long position	8	-	-	8
Short position	2	-	-	2
<u>Derivatives - OTC</u>				
(Maximum exposure with commitment on maturity date)				
Exotic Option				
Short position	87,035	96,020	-	183,055
Interest Rate Swap				
Short position	-	-	36,261	36,261
<u>Derivatives Warrants on the Stock Exchange of Thailand</u>				
(Maximum exposure with commitment on maturity date)				
Derivative Warrant				
Short position	75,046	-	-	75,046

33.5 Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

As of 31 December 2009, the Company has investments in subsidiary companies in foreign currency under cost method of USD 59.4 million (equivalent to Baht 2,383 million). However, the Company also has obtained Thai Baht loans from a subsidiary company totaling Baht 1,700 million.

As at 31 December 2009, the Company and its subsidiaries has not entered into any forward exchange contracts to manage its foreign exchange risk.

33.6 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 and its subsidiary companies have 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, long-term deposits at financial institutions and receivables from Clearing House are considered to approximate their respective carrying values since the financial instruments are predominantly subject to market interest rates. 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 based on the quoted market price. In addition, the fair values of securities business receivables and derivative business receivables are determined based on their book value, less allowance for doubtful accounts.

b) Financial liabilities

Borrowings from financial institutions, securities sold under repurchased agreements, payables to Clearing House and securities business payables and derivative business payables are presented at their book value since they mature in the short-term.

As of 31 December 2009, the Company and its subsidiary companies have no financial instruments of which the book values are materially different from the fair value.

34. Subsequent event

34.1 Approval of extension of the maturity of subordinated loans from a subsidiary company

The Board of Directors' Meeting of the Company held on 25 February 2010 approved the extension of the maturity date of the subordinated loans from 21 March 2011 to 21 September 2011.

34.2 Approval of dividend payment of the Company

The Board of Directors' meeting of the Company No. 1/2010 held on 25 February 2010 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for an approval of dividend payment of Baht 0.1 per share, or a total of Baht 199 million from the earnings of the 1 January 2009 to 31 December 2009 period. The dividend will be paid in April 2010.

34.3 Approval of dividend payment of the subsidiary

The Board of Directors' meeting of the subsidiary company No. 1/2010 held on 24 February 2010 passed a resolution to propose to the Annual General Meeting of the subsidiary company's shareholders for an approval of dividend payment of Baht 3.3 per share, or a total of Baht 34.7 million from the earnings of the 1 January 2009 to 31 December 2009 period. As an interim dividend payment of Baht 1.1 per share was made during 2009, the final dividend payment would be Baht 2.2 per share, or a total of Baht 23.1 million. The dividend will be paid in March 2010.

35. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income of shareholders' equity. The reclassifications are as follows:

	Consolidated financial statement		Separate financial statement	
	As reclassified	As previously reported	As reclassified	As previously reported
Fee and service expenses	96,653,930	95,669,591	-	-
Personnel expenses	395,042,132	489,132,917	335,426,150	411,859,318
Premises and equipment expenses	138,628,961	136,190,156	-	-
Taxes and duties	5,177,324	4,967,597	-	-
Directors' remuneration	-	18,265,698	-	12,840,925
Directors and management's remuneration	112,356,483	-	89,274,093	-
Other expenses	133,788,435	137,421,306	-	-

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2010.

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Mr. Foong Hock Meng - Chairman	53	MS. Operational Research, University of Birmingham, UK	-	-	Nov 2009 - Present	Chairman KGI Securities (Thailand) Plc
					Dec 2009 - Present	Director KGI Wealth Management Ltd. Hong Kong
					Aug 2009 - Present	Director KGI Select Fund SPC Cayman Islands.
					Aug 2009 - Present	Director Bauhinia 8 Fund Cayman Islands
					Aug 2009 - Present	Director Vanderee Pte Ltd. Singapore
					Aug 2009 - Present	Director Hegemony Pte Ltd Singapore
					Jul 2009 - Present	Managing Director KGI Asia Limited Hong Kong
					Jun 2005 - Mar 2009	President and Director PIMCO ASIA Pte Ltd Singapore
					Apr 1999 - July 2005	Managing Director BANK PICTET & CIE (ASIA) Ltd Singapore
Dr. Pisit Leeahtam - Vice Chairman - Independent Director	59	Ph.D. Economics Erasmus University, Netherlands -Director Certification Program class 18/2002 from Thai Institute of Directors Association (IOD)	1,000,000	-	Mar 2004 - Present	Vice Chairman KGI Securities (Thailand) Plc.
					May 2001- Present	Audit Committee Chairman & Independent Director KGI Securities (Thailand) Plc.
					Dec 2005 - Present	Country Chairman Thailand Jardine Matheson (Thailand) Ltd.
					Apr 2001 - Sept 2003	President & Chief Operating Officer TT&T Public Company Limited
					Nov 1997 - Feb 2001	Deputy Minister of Finance Ministry of Finance

