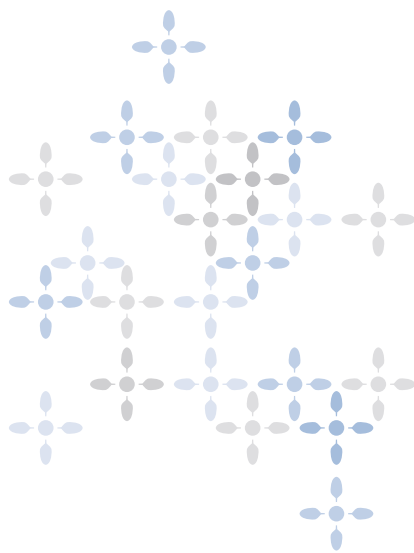




Phatra Securities
Public Company Limited

Annual Report 2009



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GENERAL INFORMATION

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**Name of the Company :**

Phatra Securities Public Company Limited

Type of Business :

The Company engages in securities businesses, chiefly securities brokerage, investment banking, investment and acting as an agent in the futures exchange market.

Head Office :

252/6 Muang Thai-Phatra Office Tower 1,
6th,8th-11th Floor, Ratchadapisek Road,
Huaykwang Sub-district, Huaykwang District,
Bangkok 10310

Branch :

None

Company Registration No. :

Bor Mor Jor. 0107548000064

Telephone :

0-2305-9000

Facsimile :

0-2693-2631

Website :

<http://www.phatrasecurities.com/>

Type of Securities :

Ordinary shares

Total Number of Shares :

213,500,000 shares

Registered Capital :

Baht 1,100,000,000.00

Paid-up Capital :

Baht 1,067,500,000.00

References**Company Registrar :**

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building,
Ratchadapisek Road, Klongtoey District,
Bangkok 10110
Tel. 0-2229-2800
Fax. 0-2359-1259
Website <http://www.tsd.co.th>

Auditor :

Ernst & Young Office Limited
193/136-137 Lake Ratchada Office Complex,
33rd Floor, New Ratchadapisek Road,
Klongtoey District, Bangkok 10110
Tel. 0-2264-0777
Fax. 0-2264-0789-90



BACKGROUND

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Phatra Securities Public Company Limited (the “Company”), a broker member of the Stock Exchange of Thailand (“SET”) no.6, was founded on September 17, 1997 as a company limited under a policy of separating finance and securities businesses of Phatra Thanakit Finance and Securities Public Company Limited in order to carry on securities business under the name of Phatra Securities Company Limited. At that time, Phatra Thanakit Finance Public Company Limited, a subsidiary of KASIKORNBANK Public Company Limited, held 99.99 % of the Company’s shares.

In 1998, Phatra Thanakit Finance Public Company Limited sold 49.00 % of the Company’s shares to KASIKORNBANK Public Company Limited, which then held the Company’s shares directly and sold the remaining 51.00 % to Merrill Lynch, one of the world’s leading financial institutions, following which the Company was named Merrill Lynch Phatra Securities Company Limited. In December 2003, KASIKORNBANK Public Company Limited and Merrill Lynch sold their respective shareholdings in the Company to a group of management and employees of the Company and the Company changed its name back to its original name of Phatra Securities Company Limited. Despite the sale of its shareholding in the Company, Merrill Lynch has maintained a contractual relationship with the Company under the Business Services Agreement and Research Co-operation Agreement to maintain the existing strategic alliance.

The Company converted itself into a Public Company Limited on February 28, 2005 and listed its shares with the SET on May 31, 2005 in the financial industry under the financial and securities sector with the abbreviation of “PHATRA”.

The Company has been granted by the Ministry of Finance the right to operate eight types of securities businesses, namely, securities brokerage, securities dealing, underwriting, investment advisory, mutual fund management, private fund management, securities borrowing and lending, and venture capital. Nowadays, the Company operates five types of securities businesses, namely, securities brokerage, securities dealing, underwriting, investment advisory and securities borrowing and lending. Besides, the Company has been granted by the Office of the Securities and Exchange Commission, Thailand (“SEC”) to act as a derivatives agent in the futures exchange market. In 2005, the Company became a member of the Thailand Futures Exchange Public Company Limited (“TFEX”). In addition, the Company was registered as a derivatives dealer in 2009. Besides the aforementioned businesses, the Company has registered as a financial advisor type A providing financial advisory services with the Ministry of Commerce and has been granted by the SEC to act as a financial advisor and selling agent for limited BDU.



FINANCIAL HIGHLIGHT

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FINANCIAL SUMMARY

(Unit : Bt mn)

	2009	2008	2007
Total assets	5,822.65	4,142.68	5,657.45
Total liabilities	2,424.25	1,328.77	2,338.30
Registered capital	1,100.00	1,100.00	1,100.00
Paid up capital	1,067.50	1,067.50	1,067.50
Total shareholder's equity	3,398.40	2,813.91	3,319.15
Total revenues	1,385.62	1,401.14	1,569.34
Total expenses before impairment loss on investment	835.40	845.24	931.70
Impairment loss on investment	-	303.95	-
Net profit	425.89	207.31	484.99
Book value per share (Baht)	15.92	13.18	15.55
Earning per share (Baht)	1.99	0.97	2.27

REVENUES STRUCTURE

	2009		2008		2007	
	Bt mn	%	Bt mn	%	Bt mn	%
REVENUES						
Brokerage fees						
Brokerage fees from securities business	670.05	48.36	864.74	61.72	1,077.23	68.64
Brokerage fees from derivatives business	30.16	2.18	28.17	2.01	23.99	1.53
Fees and services income	233.91	16.88	270.39	19.30	220.32	14.04
Gain on securities and derivatives trading	275.46	19.88	56.31	4.02	90.08	5.75
Interest and dividend	123.81	8.94	169.62	12.11	147.17	9.38
Reversal of impairment loss on investments	50.16	3.62	-	-	-	-
Other incomes	2.07	0.15	11.90	0.85	10.53	0.67
Total revenues	1,385.62	100.00	1,401.14	100.00	1,569.34	100.00



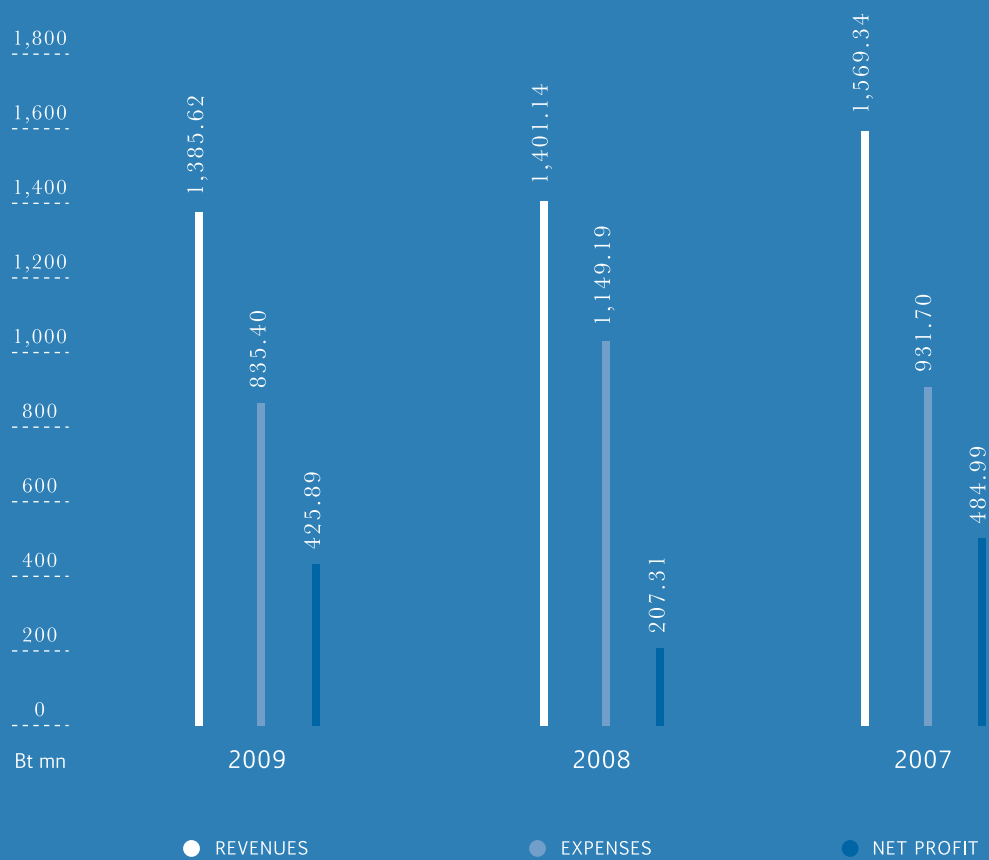
FINANCIAL RATIOS

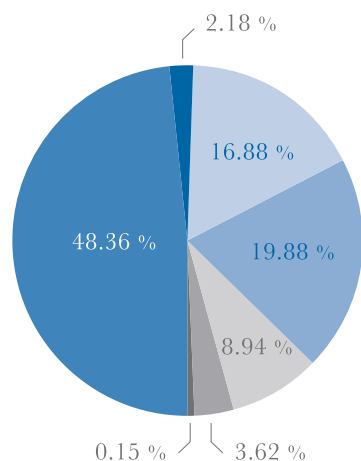
		2009	2008	2007
PROFITABILITY RATIOS				
Gross profit margin	(%)	94.65	89.84	89.59
Net profit margin	(%)	30.74	14.80	30.90
Return on equity	(%)	13.71	6.76	14.44
Investment yield	(%)	20.04	14.44	15.74
EFFICIENCY RATIOS				
Return on total assets	(%)	8.55	4.23	9.13
Total assets turnover	(times)	0.24	0.34	0.28
FINANCIAL POLICY RATIOS				
Liquidity assets to total assets	(%)	55.20	65.29	57.14
Earning assets to total assets ratio	(%)	71.23	60.80	64.44
Debt to equity ratio	(times)	0.71	0.47	0.70
Dividend payout ratio	(%)	97.75	205.97	99.05
OTHER RATIOS				
Investment to total assets	(%)	41.37	38.05	27.45
Net liquid capital ratio	(%)	144.96	178.66	117.25
PER SHARE INFORMATION				
Book value per share	(Baht)	15.92	13.18	15.55
Net profit per share	(Baht)	1.99	0.97	2.27
Dividend per share *	(Baht)	1.95	2.00	2.25
Number of paid up shares as at 31 December	(shares)	213,500,000	213,500,000	213,500,000

* Note : Annual dividend payment of Baht 1.35 per share in 2009 is subjected to shareholders' approval.

OPERATING PERFORMANCE

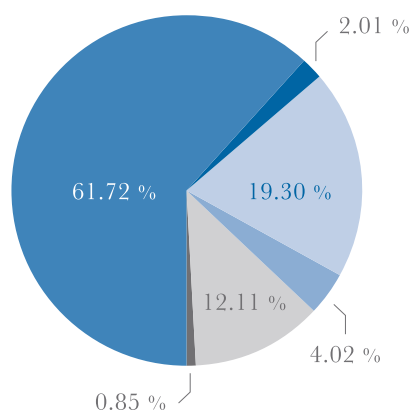
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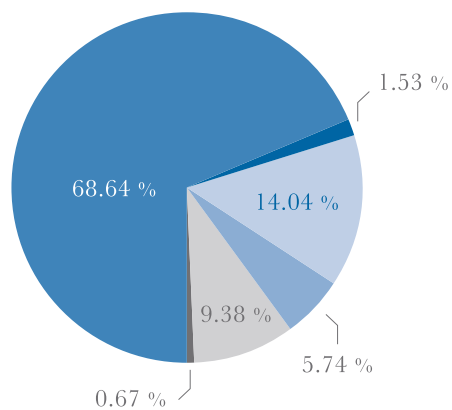
REVENUES STRUCTURE IN 2009

- Brokerage fees from securities business
- Brokerage fees from derivatives business
- Fees and services income
- Gain on securities and derivatives trading
- Interest and dividend
- Reversal of impairment loss on investments
- Other incomes



REVENUES STRUCTURE IN 2008

- Brokerage fees from securities business
- Brokerage fees from derivatives business
- Fees and services income
- Gain on securities and derivatives trading
- Interest and dividend
- Other incomes



REVENUES STRUCTURE IN 2007

- Brokerage fees from securities business
- Brokerage fees from derivatives business
- Fees and services income
- Gain on securities and derivatives trading
- Interest and dividend
- Other incomes

MESSAGE FROM CHAIRMAN

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ECONOMY AND CAPITAL MARKET

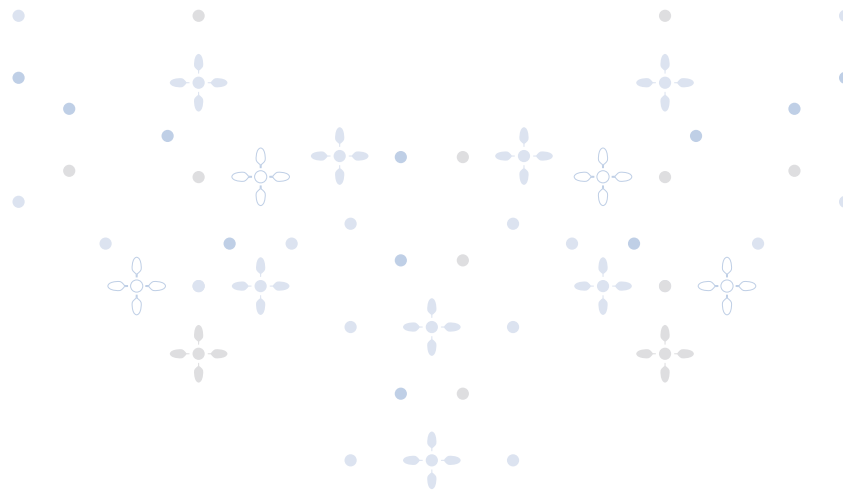
This world economic crisis, which was one of the most serious crises in history, started in mid-2007 and worsened in the latter half of 2008. It had continuous effects until 2009 especially in the first quarter. Financial systems globally faced severe problems in terms of stability, liquidity and price level. It also affected the survival of financial systems and institutions and spread to all economic sectors worldwide. Thus, governments in various countries had to support their private sectors and stimulate their domestic economies. Such incidents have affected confidence of investors globally and the country's capital market and economy even though Thailand's financial system has remained stable.

In the secondary market, the Stock Exchange of Thailand (SET) index in 2009 started from 449.96, dropped to the lowest point at 411.27 in March, peaked at 751.86 in October and closed at 734.54 at the end of the year. Average daily securities trading value in the SET and Market for Alternative Investment (MAI) was only Baht 8,851.42 million in the first quarter of 2009, but increased to more than Baht 20,000 million in the following quarters and brought the full-year average up to Baht 18,226.25 million. In the meantime, the market capitalization of the SET and MAI increased from its end-2008 level by more than 65 % to Baht 5.91 trillion in 2009.

Even though the global economy had seemed to pick up since the second quarter of 2009, investors still questioned how it would recover. Besides, the prolonged domestic political problems, social unrest and unsolved Maptaphut problem led to distrust by investors and business operators. In 2009 there were only seventeen newly listed companies, six in the SET and eleven in the MAI. The funds raised via IPO by the newly listed companies totaled only Baht 6,168.62 million which accounted for market capitalization of Baht 30,264.60 million (at IPO price). Meanwhile, the funds raised by all publicly traded companies (excluding newly listed companies) were valued at Baht 23,405 million.

PERFORMANCE

As the general market condition and several outside factors did not favor the Company's business, operations in the first quarter of 2009 were severely affected despite the Company's best efforts. The Company had total revenues of only Baht 190.41 million, down 51.07 % from the same period in 2008, and had net profit only Baht 35.66 million, a decrease of 72.57 % from the same period in 2008. This led to the Company's decision to cut operating expenses by decreasing the number of employees and the salaries of most management and employees.



Since the world economic crisis improved in the second quarter, Thailand's economy and capital market also improved. Due to the decrease in the Company's expenses in the first quarter and the good result of the investment business, the result of the Company's operations gradually improved. In 2009, the Company had total revenues of Baht 1,385.62 million, down 1.11 % from Baht 1,401.14 million in 2008. This result was due to revenues from agency business which decreased 19.70 %, whereas revenues from investment business increased 76.72 %.

In 2009, the Company's total expenses of Baht 835.40 million decreased 1.16 % from the Company's expenses before impairment loss on investment of Baht 845.24 million. The Company's total expenses in 2009 decreased 27.31 %, compared with Baht 1,149.19 million in 2008.

Due to the reasons discussed above, the Company's net profit in 2009 was Baht 425.89 million, an increase of 105.44 % from Baht 207.31 million in 2008. Earnings per share were Baht 1.99 compared to Baht 0.97 in 2008.

Furthermore, the value of invested securities of the Company increased due to the improved capital market. Consequently, the Company had unrealized gain on investment of Baht 445.58 million which was recorded in shareholders' equity.

For investment business which had a satisfactory result in 2009, in addition to seeking investment opportunities both inside and outside the SET and adding new investment strategies, the Board of Directors focused on systematic risk management via the Risk Management Committee and Investment Committee.

Apart from its performance in terms of numbers, in 2009 the Company tried to improve the quality of services offered to clients through the implementation of the Direct Market Access (DMA) system and the SMS trade confirmation service, and continued to offer training programs for employees and management of the Company to improve their skills, knowledge and professional abilities. Throughout 2009, the Company arranged 10 in-house training courses for employees and management and sent them to attend 67 public training courses with well-known institutes. Approximately 70 % of employees and management attended internal and external training and development programs in 2009. Such endeavors to improve the Company's businesses and services brought several industry awards and better ratings from institutions. (Awards and recognitions in 2009 are shown on page 14 of the annual report.)



CORPORATE GOVERNANCE

The Board of Directors has always focused on improving the Company's corporate governance. In 2009, the Board of Directors amended the Company's Principles of Corporate Governance in order to further improve the Company's corporate governance to meet international standards, to provide assurance to all shareholders, investors, clients and other stakeholders that the Company does business in a transparent manner and that all related parties are treated fairly, as well as to contribute towards a firm foundation for the Company in the long term.


The Company was among 290 listed companies which were assessed by the Thai Institute of Directors (IOD) in terms of corporate governance. The result was that the Company received a "Very Good" level of recognition with a total average score of 89 % which was higher than the total average scores of companies in the SET 100 and SET 50.

INDUSTRY AND OPERATING PLAN

Despite the improvement in the world economy, the impact of the world economic crisis on Thailand's economy and capital market will linger for some time. However, the Company still believes in the country's economic potential in the long run and in the importance of its capital market. The Company remains confident that business in the capital market will return to dramatically expand in the future, although this will take time.

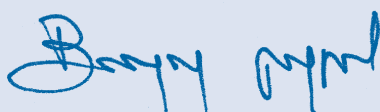
2010 will be another tough year for securities business due to the economic situation, political problems, social unrest and government policy which affects the confidence of investors and business operators, and increasing competition and brokerage commission fee liberalization.

In this situation, the Company will continually strive to maintain its client base along with gaining access to new clients. The Company will improve its services to better satisfy clients by constantly improving employees and management who are the Company's valuable resources. The Company will also expand its investment in businesses which have good trends such as the private wealth business and in its technology system to increase the service efficiency and support more sophisticated businesses. In addition, the Company will improve its research both in terms of quality and quantity to better support client needs as well as develop and offer new financial products with quality as investment alternatives for clients and different types of investors in order to increase its revenues besides the revenues from agency and investment businesses.



The Company's philosophy is to combine the benefits of Thailand's economic and capital market development with the benefits of the Company, its employees and shareholders by concentrating on providing international standard services with good Thai traits such as ethics, manners, respect, gratefulness and consideration. This is in accordance with our slogan, "International Best Practice with a Thai Touch."

The Company's operation benefits from the support and cooperation of all parties including shareholders, clients, business allies and employees. On behalf of the Board of Directors, I would like to take this opportunity to thank you all and wish you happiness and success in your work and family.



Mr. Banyong Pongpanich
Chairman



BUSINESS AND MAJOR DEVELOPMENTS

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BUSINESS OVERVIEW

In 2009, the four core businesses of the Company were as follows:

1. Securities Brokerage. The Company provides securities brokerage services to both domestic and international institutional investors and High Net Worth Individuals¹. In 2009, the Company garnered 4.45 % of the SET's and MAI's total trading value and ranked sixth in terms of market share (versus 5.63 % of the total trading value on the SET and MAI and third-place rank in 2007, and 5.96 % of the total trading value on the SET and MAI and second-place rank in 2008).

For the year ended December 31, 2009, the Company generated revenue from brokerage services of Baht 670.05 million or 48.36 % of its total revenues. In comparison, for the years ended December 31, 2007 and December 31, 2008 respectively, the Company generated revenue from brokerage services of Baht 1,077.23 million and Baht 864.74 million, or 68.64 % and 61.72 % of total revenues.

2. Investment Banking. The Company provides investment banking services in the form of financial advisory and underwriting services to large Thai organizations, both in the public and private sectors. For the year ended December 31, 2009, the Company had revenues from investment banking in the form of financial advisory of Baht 189.73 million or 13.69 % of the Company's total revenues. In comparison, for the years ended December 31, 2007 and December 31, 2008, the Company generated revenue from investment banking in the form of financial advisory and underwriting services of Baht 144.56 million and Baht 218.56 million, or 9.21 % and 15.60 % of total revenues respectively.

3. Investment. The Company has established two main departments responsible for managing its investments, namely the Equity & Derivatives Trading Department and the Direct Investment Department. The Equity & Derivatives Trading Department emphasizes short-term investments of not more than one year in equity and equity-linked securities listed on the SET and TFEX, while the Direct Investment Department emphasizes investment in assets, including listed and non-listed securities, with an investment period of 1-5 years. For the year ended December 31, 2009, the Company had gains from trading securities and derivatives of Baht 275.46 million or 19.88 % of total revenues. In comparison, for the years ended December 31, 2007 and December 31, 2008 respectively, the Company had gains from trading securities and derivatives of Baht 90.08 million and Baht 56.31 million, or 5.74 % and 4.02 % of total revenues.

In addition, the Company had dividend income from investment in securities of Baht 98.16 million or 7.08 % of total revenues in 2009 compared with the dividend income from investment in securities in 2007 and 2008 of Baht 51.73 million and Baht 101.19 million, or 3.30 % and 7.22 % of total revenues respectively.

¹ *High Net Worth Individual means a client who has a tendency or capacity to invest in equity instruments, debt instruments and/or investment units through the Company in a minimum amount of Baht 10.00 million.*

4. Agency in Futures Exchange Market. The Company has been an agent in the futures exchange market since April 28, 2006 which was the day the TFEX market opened. For the year ended December 31, 2009, the Company had brokerage fees from derivatives business of Baht 30.16 million or 2.18 % of total revenues. In comparison, for the years ended December 31, 2007 and December 31, 2008 respectively, the Company had brokerage fees from derivatives business of Baht 23.99 million and Baht 28.17 million, or 1.53 % and 2.01 % of total revenues.