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives	Relevant work experiences	
Mr. Chin-Lung Tseng - Director	57	Bachelor's degree, International Trade, Tamkang University	-	-	July 2009 - Present	Director KGI Securities (Thailand) Plc.
					July 2006 - Nov 2009	Chairman KGI Securities (Thailand) Plc.
					Jul 2009 - Present	CEO KGI Securities Co. Ltd. Taiwan
					Mar 2007 - Jul 2009	President & CEO KGI Securities Co. Ltd. Taiwan
					Apr 2006 - Mar 2007	Chairman KGI Securities Co. Ltd. Taiwan
					May 1999 - Present	Director KGI Securities Co. Ltd. Taiwan
					Mar 2005 - Present	Director KGI Asia Limited Hong Kong
					Dec 2004 - Present	Director Taiwan Integrated Shareholder Service Company
					Dec 2007 - Present	Standing Director ChineseTaiwan Securities Association
					Dec 2007 - Present	Director Gre Tai Securities Market
Mr. Wisit Wongpaisan - President	58	MBA, University of East Asia, Macau	-	-	Aug 2001 - Present	President KGI Securities (Thailand) Plc.
					Oct 2000 - Jul 2001	Chief Operating Officer KGI Securities (Thailand) Plc.
					Jun 1993 - Jul 2000	Executive Vice President Bank of Asia Plc.

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Mr. Wei Chang Fang - Chief Operating Officer - Authorized Director	47	MBA, Finance Drexel University, USA	-	-	Sep 2005 – Present	Chief Operating Officer KGI Securities (Thailand) Plc.
					Mar 2003 - Present	Director KGI Capital Asia Limited
					Jan 2004 - Aug 2005	Chief Operating Officer KGI Asia Limited
					Jan 2004 - Aug 2005	Managing Director KGI Hong Kong Limited
					Mar 2003 - Aug 2005	Managing Director KGI Capital Asia Limited
					Jul 2000 - Jun 2002	President -MVP (H.K.) Industries Ltd. -Shinn Hua (China) Machinery Co.,Ltd.
					Apr 1994 - Jun 2000	Managing Director Capital Securities (Hong Kong) Ltd. (Holding Company), has subsidiaries as follows: - CSC Securities (HK) Ltd. - CSC Futures (HK) Ltd. - CSC Asia Ltd. - CSC Brokerage (HK) Ltd. - CSC Finance Ltd.
Dr. Don Bhasavanich - Independent Director	58	MBA, University of Pittsburgh, USA PhD, Electrical Engineering, University of Liverpool, UK -Directors Certification Program class 62/2005 -Audit Committees Program class 7/2005 - Finance for Non- Finance Director Class 8/2004 from Thai Institute of Directors Association (IOD)	-	-	Apr 2001 - Present	Audit Committee & Independent Director KGI Securities (Thailand) Plc
					Nov 2008 - Present	Chief Operating Officer Canadoil Group Ltd
					May 2007 - Present	Managing Director Canadoil Asia Co Ltd
					Oct 2006 - May 2007	Managing Director Thai Copper Industries Plc
					May 2004 - Sep 2006	President NSM Plc
					Oct 2002 - May 2004	CEO Unithai Group of Companies Plc
					Feb 1999 - Oct 2002	Managing Director DHL (Thailand) Plc.