Revenue Structure of the Company in 2007, 2008 and 2009

	2009		2008		2007	
	Bt mn	%	Bt mn	%	Bt mn	%
REVENUES						
Brokerage fees						
Brokerage fees from securities business	670.05	48.36	864.74	61.72	1,077.23	68.64
Brokerage fees from derivatives business	30.16	2.18	28.17	2.01	23.99	1.53
Fees and services income	233.91	16.88	270.39	19.30	220.32	14.04
Gain (Loss) on securities trading	(11.76)	(0.85)	37.56	2.68	81.21	5.18
Gain on derivatives trading	287.22	20.73	18.75	1.34	8.87	0.57
Interest and dividend	123.81	8.94	169.62	12.11	147.17	9.38
Reversal of impairment loss on investments	50.16	3.62	-	-	-	-
Other incomes	2.07	0.15	11.90	0.85	10.53	0.67
Total revenues	1,385.62	100.00	1,401.14	100.00	1,569.34	100.00

In addition, the Company has business support units, namely the Research Group, the Office of General Counsel and Internal Audit (OGC), the Risk Management Department and the Technology Department.

MAJOR DEVELOPMENTS IN 2009

- In January 2009, the Company hired a marketing research company to complete our clients' satisfaction survey which included the survey of services, research and financial consultants. The result of this survey explained the in-depth clients' needs and critical areas of further improvement in order to maintain client loyalty.
- In August 2009, the Company launched the SMS trade confirmation service to clients.
- In October 2009, the Company launched its Equity Model Portfolio to help clients diversify investments in Thai equities and to be used as a benchmark for clients' portfolio review.



- In November 2009, the Company started to receive trading instructions through the Direct Market Access system from Merrill Lynch. Direct Market Access is an additional channel for sending trading instructions which provides convenience for self-directed trade clients.
- In December 2009, the Company and Merrill Lynch implemented a program trading system where the system can assist authorized officers in sending client orders more accurately and efficiently according to client instructions.
- In the fourth quarter of 2009, the Company arranged training courses on technical analysis and Certified Financial Planner (CFP) accreditation for financial consultants in order to standardize our private wealth management services.
- At the end of 2009, the assets under advisory of High Net Worth Individual of the Company had value of Baht 80,634.09 million in total, increased from Baht 75,810.05 million at the end of 2008.

AWARDS AND RECOGNITIONS IN 2009

- Country Awards for Achievement : Best Broker in Thailand from FinanceAsia
- Country Awards for Achievement : Best Equity House in Thailand from FinanceAsia
- Country Awards for Achievement : Best Investment Bank in Thailand from FinanceAsia
- Best Financial Institution Awards in Southeast Asia : Best Equity House in Thailand from Alpha Southeast Asia
- Best Financial Institution Awards in Southeast Asia : Best Investment Bank in Thailand from Alpha Southeast Asia
- Annual Triple A Country Awards : Best Merger and Acquisition House from The Asset
- Broker Poll : Best Broker in Thailand from Asiamoney



MARKET CONDITION AND BUSINESS TREND

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2009 was a challenging year for the Thai capital market due to the combination of domestic political uncertainty and the global economic downturn, which affected activities in both primary and secondary markets. In the primary market, fund-raising hit a record low. Not only did Thai corporations have minimal funding needs, but unattractive valuations made equity offerings less appealing. In the secondary market, investors' lack of confidence in the economic recovery and investment direction caused investment in the stock markets to drop tremendously. Moreover, world economic turmoil caused foreign institutional investors, one of the main investor groups in Thailand, to underweight emerging markets.

All of these factors negatively affected the Company's agency businesses, which include securities brokerage, private wealth management, and investment banking, especially in the first quarter of 2009 where average market daily turnover of the SET and MAI was Baht 8,851 million. Market conditions improved after the first quarter after several economic indicators pointed to an improving global economy. Average market daily turnover of the SET and MAI for the last three quarters of 2009 were all above Baht 20,000 million. However, with the overall slow market environment, the Company's revenue from its agency businesses in 2009 dropped from its 2008 level.

In contrast to the agency businesses, performance of the Company's investment businesses, both short-term and long-term, was satisfactory. In its short-term investments, the Company was able to exploit arbitrage opportunities as a result of volatile market conditions. In its long-term investments, the Company focused on value-oriented investments that had market prices below fair value. The Company therefore was able to have capital gain when market prices moved towards their fair values. Overall, the Company's revenue from investment activities stood at 28.81 % of total 2009 revenue versus 16.12 % in 2008, due to the strong performance in investment activities and relatively weak performance in agency businesses.

Principal Operating Statistics of the SET and MAI, Securities Trading Value and Market Share of the Company

	2009	2008
Average securities trading value per day of the SET and MAI (Bt mn)	18,226.25	16,118.34
Securities trading ratio on the SET and MAI classified by investor group		
Foreign investors	19.44 %	29.13 %
Local institutional investors	6.66 %	7.04 %
Local investors	60.97 %	53.99 %
Proprietary	12.93 %	9.84 %



	2009	2008
The Company's average securities trading value per day (Bt mn)	1,622.23	1,921.48
The Company's market share (including proprietary)	4.45 %	5.96 %
Market share - foreign institutional investors	10.15 %	11.17 %
Market share - local institutional investors	10.38 %	13.13 %
Market share - High Net Worth clients	2.13 %	2.80 %
Rank of market share	6	2

Details of Listed Companies on the SET

	2009	2008	2007
Numbers of newly listed companies on the SET	6	9	6
Fund-raising value (IPO) (Bt mn)	4,852.40	18,389.30	10,782.50
Number of listed companies raising funds in the SET	-	1	3
Fund-raising value (PO) (Bt mn)	-	2,000.80	18,202.30

BUSINESS OUTLOOK IN 2010

The Company believes the country's financial markets in 2010 will continue to be volatile as a result of global economic weakness and domestic political uncertainty.

Competition in the brokerage industry will become even more intense as we are currently at the interim stage of full liberalization, which will occur in 2012. Beginning in 2010, and for a period of two years, the sliding scale commission rates will be in effect. Amidst the price competition, the Company will focus on providing quality services to clients, with an emphasis on research quality and sales service, in order to differentiate the firm from peers and avoid a price war.



Given the uncertainty in Thai politics and the global economy and with intense competition, the Company plans to implement the followings:

- The Company will continue to expand into new businesses in order to diversify sources of revenue. Also, the Company plans to increase the number of front office employees in order to generate more revenue to cover fixed costs.
- The Company will be more vigilant in its operations, especially in the area of cost control. The Company will also manage its investment fund more efficiently, including employing appropriate hedging strategies in order to mitigate risks.
- The Company plans to increase its portfolio size for both short-term and long-term investments. For short-term investments, where the Company focuses on equity and derivatives products, the Company plans to increase trading strategies in order to seek more arbitrage trading opportunities.
- The Company will also aim to manage its capital more efficiently in order to increase returns to shareholders.
- The Company intends to offer more products and services in order to provide variety to clients.
- The Company aims to implement more systematic marketing strategies in order to reach its target market more effectively, especially in the private wealth management area where the market potential is significant.
- Last but not least, the Company realizes that its employees are its most valuable asset and aspires to keep employee morale high.

RISK FACTORS

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RISKS RELATING TO THE COMPANY AND ITS BUSINESS

The risk factors below exclude general risk factors which may occur from the Company's normal business operation. In addition, certain risks not presently known to the Company or risks the Company considered not material may affect the Company's business operations in the future.

1. Fluctuations in the condition of international and domestic economies, money markets and capital markets could materially affect the Company's revenue.

The Company's main revenues - fees from securities brokerage and investment banking activities and revenues from investment - relate to a number of external factors including condition of international and domestic economies, money markets and capital markets. Fluctuation or slowdown of international and domestic economies, money markets and capital markets may affect the volume of securities trading transactions on the SET. As a consequence, this may affect the volume of trading transactions made through the Company and the securities brokerage fees received by the Company. Further, a downturn of the economy, money markets and capital markets may affect the number of transactions involving fund-raisings and the listing of securities on the SET. This may have a material adverse effect on the revenue derived by the Company from financial advisory fees and underwriting fees.

Fluctuations in international and domestic economies, money markets and capital markets derive from various factors that are beyond the Company's control. The country's economic growth rate and consumers' confidence directly relate to the overall global economy. Moreover, the trend of increasing interest rates in the global market, fluctuations in oil price, recovery of the U.S.'s economy and public debt problem are factors affecting the confidence of both international and local investors and, as a consequence, may adversely affect the volume of trading transactions on the SET, including the amount of funds raised and the number of new listings of securities on the SET.

2. Ongoing political volatility, the government's instability and social unrest have further distressed Thailand's capital market and exacerbated economic problems, which adversely affects the Company's business operation.

Meanwhile, domestic political and social unrest has worsened the economic situation. Unclear rules and regulations, i.e. the suspension of Maptaphut project, have made the government unable to effectively and urgently solve the economic problems. The instability of the government, ongoing political assemblies and as-yet unresolved social conflicts have had an impact on the confidence of local and foreign investors, leading to a decrease in volume of securities trading in the SET, a lower amount of funds raised, and fewer newly listed companies on the SET.

3.The business of the Company may be adversely and materially affected if the business alliance between the Company and merrill lynch is changed or terminated.

The Company and Merrill Lynch (now part of Bank of America and named as Bank of America Merrill Lynch / BoAML) have been party to a business alliance under the Amended and Restated Business Services Agreement since Merrill Lynch disposed of its equity interest in the Company in 2003. The objective is for the parties to co-operate in various business activities, including securities brokerage and investment banking. Apart from such agreement, the Company and Merrill Lynch have a Research Co-operation Agreement whereby research on Thai companies and Thai securities is jointly produced. This includes research on the Thai economy, politics, capital markets, money markets and industries for further distribution to international investors under Merrill Lynch's name. The agreement is currently on a yearly basis, with either party required to inform the other in writing at least six months in advance if they desire to terminate the agreement. Any material change or termination of any of the two agreements would have a material adverse effect on the Company's research and revenues from brokerage business and investment banking activities.

4.The Company operates in a highly and increasingly competitive business.

The securities business in Thailand has become more competitive. The brokerage fees on a sliding scale in 2010-2011, the brokerage fee liberalization in 2012, as well as the policy on brokerage license liberalization starting from January 1, 2012 will cause higher competition especially in brokerage business which may materially affect the Company's business, financial condition and results of operations.

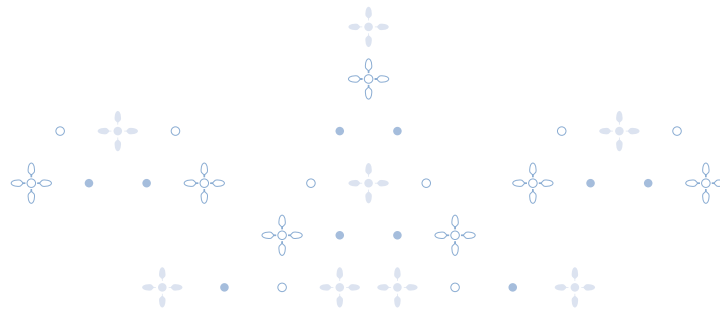
5.The Company is highly dependent on staff.

The Company relies on the experience, knowledge and skills of employees in its business operations. To the extent that the Company is unable to retain these staff members including securities analysts, financial consultants and investment bankers, the Company's business continuity may be affected to the detriment of its financial condition and results of operations.

6.In its securities brokerage business, the Company is highly dependent on a small number of clients.

The Company provides securities brokerage services to both domestic and international institutional investors and to High Net Worth Individuals. In 2009, the top five clients generated Baht 314.06 million, representing 46.87 % of the Company's total securities brokerage fees.