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Mr. Pradit Sawattananond - Independent Director	62	MBA, Central State University, USA.	-	-	Feb 2000 - Present	Audit Committee & Independent Director KGI Securities (Thailand) Plc.
		-Director Certification Program class 3/2000			Mar 2004 - Present	Chairman of the Audit Committee and Independent Director Asia Sermkij Leasing Plc.
		-Audit Committee Program class 3/2004			May 2005 - Feb 2006	Advisor to the Committee on Economics Department, The House of Representative
		- Improving the Quality of Financial Reporting Program class 4/2006			Jan 2004 - Present	Audit Committee Member and Independent Director Thai Film Industries Plc.
		from Thai Institute of Directors Association (IOD)			Dec 2003 - Dec 2006	Director Thailand Securities Depository Co.,Ltd.
		-Chief Financial Officer Certification Program Class 1/2004			Aug 2001 - Feb 2006	Specialist of Committee on Finance, Banking and Financial Institution The House of Representatives
Mr. Eugenio Tan -Independent Director	47	MBA, Stanford University	-	-	Jun 2008 – Present	Independent Director KGI Securities (Thailand) Plc.
					Oct 2007 – Present	Independent Financial Advisor / Investor
					Jan 2004 – Sep 2007	Managing Director HSBC Investment Bank (Hong Kong)
					Jan 2002 – Dec 2003	Managing Director GE Capital (Hong Kong)

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Ms. Bee Leng Ooi - Managing Director - Authorized Director	50	MBA University of Chicago, USA	20,000	-	Apr 2001 - Present	Managing Director KGI Securities (Thailand) Plc.
					Dec 2000 - Present	Director KGI Securities (Thailand) Plc.
					2000	Director, Business Planning KGI Asia Ltd
					1999 - 2000	Managing Director GK GOH Securities Philippines
Ms. Suchada Sodthibhaphkul - Managing Director - Authorized Director	55	MBA Chulalongkorn University, Thailand -Director Certification Program class 38/2003 from Thai Institute of Directors Association (IOD) -Capital Market Academy Leadership Program class 2/2006	-	-	May 2001 - Present	Managing Director KGI Securities (Thailand) Plc.
					Jan 2008 - Present	Director Thai Rubber Latex Corporation (Thailand) Plc.
					1997 - Mar 2001	Executive Director KGI Securities (Thailand) Plc.
					1990 - 1997	Executive Director First Asia Securities Plc.
Ms. Pi-Lin Huang - Authorized Director	40	Bachelor, Accounting National Taiwan University	-	-	Jul 2005 - Present	Director KGI Securities (Thailand) Plc.
					Jan 2005 - Present	Senior Vice President, Finance KGI Securities Co. Ltd, Taiwan
					Mar 2005 - Present	Director KGI Asia Limited, Hong Kong
					Mar 2005 - Present	Director KGI Securities (Hong Kong) Limited
					Mar 2005 - Present	Director KGI Efficient Frontier Ltd. Hong Kong
					Mar 2005 - Feb 2008	Director KGI Securities (Korea) Co., Ltd. Korea
					Mar 2004 - Jan 2005	Manager and Head of Accounting and Credit Control Department Yageo Corp, Taiwan
					1999 - Jan 2004	Manager Deloitte Consulting (Arthur Andersen Business Consulting), Taiwan

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Mr. Yen, Chih-Chien - Authorized Director	45	MBA, MIT, Sloan School of Management LLM, University of Michigan Law School	-	-	Jul 2005 - Present	Director KGI Securities (Thailand) Plc.
					Dec 2009 - Present	Director KGI Wealth Management Limited Hong Kong
					Jan 2005 - Present	Director KGI Efficient Frontier Limited Hong Kong
					Mar 2007 - Present	Director Global Securities Finance Corporation Taiwan
					May 2004 - Present	Executive Vice President KGI Securities Co. Ltd. Taiwan
					Jun 2005 - Feb 2008	Standing Director KGI Securities (Korea) Co., Ltd. Korea
					May 1994 - Mar 2004	Senior Lawyer Lee and Li, Attorneys-at-Law, Taiwan
					Jan 2001 - Jan 2002	Senior Vice President Lee and Li Business Consultant (Shanghai) Co.,Ltd, China

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Mr. Suthep Rungsiam Managing Director Retail Equity Business	42	MBA, Chaminade University of Honolulu, USA	-	-	Nov 2009 - Present	Managing Director, Retail Equity Business KGI Securities (Thailand) Plc.
					2006 - 2008	Deputy Managing Director Globlex Securities Co., Ltd.
					2000 - 2005	Vice President BNP Paribas Peregrine Securities (Thailand) Ltd.
					1998 - 2000	Vice President Indosuez W.I. Carr Securities (Thailand) Ltd.
Mr. Pisit Patumban * Executive Vice President Retail Equity Business	45	MA. Psychology and Counseling, Kasetsart University Mini Master of Management National Institute of Development Administration (NIDA)	-	-	Jun 2006 - Present	Executive Vice president KGI Securities (Thailand) Plc
					2001 - 2006	Senior Vice president Equity Business Division Asia Plus Securities Plc.
					1996 - 2000	Vice president Human Resource Department Asia Plus Securities Plc.
Mr. Somchai Siripaiboolpong Executive Vice President Retail Equity Business	56	BA, Chulalongkorn University, Thailand	-	-	2000 - Present	Executive Vice President KGI Securities (Thailand) Plc.
					1994 - 1999	SCCF Finance & Securities
					1991 - 1994	JF Thanakom Securities
Mr. Hua-Feng Chang Executive Vice President Retail Equity Business	48	MBA in International Management Monterey Institute of International Studies. CA USA	-	-	Apr 2008 - Present	Executive Vice President KGI Securities (Thailand) Plc.
					Feb 2001 - Mar 2008	Senior Vice President (2004 - 2008) Vice President (2001 - 2004) KGI Securities (Thailand) Plc.
Mr. Natthawut Khemayotin Executive Vice President Retail Equity Business	41	MBA in Corporate Finance, Concentration in Investment Analysis, University of Dallas, Irving, Texas, USA	-	-	Dec 2009 - Present	Executive Vice President KGI Securities (Thailand) Plc.
					2005 - May 2009	Managing Director Globlex Holding Management Plc.
					2002 - 2005	Vice President Seamico Securities Plc.

Note : * Mr. Pisit Patumban has been appointed as a Managing Director : Retail Equity Business since 1 January 2010

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Ms. Pakavalee Jearsawatvattana Executive Vice President Investment Banking Department	46	MBA, (Finance), National Institute of Development Administration (NIDA)	-	-	Mar 2006 - Present Jul 2002 - Mar 2006 1999 - 2001	Executive Vice president KGI Securities (Thailand) Plc Vice President Investment Banking Department Finansa Securities Limited Vice President Corporate Finance Department, DBS Thai Dhanu Securities Limited
Ms. Naruemol Artamnuyvipas Executive Vice President Equity Derivatives Department	40	MBA Finance Kentucky, USA	-	-	Apr 2008 - Present Dec 1998 - Mar 2008	Executive Vice President KGI Securities (Thailand) Plc. Senior Vice President (2005 - 2008) Vice President (2002 - 2004) KGI Securities (Thailand) Plc.
Ms. Jariya Posayajinda Executive Vice President Proprietary Trading Department	43	Master of Business Administration, Major Finance Eastern Michigan University, Michigan USA	-	-	Apr 2009 - Present Sep 2005 - Apr 2009 May 2002 - Feb 2005	Executive Vice President KGI Securities (Thailand) Plc. Senior Vice President KGI Securities (Thailand) Plc. Deputy Chief Marketing Officer UOB Asset Management (Thai) Co., Ltd
Mr. Apichart Tungkiatsilp Executive Vice President Fixed Income Department	37	MBA, Cleveland State University, USA	-	-	Sep 2009 - Present 2005 - Aug 2009 2004 - 2005	Executive Vice President KGI Securities (Thailand) Plc. Financial Institution Sales Manager Siam Commercial Bank PLC Fixed-Income Trading Manager Siam Commercial Bank PLC
Ms. Kobkarn Cholchanupatumpa Executive Vice President Human Resource Department	57	Master of Public Administration, National Institute of Development Administration (NIDA)	-	-	Apr 2001 - Present Aug 1998 - Mar 2001	Executive Vice President KGI Securities (Thailand) Plc. Vice President Vickers Ballas Securities (Thailand) Co., Ltd.