The economic recession (both domestic and global) has resulted in a decrease in the securities trading volume of clients. In addition, the Company cannot ensure that these clients will continue to generate a similar volume of transactions, or will continue to use the Company for their respective securities brokerage service activities. If any, or several, of the Company's principal clients decrease the volume of their respective trading



transactions or cease to trade through the Company, the business, financial condition and results of operations of the Company could be materially and adversely affected.

7. The Company operates its business by using more capital.

In order to compete and gain other revenues besides securities brokerage and investment banking revenues, the Company has expanded its business by investing in securities via its Equity & Derivatives Trading Department and Direct Investment Department, investing in derivatives in the futures market and engaging in arbitrage business in the SET and TFEX. In 2009, the Company's investment limit allocated for the Equity & Derivatives Trading Department was Baht 1,200.00 million while its investment limit allocated for the Direct Investment Department was Baht 2,000.00 million. On December 31, 2009, the Equity & Derivatives Trading Department had net investment of Baht 538.16 million while the Direct Investment Department had net investment of Baht 1,290.06 million. Altogether this represents a total investment of 53.78 % of the shareholders' equity. The fluctuations in the global economy and domestic political problems have had a direct effect on Thailand's capital market. Such circumstances and / or a lack of efficiency in doing this business has had an adverse and material effect on the Company's financial status and results of operations. The continuous slump in the economy and political instability as mentioned may persist in adversely and materially affecting the Company's financial situation and business operations.

8. The Company's business may be affected by an error or the misconduct of an employee, which is difficult to check and prevent.

The Company's business is highly dependent upon its reputation and the trust of its clients. Employees are regularly in direct contact with clients and have knowledge of, or access to, the clients' assets or information. Accordingly, when an employee does not carry out his or her duties in accordance with client's orders, or acts beyond his or her authority or does not act in compliance with the Company's rules and regulations including its compliance manual, or commits misconduct in managing the client's assets or uses the client's information without permission, or other actions which may harm its clients, the Company's reputation and the trust of its clients may be adversely affected and the Company may become liable for losses incurred by the client in question. Moreover, certain actions may be made in breach of relevant laws or regulations and may result in the Company becoming liable to pay fines, lose its license or be subject to litigation.

9. The Company operates its businesses under stringent laws and regulations, including regulations that impose liability on its operations, which could have an adverse effect on its results of operations and financial condition.

Securities businesses are strictly controlled by laws and regulations from government authorities, such as the SEC and the SET. As a result, any change in government policy or in the supervisory roles of the relevant regulatory



bodies may affect the Company's goals and competitiveness, and could have a material adverse affect on the business, financial condition and results of operations of the Company.

10. The Company's operations are under the control of a group of shareholders, who are the management and employees of the Company.

Certain numbers of management and employees hold directly and indirectly more than 50 % of the total paid-up capital of the Company. Such management and employees will collectively remain able to control shareholders' resolutions in relation to key matters, which are required by the laws or Articles of Association of the Company to be passed by a majority vote of shareholders attending the meetings and entitled to vote. Therefore, other shareholders may not obtain sufficient votes to balance those of the management and employees.

ORGANIZATION STRUCTURE

ANNUAL REPORT 2009
Phatra Securities Public Company Limited



Board of Directors

Director Nominating
Committee

Corporate Social
Responsibility Committee

Executive Committee



Chief Executive Officer

Management Committee

Research

- Economic Research
- Equity Research

Investment Banking & Equity Capital Markets

- Equity Capital Markets
- Corporate Finance

Equity & Derivatives Markets

- International
Equity Sales
- Domestic
Equity Sales
- Equity Sales Trading
& Execution
- Derivatives Sales
& Execution
- Securities Borrowing
& Lending

Private Client

- Private Wealth
Management
- Online Wealth
Management
- Private Fund
- Private Client
Research

Organization Structure as of February 1, 2010



Management Development & Compensation Committee

Risk Management Committee

Audit Committee



Investment Committee

Direct Investment

Equity & Derivatives Trading

Risk Management

Chief Administrative Officer

- Finance
- Treasury
- Human Resources
- Executive Office
- Office of General Counsel & Internal Audit
- Securities & Derivatives Operations
- Technology
- General Administration Services

SHAREHOLDERS STRUCTURE

ANNUAL REPORT 2009
Phatra Securities Public Company Limited



As of September 10, 2009, the Company's shareholders structure was as follows:
The top ten major shareholders were as follows:

No.	List of Shareholders	Number of Shares	Shareholding (%) ⁽¹⁾
1.	EFG Bank AG	78,399,997	36.72
2.	Thai NVDR Co., Ltd.	24,469,750	11.46
3.	Somers (U.K.) Limited	14,993,900	7.02
4.	HSBC Bank Plc - Clients General A/C	6,000,000	2.81
5.	Mr.Suvit Mapaisansin	5,505,455	2.58
6.	Aberdeen Long Term Equity Fund	3,548,000	1.66
7.	Aberdeen Growth Fund	3,527,500	1.65
8.	Mr. Surasak Theva-aksorn	2,750,000	1.29
9.	Mr. Banyong Pongpanich	2,557,277	1.20
10.	Mr. Veravat Chutichetpong	2,550,154	1.19

Remark (1) Calculated based on 213,500,000 issued and sold ordinary shares

The shareholding of EFG Bank AG was for Ruamphon Phatra International Corp. which at the end of 2009 had the following group of persons as the principal shareholders.

No.	List of Shareholders	Number of Shares	Shareholding (%)
1.	Mr. Banyong Pongpanich	1,840	10.93
2.	Mr. Suvit Mapaisansin	1,700	10.10
3.	Dr. Supavud Saicheua	1,400	8.32
4.	Mrs. Patchanee Limapichat	1,000	5.94
5.	Mr. Veravat Chutichetpong	850	5.05
6.	Mr. Norachet Sangruji	800	4.75
7.	Mr. Aphinant Klewpatinond	800	4.75
8.	Mr. Jirawat Supornpaibul	600	3.57
9.	Mrs. Patraporn Milindasuta	600	3.57
10.	Mr. Krittiya Veeraburus	600	3.57
11.	Others	6,640	39.45
	Total	16,830	100.00



MANAGEMENT STRUCTURE

ANNUAL REPORT 2009
Phatra Securities Public Company Limited



BOARD OF DIRECTORS

As of December 31, 2009, the Board of Directors consisted of eleven members including executive directors and independent directors in an appropriate proportion. During 2009, the Company called five Board of Directors' meetings. Directors' names and attendance records are as follows:

Name	Position	Meetings Attended
1. Mr. Banyong Pongpanich	Chairman	5/5
2. Mr. Suvit Mapaisansin	Director	5/5
3. Mr. Veravat Chutichetpong	Director	5/5
4. Dr. Supavud Saicheua	Director	5/5
5. Mrs. Patchanee Limapichat	Director	5/5
6. Mr. Norachet Sangruji	Director	5/5
7. Dr. Anumongkol Sirivedhin	Director / Independent Director	4/5
8. Assoc. Prof. Dr. Varakorn Samakoses	Director / Independent Director	4/5
9. Prof. Dr. Uthai Tanlamai	Director / Independent Director	5/5
10. Mr. Pongtep Polanun	Director / Independent Director	5/5
11. Prof. Dr. Anya Khanthavit	Director	4/5

Mrs. Patraporn Milindasuta, Managing Director and Chief Administrative Officer, performs a company secretary function.

AUTHORIZED DIRECTORS (as of January 28, 2010)

The authorized directors of the Company who can sign and bind the Company are any two of the following five directors, provided that they jointly sign with the Company's seal affixed: Mr. Suvit Mapaisansin, Mr. Veravat Chutichetpong, Dr. Supavud Saicheua, Mrs. Patchanee Limapichat and Mr. Norachet Sangruji.

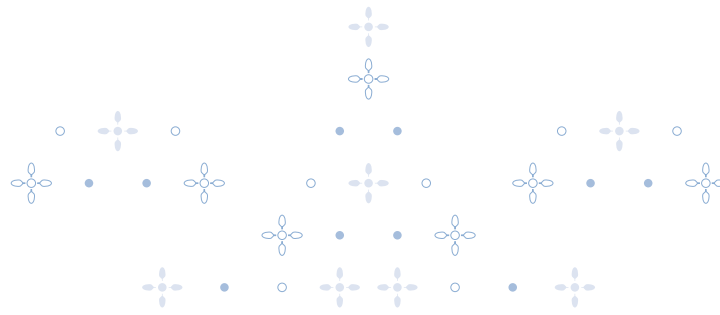
SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall have duties and responsibilities to conduct the Company's business in accordance with laws, the Company's objectives, Articles of Association, and resolutions of the shareholders' meeting with honesty and due care for the interest of the Company.

The Board of Directors shall convene a meeting at least once every three months.

PROCESS OF NOMINATING DIRECTORS

The Board of Directors established the Director Nominating Committee to be responsible for selecting and determining appropriate persons with experience, knowledge and capabilities beneficial to the Company to be



nominated as the Company's directors, independent directors or Audit Committee members and to propose nominations to the Board of Directors' meeting or shareholders' meeting in accordance with the Company's Articles of Association. The Company provides an opportunity for shareholders to nominate persons to be elected as the Company's directors or independent directors to the Director Nominating Committee via the Company's website. The Company also discloses the Company's director and independent director qualifications on its website so that shareholders could nominate persons with appropriate qualifications to be elected as the Company's directors or independent directors.

In the 2009 Annual General Meeting of Shareholders, the Company appointed directors to replace those retired by rotation. All appointed directors were considered and selected by the Director Nominating Committee and Board of Directors and approved by shareholders. During the year 2009, no additional director was appointed.

CRITERIA FOR APPOINTMENT OF THE DIRECTORS

Composition, appointment, removal or release from the directorship of the Company is stipulated in the Company's Articles of Association. The Board of Directors shall consist of not less than seven directors but not more than thirteen directors. No less than half of the total number of directors shall be domiciled in Thailand. The election of directors by shareholders' meeting shall be in accordance with the following rules and procedures:

- (1) A shareholder shall have one vote for one share.
- (2) Each shareholder shall use all his or her votes under (1) to elect one or several persons as a director. However, he or she may not divide his or her votes among any candidates.
- (3) The persons who receive the most votes in ranking order will be elected as directors up to the number of directors the Company shall have or elect at that meeting. In the event that the persons being elected in subsequent order have equal votes but their election would exceed the number of directors required to be elected in that meeting, the Chairman of the meeting shall have a casting vote.

In addition, a resolution for any director to leave office prior to his or her term requires approval from at least three-fourths (3/4) of the number of the shareholders attending the meeting and having the voting rights and holding shares, when combined, amounting to not less than half of the number of shares held by shareholders who attend the meeting and have voting rights.

PROCESS OF NOMINATING INDEPENDENT DIRECTORS

When any independent director retires by rotation or for any necessary reason to appoint additional independent directors, the Director Nominating Committee shall select appropriate persons with experience, knowledge and capabilities beneficial to the Company including having the following criteria. In this regard, nominations shall be proposed to the Board of Directors' meeting or shareholders' meeting to be considered in accordance with the Company's Articles of Association.



CRITERIA FOR APPOINTMENT OF THE INDEPENDENT DIRECTORS

The Board of Directors' meeting no.6/2551 dated on August 18, 2008 has approved the amendment of the Company's qualifications of independent directors to be in accordance with the notice of the SEC regarding the revision of independent director and audit committee qualifications for listed companies as follows:

- (a) Holding not more than 1 % of the total shares with voting rights of the Company, its parent company, its subsidiary, its affiliate or any juristic person which may have conflicts of interest, therefore, shall be inclusive of the shares held by related persons;
- (b) Not being or having previously been a director who takes part in the management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, its subsidiary, its affiliate, its subsidiary at the same level, or any juristic person which may have conflicts of interest unless the termination of being in such position had occurred at least two years before an appointment as the Company's independent director;
- (c) Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, brothers, sisters, and children, including spouse of children, of its executives, its major shareholder, its controlling person, or such other person who will be nominated to take up the position of executives or controlling persons of the Company or its subsidiary;
- (d) Having no current or previous business relationship with the Company, its parent company, its subsidiary, its affiliate or any juristic person which may have conflicts of interest in the manner which may interfere with his or her independent discretion, not being or having previously been a major shareholder or a director who is not an independent director or an executive of the company which has a business relationship with the Company, its parent company, its subsidiary, its affiliate or any juristic person which may have conflicts of interest unless the termination of being in such position had occurred at least two years before an appointment as the Company's independent director;
Such business relationships include normal business transactions, rental or lease of immovable property transactions, asset or service transactions, or giving or taking financial assistance by borrowing or lending money, surety ship, providing assets as a security for the performance of an obligation and any transactions as specified by the Capital Market Supervisory Board;
- (e) Not being or having previously been an auditor of the Company, its parent company, its subsidiary, its affiliate or any juristic person which may have conflicts of interest and not being a major shareholder, a director who is not an independent director, an executive or a managing partner of the audit office to which the auditor of the Company, its parent company, its subsidiary, its affiliate or any juristic person which may have conflicts of interest unless the termination of being in such position had occurred at least two years before an appointment as the Company's independent director;
- (f) Not being or having previously been any professional service provider including legal advisor or financial advisor who receives more than Baht 2.00 million annually from the Company, its parent company, its



subsidiary, its affiliate or any juristic person which may have conflicts of interest. In case the professional service provider is a juristic person, the person nominated as the Company's independent director shall not be a major shareholder, a director who is not an independent director, an executive or a managing partner of the professional service provider unless the termination of being in such position had occurred at least two years before an appointment as the Company's independent director;

- (g) Not being a director appointed as a representative of the Company's directors, a major shareholder or a shareholder who is related to the Company's major shareholder; and
- (h) Having no characteristics that may affect the giving of independent opinions on the Company's operations.

The above qualifications has been applied to the Company's independent directors appointed from the 2009 Annual General Meeting of Shareholders onwards, except for the qualifications regarding relationships during the two years prior to appointment date which will be applied to the Company's independent directors appointed from the 2010 Annual General Meeting of Shareholders onwards.

COMMITTEES

Currently, the Company has six committees appointed by the Board of Directors, namely the Executive Committee, Audit Committee, Management Development and Compensation Committee, Director Nominating Committee, Risk Management Committee and Corporate Social Responsibility (CSR) Committee, details of which are as follows:

1. EXECUTIVE COMMITTEE

The Executive Committee consists of seven members. During 2009, there were thirteen Executive Committee meetings. Names of the Executive Committee members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Mr. Banyong Pongpanich	Chairman of the Executive Committee	13/13
2. Mr. Suvit Mapaisansin	Member of the Executive Committee	13/13
3. Mr. Veravat Chutichetpong	Member of the Executive Committee	12/13
4. Dr. Supavud Saicheua	Member of the Executive Committee	12/13
5. Mrs. Patchanee Limapichat	Member of the Executive Committee	10/13
6. Mr. Norachet Sangruji	Member of the Executive Committee	11/13
7. Mr. Aphinant Klewpatinond	Member of the Executive Committee	11/13

Mrs. Patraporn Milindasuta is secretary of the Executive Committee.



SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

(as amended and effective from October 1, 2009)

1. Assist the Board of Directors in overseeing management, operation and policies of business and also issuing policies or strategy in order to achieve the targeted budget and strategy as approved by the Board of Directors.
2. Consider and approve the Company's business, operation and annual budget before submission to the Board of Directors for approval.
3. Review and approve the Company's financial statements to be submitted to the SET.
4. Review and approve new business startups in compliance with the Company's policy before submission to the Board of Directors for approval.
5. Consider and approve the capital commitment of the Company for securities offering value exceeding Baht 150.00 million.
6. Acknowledge the Company's annual matters including but not limited to Compliance Audit, Audit Report and Annual Compliance Report.
7. Perform or carry out any assignment that may be, from time to time, assigned by the Board of Directors.

2. AUDIT COMMITTEE

The Audit Committee consists of four independent directors. During 2009, there were nine Audit Committee meetings. Names of the Audit Committee members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Dr. Anumongkol Sirivedhin	Chairman of the Audit Committee	9/9
2. Assoc. Prof. Dr. Varakorn Samakoses	Member of the Audit Committee	8/9
3. Prof. Dr. Uthai Tanlamai	Member of the Audit Committee	9/9
4. Mr. Pongtep Polanun	Member of the Audit Committee	8/9

Remark:

Prof. Dr. Uthai Tanlamai is the Audit Committee member who has knowledge and experiences in reviewing financial statements.

Mrs. Patraporn Milindasuta is secretary of the Audit Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. Review the Company's financial reporting process to ensure that it is accurate and adequate.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment of Head

of OGC and key compliance and internal audit personnel as proposed by the Management, also to remove, transfer, reduce or cut off salary or wages, or dismissal of Head of OGC and key compliance and internal audit personnel or any other unit in charge of an internal audit.

3. Review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. Consider, select and nominate an independent person to be the Company's auditor, and propose such person's remuneration, as well as attend a non-management meeting with an auditor at least once a year.
5. Review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. Prepare, and disclose in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:
 - (a) an opinion on the adequacy, completeness and creditability of the Company's financial report;
 - (b) an opinion on the adequacy of the Company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interest;
 - (f) the number of Audit Committee meetings, and the attendance of such meetings by each committee member;
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the bylaws; and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors, with the approval of the Audit Committee.
7. Perform any other act as assigned by the Company's Board of Directors with the approval of the Audit Committee.

3. MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

The Management Development and Compensation Committee consists of four members. During 2009, there were five Management Development and Compensation Committee meetings. Names of the Management Development and Compensation Committee members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Mr. Banyong Pongpanich	Chairman of the Management Development and Compensation Committee	5/5
2. Mr. Suvit Mapaisansin	Member of the Management Development and Compensation Committee	5/5
3. Mr. Pongtep Polanun	Member of the Management Development and Compensation Committee	5/5
4. Mr. Aphinant Klewpatinond	Member of the Management Development and Compensation Committee	2/2

Remarks:

Mr. Aphinant Klewpatinond became member of the Management Development and Compensation Committee on October 1, 2009.

Mrs. Patraporn Milindasuta is secretary of the Management Development and Compensation Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

(as amended and effective from February 22, 2010)

1. Periodically review with the management of the Company its programs and processes for management development and succession plan.
2. Review the Company's compensation programs and policies to align them with the Company's annual and long-term goals and the interests of the shareholders.
3. Review expense accruals for incentive compensation and incentive compensation pools for the Company and propose to the Board of Directors for approval prior to the annual determination of incentive compensation.
4. Consider and approve the allocation of variable incentive compensation payment (VICP) for each department as proposed by the Chief Executive Officer (CEO).
5. Review and approve, and review with the Board of Directors for proposing to shareholders' meeting for approval, the salaries or compensation of the Board of Directors members.
6. Review the base salaries and compensation for the management who are members of the Management Committee and other senior management.
7. Review and approve the promotion of the management at level of Assistant Managing Director and above proposed by the CEO.
8. Review and approve all annuity contracts and compensation or special benefit plans for executive and senior management (if any) and employment or severance agreements, to propose to executive management.

4. DIRECTOR NOMINATING COMMITTEE

The Director Nominating Committee consists of three members. During 2009, there was one Director Nominating Committee meeting. Names of the Director Nominating Committee members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Dr. Anumongkol Sirivedhin	Chairman of the Director Nominating Committee	1/1
2. Mr. Suvit Mapaisansin	Member of the Director Nominating Committee	1/1
3. Dr. Supavud Saicheua	Member of the Director Nominating Committee	0/0

Remarks:

Dr. Anumongkol Sirivedhin was appointed as Chairman of the Director Nominating Committee effective from October 1, 2009.

Dr. Supavud Saicheua became member of the Director Nominating Committee on October 1, 2009.

Mrs. Patraporn Milindasuta is secretary of the Director Nominating Committee.


SCOPE OF DUTIES AND RESPONSIBILITIES OF THE DIRECTOR NOMINATING COMMITTEE

(as amended and effective from October 1, 2009)

1. Seek individuals or consider candidates, proposed by management or shareholders, who are qualified to become Board of Director members according to the Board of Directors membership criteria and any applicable laws and regulations for recommendation to the Board of Directors.
2. Make assessment of the candidates' independence and recommend them as independent directors to the Board of Directors.
3. Make recommendations on the numbers of the Board of Directors members and propose to the Board of Directors.
4. Annually conduct an evaluation of the performance of the Board of Directors and, through its Chairman, communicate this evaluation to the Board of Directors.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of five members. During 2009, there were six Risk Management Committee meetings. Names of the Risk Management Committee members and their attendance records are as follows:



Name	Position	Meetings Attended
1. Mr. Pongtep Polanun	Chairman of the Risk Management Committee	4/6
2. Prof. Dr. Anya Khanthavit	Member of the Risk Management Committee	6/6
3. Mr. Suvit Mapaisansin	Member of the Risk Management Committee	6/6
4. Mr. Norachet Sangruji	Member of the Risk Management Committee	6/6
5. Mr. Aphinant Klewpatinond	Member of the Risk Management Committee	1/2

Remark:

Mr. Aphinant Klewpatinond became member of the Risk Management Committee on October 1, 2009.

Dr. Popanit Poommarapan is secretary of the Risk Management Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE

(as amended and effective from October 1, 2009)

1. Assist the Board of Directors to set out the risk management strategies, policies, standards and limits including the risk profile of the Company.
2. Review the actual risk exposures of the Company and its business and operation units and identify the risk appetite and control deficiencies in the Company.
3. Ensure that the Company has sufficient policies and procedures in place to govern its risk assessment and risk management activities.
4. Review with management the strategies, policies, frameworks, models and procedures that lead to the identification, measurement, reporting and mitigation of those risks.
5. Monitor the effectiveness of risk management functions throughout the Company and ensure that infrastructure, resources and systems are in place for risk management and are adequate for maintaining a satisfactory level of risk management discipline.
6. Receive and review reports from management regarding the steps it has taken to monitor, mitigate and control the different types of risk.
7. Periodically review corporate risk management systems that cover all activities of the Company including the assignment of any person or sub-committee to oversee the integration of departmental risk management and control systems and report regularly to the committee.
8. Prepare and report to the Board of Directors the results of an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of its bylaws, and its objectives for the coming year.
9. Perform any other act as delegated by the Board of Directors and approved by the Committee.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee consists of five members. During 2009, there was one CSR Committee meeting. Names of the CSR Committee members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Mr. Banyong Pongpanich	Chairman of the CSR Committee	1/1
2. Dr. Anumongkol Sirivedhin	Member of the CSR Committee	1/1
3. Mr. Suvit Mapaisansin	Member of the CSR Committee	1/1
4. Mrs. Patchanee Limapichat	Member of the CSR Committee	1/1
5. Mr. Norachet Sangruji	Member of the CSR Committee	1/1

Remark:

Mr. Norachet Sangruji became member of the Corporate Social Responsibility Committee on October 1, 2009.

Mrs. Anchalee Harnhirun is secretary of the CSR Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CSR COMMITTEE

1. Review, oversee and make recommendations to the Board of Directors concerning the effectiveness of the Company's CSR strategies, policies and practices that have the potential to materially affect the Company's business, brand or reputation, including overseeing the Codes of Business Conduct, policies on health care and safety, human rights and promotion of equality of opportunity and diversity.
2. Review, oversee and make recommendations to the Company's Charity Committee concerning the Company's charitable contribution policies and practices in all areas.
3. Approve the appointment of the Charity Committee members.
4. Support volunteerism and community engagement among the Company's employees.
5. Oversee the CSR component of directors' training programs to ensure that relevant executive training programs contain an appropriate CSR training.
6. Prepare the Company's CSR report and disclose it in an annual report of the Company.
7. Support the Company's CSR activities.