Summary of Directors and Executives (As of 31 December 2009)

Name	Age (Years)	Highest education	No. of shares held in company	Relationship among Executives		Relevant work experiences
Ms. Saranya Larksukthom Executive Vice President Operation Department	47	MBA, Strayer College, USA	-	-	Mar 2001 - Present 1999 - Feb 2001 1996 - 1998	Executive Vice President KGI Securities (Thailand) Plc. Senior Vice President KGI Securities (Thailand) Plc. Assistant Vice President Nava Vickers Ballas Securities (Thailand) Co., Ltd.
Ms. Khunmira Thunnom Executive Vice President Finance and Accounting Department	44	Master of Financial Accounting, Chulalongkorn University, Thailand.	-	-	Apr 2008 - Present 1993 - Mar 2008 1989 - 1992	Executive Vice President KGI Securities (Thailand) Plc. Senior Vice President (2001 – 2008) Vice President (1993 – 2001) Finance & Accounting Department KGI Securities (Thailand) Plc. Assistant Manager Ernst & Young Office Limited
Ms. Nongluk Ningsanond Executive Vice President PR and Marketing Department	47	MBA of Bangkok University -Company Secretary Program Class 5/2004 -Effective Minute Taking Class 10/2008 from Thai Institute of Directors Association (IOD)	55	-	Apr 2008 - Present Mar 2001 - Mar 2008 1997 – 2001 1992 - 1997	Executive Vice President KGI Securities (Thailand) Plc. Senior Vice President KGI Securities (Thailand) Plc. Vice President KGI Securities (Thailand) Plc. Vice President First Asia Securities Plc.

Title and position of Management and Authorized Directors (As of 31 December 2009)

Management	Position	Subsidiary and Related Companies			
		ONEAM	HOLDCO	KTHL	TRUBB
		97% owned by the Company	100% owned by the Company	100% owned by the Company	5% owned by the Company
Mr. Foong Hock Meng	A	-	-	-	-
Dr. Pisit Leehtam	B, D, F	-	-	-	-
Mr. Chin-Lung Tseng	C	-	-	-	-
Mr. Wisit Wongpaisan	C, H	-	-	-	-
Mr. Wei Chang Fang	E, H	-	C	C	-
Dr. Don Bhasavanich	D, G	-	-	-	-
Mr. Pradit Sawattananond	D, G	-	-	-	-
Mr. Eugenio Tan	D	-	-	-	-
Ms. Bee Leng Ooi	E, I	-	-	-	-
Ms. Suchada Sodthibhaphkul	E, I	-	-	-	C
Mr. Yen, Chih Chien	E	-	-	-	-
Ms. Pi-Lin Huang	E	-	-	-	-
Mr. Suthep Tungkiatsilp	I	-	-	-	-
Mr. Pisit Patumban *	K	-	-	-	-
Mr. Somchai Siripaiboolpong	K	-	-	-	-
Mr. Hua-Feng Chang	K	-	-	-	-
Mr. Natthawut Khemayotin	K	-	-	-	-
Ms. Pakavalee Jearsawatvattana	K	-	-	-	-
Ms. Naruemol Artamnuayvipas	K	-	-	-	-
Mrs. Jariya Posayajinda	K	-	-	-	-
Mr. Apichart Tungkiatsilp	K	-	-	-	-
Ms. Kobkarn Cholchanupatumpa	K	-	-	-	-
Ms. Saranya Larksukthom	K	-	-	-	-
Ms. Khunmira Thunnom	K, L	-	-	-	-
Ms. Nongluk Ningsanond	K	-	-	-	-

Note : Mr. Pisit Patumban has been appointed as a Managing Director : Retail Equity Business, since 1 January 2010

Director title

A : Chairman

B : Vice Chairman

C : Director

D : Independent Director

E : Authorized Director

F : Chairman of Audit Committee

G : Audit Committee

Management title

H : President / Chief Operating Officer

I : Managing Director

J : Senior Executive Vice President

K : Executive Vice President

L : Head of Finance & Accounting Department

Subsidiaries

ONEAM : One Asset Management Limited

HOLDCO : KGI Securities (Thailand) International Holdings Limited

KTHL : KGI (Thailand) Holdings Limited

TRUBB : Thai Rubber Latex Corporation (Thailand) Public Company Limited

Details of subsidiary companies' Directors (As of 31 December 2009)

Director	ONEAM	HOLDCO	KTHL
	97% owned by the Company	100% owned by the Company	100% owned by the Company
Mr. Wei Chang Fang		A	A
Ms. Tehsin Chiu		A	A
Mr. Wong Sai Hung	A		
Mr. Monrat Phadungsit	B		
Mr. Suripol Khemjinda	B		
Ms. Tivarat Taychamekiatchai	B		
Ms. Sheng Chia-Chen	A		
Ms. Li Ching Ching	A		
Mr. Shih-Wei, Hung	A		
Mr. Chun-Chen, Kung	A		