MANAGEMENT

As of December 31, 2009, the Company had the following management.

Name	Position
1. Mr. Banyong Pongpanich	Chairman
2. Mr. Suvit Mapaisansin	Executive Director
3. Mr. Veravat Chutichetpong	Executive Director
4. Mr. Aphinant Klewpatinond	Chief Executive Officer
5. Dr. Supavud Saicheua	Executive Director / Managing Director (Head of Research Group)
6. Mrs. Patchanee Limapichat	Executive Director / Managing Director (Head of Equity and Derivatives Markets Group)
7. Mr. Norachet Sangruji	Executive Director
8. Dr. Anumongkol Sirivedhin	Independent Director / Chairman of the Audit Committee
9. Assoc. Prof. Dr. Varakorn Samakoses	Independent Director / Audit Committee member
10. Prof. Dr. Uthai Tanlamai	Independent Director / Audit Committee member
11. Mr. Pongtep Polanun	Independent Director / Audit Committee member
12. Prof. Dr. Anya Khanthavit	Director
13. Mr. Jirawat Supornpaibul	Managing Director (Head of Private Wealth Management Department)
14. Mrs. Patraporn Milindasuta	Managing Director and Chief Administrative Officer
15. Mr. Krittiya Veeraburus	Managing Director (Head of Direct Investment Department)
16. Mr. Tanavatt Bhanijkasem	Executive Vice President (Head of Equity & Derivatives Trading Department)
17. Mrs. Panida Prapunwattana	Director (Finance Department and Treasury Department)
18. Dr. Popanit Poommarapan	Director (Risk Management Department)

PROFILES OF THE COMPANY'S EXECUTIVES AND CONTROLLING PERSONS

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DETAILS OF EXECUTIVES AND CONTROLLING PERSONS OF THE COMPANY

Details of educational qualifications, number of shares held and work experiences of executives and controlling persons

MR. BANYONG PONGPANICH

Age 55

Position

Chairman

Educational Qualifications

MBA / Sasin Graduate Institute of Business Administration

BA in Economics / Chulalongkorn University

The Role of the Chairman Program (RCP), 2001 / Thai Institute of Directors Association (IOD)

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

2,557,277

1.20 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Apr. 2009 - Present	Director, Thai Airways International Public Company Limited
2008 - Present	Capital Market Development Committee, Ministry of Finance
2008 - Present	Sub-committee to formulate Capital Market Development Masterplan, Ministry of Finance
2008 - Present	Tax Structure Reform Working Team, Ministry of Finance
2007 - Present	Director, Don Muang Tollway Public Company Limited
2004 - Present	Independent Director, The Erawan Group Public Company Limited
2003 - Present	Chairman, Phatra Securities Company Limited / Phatra Securities Public Company Limited
2003 - Present	Audit Committee and Independent Director, Muang Thai Insurance Public Company Limited
2002 - Present	Member of Advisory Council, Sasin Graduate Institute of Business Administration
2003 - 2008	President of Economics Association, Chulalongkorn University
1996 - 2006	Independent Director, GMM Grammy Public Company Limited

MR. SUVIT MAPAISANSIN ⁽¹⁾

Age 51

PositionDirector

Educational Qualifications

MBA / Sasin Graduate Institute of Business Administration

BA in Economics / Chulalongkorn University

Director Certification Program (DCP), 2001 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

5,505,455

2.58 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Dec. 2009 - Present Director, Krungthai Card Public Company Limited

Oct. 2009 - Present Executive Director, Phatra Securities Public Company Limited

2003 - Sep. 2009 Chief Executive Officer, Phatra Securities Company Limited / Phatra Securities Public Company Limited

MR. VERAVAT CHUTICHETPONG ⁽¹⁾

Age 49

PositionDirector

Educational Qualifications

MBA / New York University, U.S.A.

BE in Civil Engineering / Chulalongkorn University

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

2,550,154

1.19 %

Family Relationship Among Executives

None



Work Experiences (Past 5 years)

2003 - Present	Executive Director, Phatra Securities Company Limited / Phatra Securities Public Company Limited
2003 - Feb. 2010	Sub-committee on Takeovers, Securities and Exchange Commission, Thailand
Feb. - Jun. 2009	Alternative Investment Sub-committee, Social Security Office

DR. SUPAVUD SAICHEUA ⁽¹⁾

Age 53

Position

Director

Educational Qualifications

PhD in Economics / University of Hawaii at Manoa, U.S.A.

MA in Economics / University of the Philippines (Diliman), Philippines

BA in Economics / Victoria University of Wellington, New Zealand

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

1,623,527	0.76 %
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Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2008 - Present	Expert Member of Investment Committee, Government Pension Fund
2007 - Present	Director, Loxley Public Company Limited
2006 - Present	Sub-Committee, The National Economic and Social Development Board (NESDB)
2003 - Present	Managing Director (Head of Research Group), Phatra Securities Company Limited / Phatra Securities Public Company Limited
2002 - 2009	Committee, The Economic Society of Thailand
2007 - 2008	Macro Economic Steering Committee, Office of the Prime Minister
2003 - 2005	Director, Securities Analyst Association
1999 - 2005	Research Committee on Economics, National Research Council of Thailand



MRS. PATCHANEE LIMAPICHAT ⁽¹⁾

Age 47

Position

Director

Educational Qualifications

MBA / California State University at Sacramento, U.S.A.

BA in Political Science / Chulalongkorn University

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

477,312

0.22 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2004 – Present

Managing Director (Head of Equity & Derivatives Markets Group),
Phatra Securities Company Limited / Phatra Securities Public Company Limited

MR. NORACHET SANGRUJI ⁽¹⁾

Age 47

Position

Director

Educational Qualifications

MBA / Syracuse University, NY, U.S.A.

MS in Electrical Engineering / Syracuse University, NY, U.S.A.

BE in Electrical Engineering / Chulalongkorn University

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

1,712,172

0.80 %

Family Relationship Among Executives

None



Work Experiences (Past 5 years)

Apr. 2009 - Present	Equity Offering Working Team, Association of Securities Companies
Apr. 2009 - Present	Self-regulatory Organization Working Team, Association of Securities Companies
Apr. 2009 - Present	Property Fund Working Team, Association of Securities Companies
Apr. 2009 - Present	Mergers & Acquisition Working Team, Association of Securities Companies
Mar. 2009 - Present	Chairman of Investment Banking Club, Association of Securities Companies
2007 - Present	Executive Director, Phatra Securities Public Company Limited
2004 - 2008	Director, Freewill Solutions Company Limited
2004 - 2007	Managing Director (Head of Investment Banking Department), Phatra Securities Company Limited / Phatra Securities Public Company Limited

DR. ANUMONGKOL SIRIVEDHIN

Age 65

Position

Director

Educational Qualifications

PhD in Computer Science / University of Wisconsin at Madison, U.S.A.
 MSc in Computer Science / University of Wisconsin at Madison, U.S.A.
 MSc in Mathematics / University of Auckland, New Zealand
 BSc in Mathematics / University of Auckland, New Zealand
 Director Certification Program (DCP), 2003 / Thai Institute of Directors Association (IOD)
 The Role of the Chairman Program (RCP), 2005 / Thai Institute of Directors Association (IOD)
 Audit Committee Program (ACP), 2006 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake


20,000	0.01 %
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Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2006 - Present	Chairman of the Board of Directors, Systems Little House Company Limited
2005 - Present	Independent Director and Chairman of the Audit Committee, Phatra Securities Company Limited / Phatra Securities Public Company Limited
2003 - Present	Member of Public State Enterprises Evaluation Committee, Ministry of Finance
1999 - Present	University Council Member, National Institute of Development Administration



2007 - Feb. 2010	President, Dhurakij Pundit University
2002 - 2007	Chairman of the Board of Directors and Chairman of the Executive Board, Krungthai Computer Services Company Limited
2001 - 2007	Member, Committee for Development of Assessment System for Higher Education, The Office for National Education Standards and Quality Assessment (Public Organization)

ASSOC. PROF. DR. VARAKORN SAMAKOSES	Position
Age 62	Director

Educational Qualifications

PhD in Economics / The University of Kansas, U.S.A.
National Defense College (Wor Por Or, Class 37)
MA in Economics / The University of Kansas, U.S.A.
BA in Economics / The University of Western Australia, Australia
Director Certification Program (DCP), 2002 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

31,000	0.01 %
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Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Mar. 2010 - Present	President, Dhurakij Pundit University
2009 - Present	Advisor to Minister of Education
2008 - Present	Independent Director and Audit Committee, Phatra Securities Public Company Limited
2009 - Present	Chairman, The Christian Children's Fund (Thailand)
Present	Advisor to the Office of Chief Executive Officer, CP All Public Company Limited
Present	Council Member, Prince of Songkla University
Present	Advisor, King Pajadhipok's Institute
Present	External Evaluator, The Office for National Education Standards and Quality Assessment (Public Organization)
2008	Honorable Advisor to the Bangkok Governor
2007 - 2008	Deputy Minister, Ministry of Education
2001 - 2007	President, Dhurakij Pundit University

PROF. DR. UTHAI TANLAMAI**Position**

Age 58

Director

Educational Qualifications

PhD in MIS / University of Illinois at Urbana-Champaign, U.S.A.

MSBA in MIS / University of Illinois at Urbana-Champaign, U.S.A.

BAccy / Chulalongkorn University

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Finance for Non-Finance Director (FN), 2005 / Thai Institute of Directors Association (IOD)

Director Certification Program (DCP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

40,000

0.02 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2005 - Present Independent Director and Audit Committee, Phatra Securities Company Limited /
Phatra Securities Public Company Limited

1994 - Present Professor, Faculty of Commerce and Accountancy, Chulalongkorn University

MR. PONGTEP POLANUN**Position**

Age 55

Director

Educational Qualifications

MBA / Sasin Graduate Institute of Business Administration

MA in Economics / National Institute of Development Administration

BE in Economics / Thammasat University

Director Accreditation Program (DAP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

280,009

0.13 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Feb. 2010 - Present	Director, Krungthai Bank Public Company Limited
2007 - Present	Audit Committee, Phatra Securities Public Company Limited
2003 - Present	Independent Director, Phatra Securities Company Limited / Phatra Securities Public Company Limited
2003 - Present	Deputy Chairman, Independent Director and Audit Committee, Advanced Information Technology Public Company Limited
2000 - Present	Advisor to Director, The Royal Ceramic Industry Public Company Limited
Jul. 2009 - Feb. 2010	Independent Director, Phatra Leasing Public Company Limited
Jan. - Jul. 2009	Director, Phatra Leasing Public Company Limited

PROF. DR. ANYA KHANTHAVIT

Position

Age 46

Director

Educational Qualifications

PhD in International Finance / New York University, U.S.A.

M. Phil. in International Finance / New York University, U.S.A.

MS in Transportation Management / State University of New York Maritime College, U.S.A.

BBA in Accounting / Thammasat University

Director Certification Program (DCP), 2008 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

None

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Feb. 2010 - Present	Advisor of Risk Management Committee, Thai Airways International Public Company Limited
2009 - Present	Appeals Committee, The Stock Exchange of Thailand
2009 - Present	Risk Management Sub-committee, The Stock Exchange of Thailand
2009 - Present	Advisor, The Office of Agricultural Futures Trading Commission
2008 - Present	Director, Phatra Securities Public Company Limited
2008 - Present	Advisor, Phatra Securities Public Company Limited
2007 - Present	Advisor, Small Business Credit Guarantee Corporation



2003 - Present	Corporate Advisor, MFC Asset Management Public Company Limited
2003 - Present	Sub-Committee Member for Performance Evaluation of State Enterprises (Risk Management Group), Ministry of Finance
2002 - Present	Committee Member for Performance Evaluation of State Enterprises, Ministry of Finance
2001 - Present	Advisor and Arbitrator, Thai Bond Market Association
1985 - Present	Distinguished Professor, Faculty of Commerce and Accountancy, Thammasat University
2004 - 2009	Advisor (Risk Management), Government Pension Fund
2007 - 2008	Director, Thailand Post Company Limited
2004 - 2008	Director, Thailand Futures Exchange Public Company Limited
1993 - 2008	Corporate Advisor (Financial Engineering Division), KGI Securities (Thailand) Public Company Limited
2004 - 2007	Advisor, Department of Insurance, Ministry of Commerce
2003 - 2007	Vice Chairman of Clearing House Committee, The Office of Agricultural Futures Trading Commission
2002 - 2007	Academic Advisor, Thailand Securities Institute, The Stock Exchange of Thailand
1994 - 2007	Advisor, The Stock Exchange of Thailand
2004 - 2006	Advisor, Financial Institutions Policy Group, Bank of Thailand
2003 - 2006	Advisor, Senate Sub-committee on Finance, Banking and Financial Institutions
2003 - 2006	Member (Finance Expert Status), Supervision Sub-committee for Corporate Acquisition Activities, Securities and Exchange Commission, Thailand
2003 - 2005	Advisor, Agricultural Futures Exchange of Thailand
1998 - 2005	Advisor, Thailand Securities Depository Company Limited

MR. APHINANT KLEWPATINOND

Age 40

Position

Chief Executive Officer

Educational Qualifications

MBA (Finance) / University of Maryland at College Park, U.S.A.

BA in Cost Accounting / Chulalongkorn University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

700,000

0.33 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Oct. 2009 - Present	Chief Executive Officer, Phatra Securities Public Company Limited
2007 - Sep. 2009	Managing Director (Head of Investment Banking Department), Phatra Securities Public Company Limited
2005 - 2007	Executive Vice President (Investment Banking Department), Phatra Securities Company Limited / Phatra Securities Public Company Limited
2005	Director, Hunters Asset Management Company Limited
2002 - 2005	Director (Investment Banking Department), Phatra Securities Company Limited

MR. JIRAWAT SUPORNPAIBUL

Age 42

Position

Managing Director
(Head of Private Wealth Management Department)

Educational Qualifications

MBA / Sasin Graduate Institute of Business Administration

BA in Economics / Chulalongkorn University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

8,508

0.00 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2007 - Present	Managing Director (Head of Private Wealth Management Department), Phatra Securities Public Company Limited
2006 - 2007	Executive Vice President (Head of Private Wealth Management Department), Phatra Securities Public Company Limited
2005	Director, Hunters Asset Management Company Limited
2003 - 2005	Director (Investment Banking Department), Phatra Securities Company Limited / Phatra Securities Public Company Limited



MRS. PATRAPORN MILINDASUTA

Age 46

Position

Managing Director and Chief Administrative Officer

Educational Qualifications

LL.M. / Chulalongkorn University

Barrister-at-Law (Thai Bar)

LL.B. / Thammasat University

Company Secretary Program (CSP), 2005 / Thai Institute of Directors Association (IOD)

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

250,181

0.12 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Dec. 2009 - Present	Sub-Committee on Consideration of Draft Notifications Concerning Equity Instruments and Governance of Publicly Traded Companies, Securities and Exchange Commission, Thailand
2008 - Present	Company Secretary, Phatra Securities Public Company Limited
2007 - Present	Managing Director and Chief Administrative Officer, Phatra Securities Public Company Limited
2005 – Present	Sub-Committee on Consideration of Notifications Concerning Business Takeovers, Securities and Exchange Commission, Thailand
2006 - Dec. 2009	Sub-committee on Consideration of Draft Notifications Concerning Equity Instruments, Securities and Exchange Commission, Thailand
2007	Founding Committee and Director, Thai Company Secretary Club
2005 - 2007	Director, Compliance Club, Association of Securities Companies
2004 - 2007	Executive Vice President (Office of General Counsel & Internal Audit), Phatra Securities Company Limited / Phatra Securities Public Company Limited
2005	Director, Hunters Asset Management Company Limited

MR. KRITTIYA VEERABURUS

Age 40

PositionManaging Director
(Head of Direct Investment Department)

Educational Qualifications

MBA / Golden Gate University, U.S.A.

BBA in Management / Chulalongkorn University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

None

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Aug. 2008 - Present	Managing Director (Head of Direct Investment Department), Phatra Securities Public Company Limited
2008 - Jan. 2010	Director, CS LoxInfo Public Company Limited
2008 - Jul. 2009	Executive Vice President (Head of Direct Investment Department), Phatra Securities Public Company Limited
2006 - 2008	Executive Vice President (Direct Investment Department), Phatra Securities Public Company Limited
2002 - 2005	Director (Investment Banking Department), Phatra Securities Company Limited / Phatra Securities Public Company Limited

MR. TANAVATT BHANJKASEM

Age 44

PositionManaging Director
(Head of Equity & Derivatives Trading Department)

Educational Qualifications

MBA in Finance / Thammasat University

BE in Computer / Chulalongkorn University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

None

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Feb. 2010 - Present	Managing Director (Head of Equity & Derivatives Trading Department), Phatra Securities Public Company Limited
2007 - Present	Advisor, Derivatives Club, Association of Securities Companies
2007 - Jan. 2010	Executive Vice President (Head of Equity & Derivatives Trading Department), Phatra Securities Public Company Limited
2005 - 2007	Executive Vice President (Futures Department), KGI Securities (Thailand) Public Company Limited

MRS. PANIDA PRAPUNWATTANA

Age 44

Position

Director (Finance Department and Treasury Department)

Educational Qualifications

MBA / National Institute of Development Administration

BS in Economics and Business Administration / Kasetsart University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

445,090

0.21 %

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

2008 - Present	Director (Finance Department and Treasury Department), Phatra Securities Public Company Limited
2004 - 2008	Director (Finance Department, Treasury Department and Corporate Credit & Risk Management Department), Phatra Securities Company Limited / Phatra Securities Public Company Limited



DR. POPANIT POOMMARAPAN

Age 47

Position

Director (Risk Management Department)

Educational Qualifications

Ph.D. in Engineering Management / Missouri University of Science and Technology, U.S.A.

MS in Engineering Management / University of Louisiana, U.S.A.

BE in Electrical Engineering / Chulalongkorn University

Number of Shares Held (as of September 10, 2009) and Percentage of Shareholding Stake

None

Family Relationship Among Executives

None

Work Experiences (Past 5 years)

Feb. 2009 - Present Director (Risk Management Department),
Phatra Securities Public Company Limited

2006 - Present Supervisory Committee, ABF Thailand Bond Index Fund

2005 - 2008 Senior Vice President (Risk Support Department), TMB Bank Public Company Limited

2003 - 2005 Senior Vice President (Research & Development Department),
The Thai Bond Dealing Centre

Note :

(1) The person is an authorized director, provided that two authorized directors jointly sign with the Company's seal affixed to bind the Company.



REMUNERATION OF THE MANAGEMENT

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MONETARY REMUNERATION

1) Remuneration of the Company's directors

For the year ended December 31, 2009, the Company paid remuneration to five directors who were not members to the Executive Committee, namely Dr. Anumongkol Sirivedhin, Assoc. Prof. Dr. Varakorn Samakoses, Prof. Dr. Uthai Tanlamai, Mr. Pongtep Polanun and Prof. Dr. Anya Khanthavit in the amount of Baht 327,000.00 per director, totaling Baht 1,635,000.00 in the form of monthly remuneration equal to Baht 30,000.00 per director for January 2009 and Baht 27,000.00 per month per director for February to December 2009 according to the resolution of the 2009 Annual General Meeting of Shareholders dated on April 23, 2009. Such remuneration excludes year-end bonuses, which would be proposed for five directors who were not members to the Executive Committee and one director who was not the Company's employee, and requires approval from the 2010 Annual General Meeting of Shareholders which will be held on April 22, 2010.

2) Total remuneration of the Company's executive directors and management

For the year ended December 31, 2009, the total remuneration of twelve executive directors and management - six executive directors and six management members - was Baht 128,492,099.88. This amount comprised Baht 48,073,214.29 for salary, Baht 75,800,000.00 for bonus, Baht 4,228,589.29 for provident fund and Baht 390,296.30 for life insurance premium.

Remarks

1. Management means top four executives whose ranks are subsequent to the Chief Executive Officer including every person(s) whose rank is equivalent to the 4th level. (This does not include the Chief Financial Officer, in the case that the Chief Financial Officer is not in the same level as or above the 4th executive level.)

2. Twelve executive directors and management include:

- 2.1 Mr. Veravat Chutichetpong, Executive Director, who resigned from the Company effective October 1, 2009; and
- 2.2 Dr. Popanit Poommarapan, Director, who was appointed as Head of Risk Management Department effective February 21, 2009.

HUMAN RESOURCES DEVELOPMENT

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The Company is aware that its employees are the most important factor in achieving long-term success, and has therefore focused on developing a long-term human resources (HR) blueprint and master plan to align HR practices with the Company's business strategy and direction. This includes learning and development, career path, compensation & benefits, performance management, employee relations and talent management. These plans are based on employee participation, which is critical in supporting engagement with the Company in the long run.

The Company has carried out its HR development plan through training & development activities to foster employees' knowledge, skills and capabilities. The programs are aligned with the Company's strategies and meet the ever-changing needs of clients in securities business.

In 2009, the Company strived to develop management and employees' capabilities in order to work professionally and efficiently under the current unstable economic, political, and social conditions. The development policy focused on providing technical knowledge training to employees at all levels in securities products and businesses, as well as new financial products and services launched in 2009. The training needs of each business and support function were considered. For management training, the Company provided a customized program for executives to enhance their managerial and leadership performance in daily work and responsibilities, and to effectively improve teamwork to support the Company's projected business growth. Throughout 2009, the Company arranged 10 in-house training courses for employees to pursue business strategy and sent employees and management to attend 67 public training courses with well-known institutes as well as professional Thai and foreign experts as instructors.

The Company realizes it is crucial to create a culture of continuous self-improvement within the organization, and in 2009 some 70 % of employees and management attended internal and external training and development programs.

In addition, the Individual Development Plan (IDP), which is a part of succession planning, was retained and combined with training programs in 2009. This will be used as a guideline for developing HR in the future in order to strengthen business and maintain the Company's sustainable growth.

RELATED PARTY TRANSACTIONS

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

(Unit : Baht)

	2009	2008	Transfer pricing policy
Transactions with the Company's directors			
Brokerage fees from securities business	1,416,861.93	849,611.78	Normal rate charged to ordinary clients
Brokerage fees from derivatives business	130,350.00	165,700.00	Normal rate charged to ordinary clients
Transactions with related parties			
Brokerage fees from securities business	36,942.45	110,086.01	Normal rate charged to ordinary clients
Brokerage fees from derivatives business	13,950.00	-	Normal rate charged to ordinary clients

The balances of the accounts as at December 31, 2009 and 2008 between the Company and those related parties are as follows:

(Unit : Baht)

	2009	2008
The Company's directors		
Deposits for clients' accounts	2,055,826.77	2,630,287.87
Securities business payable	-	190,489.07
Derivatives business receivables	-	6,000.00
Derivatives business payable	9,300.00	-
Related parties		
Deposits for clients' accounts	71,715.81	-

In addition to the above transactions on securities and derivatives trading brokerage business, in 2009 the Company paid consultant fee in the form of monthly salary of Baht 150,000.00 in January, February, October, November and December and monthly salary of Baht 135,000.00 in March to September, totaling Baht 1,695,000.00 and year-end bonus amounting Baht 200,000.00, altogether Baht 1,895,000.00 to Prof. Dr. Anya Khanthavit, director. Also, the Company paid Baht 189,000.00 (excluding VAT) to the company which related to the person who related to the Company's management for the Company's office decoration. These two transactions had been reviewed and approved according to the policy and rules of connected transactions.