Subsidiary companies

ONEAM : One Asset Management Limited

HOLDCO : KGI Securities (Thailand) International Holdings Limited

KTHL : KGI (Thailand) Holdings Limited

Director title

A: Director

B: Executive Director

Bangkok Metropolitan Branches
Pin Klao

7/129 Central Pinklao Building,
7th Floor, Room no. 704,
Boromrajchonnane Road,
Arunammarin Sub-District,
Bangkok Noi District,
Bangkok 10700

Tel: 02-884-9090-8

Fax: 02-884-9099

Changwattana

99/349 Na-nakorn building,
1st Floor, Moo.2, Changwattana Road,
Tongsonghong Sub-District,
Laksee District,
Bangkok 10210

Tel: 02-576-1889

Fax: 02-576-1562

Thapra

TVO. Building , Ground Floor
149 Ratchadapisek Road
(Thapra-Taksin),
Bukhalow Sub-District,
Thonburi District, Bangkok 10600

Tel: 02-876-4800-06

Fax: 02-876-4807

Silom Center

2, Silom Center Building , 18th Floor,
Room 1803, Silom Road, Suriyawong
Sub-District, Bangrak District,
Bangkok 10500

Tel: 02-632-9360-69

Fax: 02-632-9370

Provincial Branches
Chiang Rai

490/1 Utrarakit Road,
Weang Sub-District,
Muang District,
Chiang Rai 57000

Tel: (053) 740701-7

Fax: (053) 600973

Fax: (053) 740704

Nakhon Sawan

15/28-29 Sawanvithi Road,
Pak Sub-District Nam Pho,
Muang District,
Nakhon Sawan 60000

Tel: (056) 314211-9

Fax: (056) 314211-9

Nakhon Ratchasima

1242/2 The Mall Shopping Center,
Nakorn-Ratchasima branch,
3rd Floor, Mittapap Road,
Naimuang Sub-District,
Muang District,
Nakhon Ratchasima 30000

Tel: (044) 393722

Fax: (044) 393723

Udon Thani

26-27 Naraesuan Road,
Makkeng Sub-District,
Muang District,
Udon Thani 41000

Tel: (042) 244008, (042) 243536,

(042) 247925

Fax: (042) 243960

Samut Sakhon

923/55 A.T. Tower Building,
Ekachai Road,
Maha Chai Sub-District,
Muang District,
Samut Sakhon 74000

Tel: (034) 426940-7

Fax: (034) 426940-5

Suphan Buri

28/6-7 Muanhan Road,
Thapeeleang Sub-District,
Muang District,
Suphan Buri 72000

Tel: (035) 522530-3

Fax: (035) 522530-3

Nakhon Pathom

28/32 Yingpao Road,
Sanamjan Sub-District,
Muang District,
Nakhon Pathom 73000

Tel: (034) 272300-9

Fax: (034) 217181

Phetchaburi

60/4 , Moo 8, Kirirattaya Road,
Thongchai Sub-District,
Muang District,
Petchaburi 76000

Tel: (032) 418371-5

(032) 401761-5

Fax: (032) 418375

Hat Yai

29 Lee Garden Plaza, 6th Floor,
Room no. 602, Prachathipat Road,
Hat Yai Sub-District,
Hat Yai District,
Songkhla 90110

Tel: (074) 352520-39

Fax: (074) 237164

Regional Office
Taiwan

KGI Securities Co.Ltd.
No. 700, Mingshui Road,
Zhongshan District,
Taipei City 104, Taiwan (R.O.C.)
Tel: (886-2) 2181-8888
Fax : (886-2) 8501-2944
Website : <http://www.kgi.com>

Hong Kong

KGI Hong Kong group
41/F Central Plaza,
18 Harbour Road,
Wanchai, Hong Kong
Tel : (852) 2878-6888
Fax : (852) 2878-6800
Website : <http://www.kgiworld.com>



KGI
เคจีไอ

173 Asia Centre Building, 8th - 11th Floor,
South Sathorn Road, Thungmahamek Sub-District,
Sathorn District, Bangkok 10120
Tel : 66(0)-2658-8888 Fax : 66(0)-2658-8012
www.kgiworld.co.th
www.thaiwarrant.com