CORPORATE GOVERNANCE REPORT

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The Board of Directors has always performed its duties with the utmost effort to ensure the Company's operations are in compliance with the Company's Principles of Corporate Governance. It seeks to provide assurance to all shareholders, investors, clients and other stakeholders that the Company does business in a transparent manner and that all related parties are treated fairly, as well as to contribute towards a firm foundation for the Company in the long term.

The Board of Directors in the Board of Directors' meeting no. 5/2552 on November 9, 2009 amended the Company's Principles of Corporate Governance in order to further improve the Company's corporate governance to meet international standards, to benefit its competitive capability, and to be consistent with the SET's Principles of Good Corporate Governance for Listed Companies 2006.

The Company adheres to the SET's Principles of Good Corporate Governance for Listed Companies 2006. However, there are still some matters regarding the responsibilities of the Board of Directors that in the present business condition do not fit the Company, and the Company has not yet fully complied with the following principles: (1) that the Chairman of the Board of Directors should be an independent director; (2) that the Chairman of the Board of Directors should not be either a Chairman or a member of any committee; (3) that the majority of the remuneration committee, nomination committee and other sub-committees should be independent directors; and (4) that the Chairman of each committee should be an independent director.

The Company's implementations in 2009 according to the SET's Principles of Good Corporate Governance for Listed Companies 2006 and its adaptations which have been made are as follows:

1. RIGHTS OF SHAREHOLDERS

Recognizing the rights of all shareholders, the Company has taken actions to demonstrate its respect for basic shareholders' rights and encourage shareholders to fully exercise their rights.

The Company's actions showing its commitment to shareholders' rights are as follows:

1) The Board of Directors has established a corporate governance policy regarding the statutory rights of shareholders. The policy emphasizes the right to attend shareholders' meetings, the right to appoint a third party as a proxy for attending and voting at meetings, the right to vote on the election or removal of each individual director, the right to vote on directors' remuneration annually, the right to appoint the external auditors and vote on the annual audit fees, and the right to obtain adequate information, participate and vote in shareholders' meetings if there are any significant corporate changes (such as alterations in the Company's capital structure, controlling persons, or purchasing and selling important assets). In addition, the Company provides shareholders the right to express an opinion and raise questions during shareholders' meetings, the right to propose agenda items for shareholders' meetings, the right to nominate directors, the right to be

involved in improving the Company's business performance, the right to share in the Company's profit, and the right to receive sufficient and up-to-date information in a timely manner.

The business and affairs of the Company are managed under the direction of the Board of Directors, which represents shareholders of the Company. The Board of Directors believes that corporate governance is a critical factor in achieving business success. The Company's corporate governance policy seeks to align management and shareholder interests. The Company has instituted corporate governance principles through the Company's various policies and procedures to protect shareholders' interests and transact business in a transparent manner by developing a structure with defined roles and responsibilities, separation of front and back office duties, and having policies to deal with conflicts of interest, risk management, internal control and business ethics. Furthermore, the Company has established various corporate governance committees, e.g. the Audit Committee, Management Committee, New Product Review Committee, Investment Committee, and Disciplinary Committee, to enhance transparency when executing business transactions.

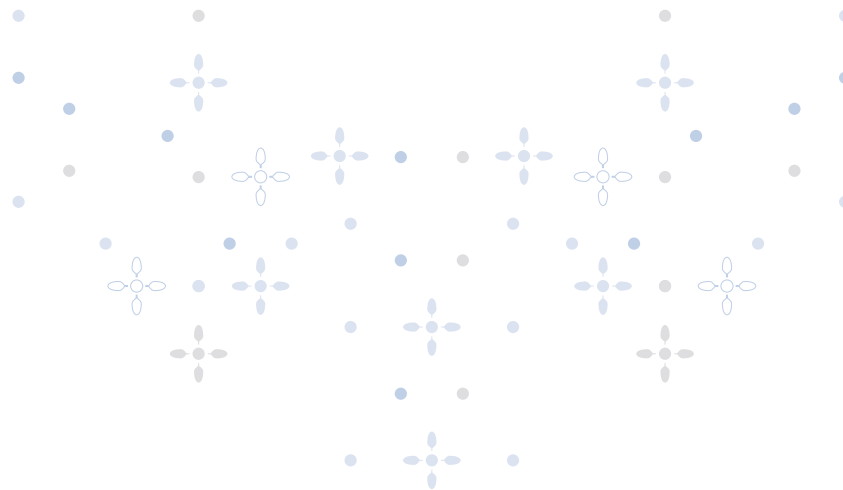
Moreover, in order to ensure all stakeholders have received the rights to which they are entitled and directors, management and employees at all levels strictly comply with the corporate governance policy, the Company has established in written form the Guidelines for Business Conduct. Details of the policy appear on the Company's website (www.phatrasecurities.com, Investor Relations / Corporate Governance section), Intranet and in the Employee Handbook. In addition, the Company has assigned the Office of General Counsel and Internal Audit (OGC) to monitor compliance and to periodically report to the Audit Committee for acknowledgement.

2) The Company facilitates shareholder participation in the shareholders' meeting as follows:

The Annual General Meeting of Shareholders ("the Meeting") was held on Thursday, April 23, 2009 at 14.00 hrs., within four months of the end of the fiscal year and not on a commercial bank holiday, at the Company's office which offered convenience in transportation.

On the Meeting day, the Company provided assistance to shareholders as follows. Registration was open at least for 1.5 hours before the Meeting commenced, an appropriate venue was selected, ample staff was present to help shareholders and proxies register, duty stamps were provided for authorization of proxies, and food and beverages were served throughout the event.

The Company arranged the delivery of notice of the Meeting, containing the complete agenda together with proxy forms and a complete set of meeting agenda documentation and information details to shareholders not less than seven days prior to the Meeting date. It also posted the notice of the Meeting on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting section) not less than one month prior to the Meeting date. Attached to the notice was sufficient information for voting on all agenda items, each of which was identified clearly as either for acknowledgement or consideration together with



opinions of the Board of Directors on particular issues. The notice of the Meeting clearly informed shareholders of all necessary documents and the Company's Articles of Association relevant to the shareholders' meeting to maintain their legitimate rights for attending the Meeting and proxy forms, allowing shareholders to appoint proxies to the Meeting. Proxies can be a third party or the Company's independent director.

For foreign shareholders' convenience, the Company also prepared all meeting documents in English version.

The Company gave those shareholders who showed up after the Meeting commenced the chance to vote on agenda items still under deliberation.

3) Before the Meeting started, the Company informed all shareholders of the voting and vote-counting procedures. The voting and vote-counting procedures were conducted openly in an appropriate time, counting one share as one vote. Each shareholder cast his or her vote on ballots. In addition, the Company invited the Company's auditor to witness the vote-counting procedure.

4) The Chairman of the Board of Directors acted as the Chairman of the Meeting. The meeting was attended by all Board members, including executives, management in charge of the Company's finances and the independent auditor. During the Meeting, the chairman of the Meeting provided the opportunity for shareholders to equally make inquiries and express opinions, which were answered and supplemented with complete information to shareholders. The chairman of the Meeting allocated an appropriate amount of time for discussion. Apart from related meeting documents, the Company also presented information using a video presentation system for shareholders to use in voting. (Details of this appeared in the minutes of the Meeting displayed on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting section).

5) Shareholders were able to submit their questions to the Company prior to the Meeting date. The Company disclosed details for sending questions in advance on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting / Questions for the Annual General Meeting of Shareholders section). However, there was no question submitted.

6) The Company set up channels for shareholders to contact the Company Secretary or Investor Relations directly for information regarding the Company on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting section).

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company values and treats all shareholders fairly and equally through the following actions:



1) On September 30, 2008 (via the SET's news portal) the Company invited all shareholders to propose the shareholders' meeting agenda for the Board of Directors' consideration until January 15, 2009. Criteria for proposing agenda items and screening processes were disclosed on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting / Agenda Proposal for Shareholders' Meeting section). However, there was no agenda item proposed by any shareholder for the 2009 Annual General Meeting of Shareholders.

2) On the same date (on the SET's news portal) the Company invited all shareholders to propose director nominees to the Company's Board of Directors via the Director Nominating Committee until January 15, 2009. Criteria for nominating directors, screening processes and the Company's directorship qualifications were disclosed on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting / Agenda Proposal for Shareholders' Meeting section). The Company's shareholders were given the choice to vote on individual nominees, although there was no director nominee from any shareholder in the year 2009.

3) The Company allows shareholders who cannot attend the shareholders' meetings to appoint proxies and vote on their behalf. The Company provides proxy forms on which shareholders are able to specify their votes together with the notice of the Meeting. Shareholders can also download proxy forms from the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting section).

4) The Company proposes the Company's independent director as an option for shareholders who cannot attend the shareholders' meetings to appoint as their proxies. For the 2009 Annual General Meeting of Shareholders, Dr.Anumongkol Sirivedhin, the Company's independent director and Chairman of the Audit Committee, was the person the Company proposed to shareholders for granting proxies. Forty-seven shareholders, representing 31,675,803 shares, appointed Dr.Anumongkol Sirivedhin as their proxies.

5) During the 2009 Annual General Meeting of Shareholders, the Chairman did not add any agenda item which was not notified to shareholders in advance.

6) The ballots for shareholders to vote in the Meeting were prepared. The voting-counting procedures were conducted in a transparent manner and the ballots were kept for reference.

7) Comprehensive minutes of the Meeting were recorded. The Company disclosed the resolutions of the 2009 Annual General Meeting of Shareholders via the SET's news portal and disclosed the minutes of the Meeting on the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting section) within fourteen days of the Meeting date. The minutes of the Meeting included names of directors and executives attending the Meeting, voting and vote-counting procedures, key discussion issues, questions



raised, clarifications, comments by the Meeting, resolution results and complete voting results (for / against / abstaining) of each agenda item.

8) The Company has written policies concerning the misuse of inside information. Directors and management are required to disclose to the Company via OGC the interests of their own and their related persons, e.g. spouse and minor children. The Company prohibits directors, employees and their related persons from acting upon material non-public information which affects the price of the Company's shares to benefit themselves or others. All directors and management must report their securities holding as required by law to the Board of Directors' meetings on a quarterly basis. Moreover, the Company prohibits executive directors, management and staff who know the Company's material information and financial statements from trading the Company's shares for a period of five business days before the end of each accounting period until one trading session after the financial statements are disclosed. So far, everyone has strictly complied with this policy.

9) The Company's directors and management who have an interest in any transaction or matter affecting the Company do not participate in the decision-making process on such issues.

10) The Audit Committee has the duty to consider the Company's connected transactions or transactions that may result in a conflicts of interest and review the disclosure of information to ensure its accuracy, completeness and compliance with laws and regulations. In the previous year, the Company did not violate any regulations regarding connected transactions.

3. ROLE OF STAKEHOLDERS

The Company emphasizes the statutory rights of all stakeholders, both internal (e.g. shareholders, directors and employees) and external (e.g. clients, counterparties, competitors, creditors), including its obligation to the community and society as follows:

1) The Company has developed a mechanism on the Company's website (www.phatrasecurities.com, Contact us / Stakeholders' Involvement section) where stakeholders can participate in improving the Company's performance. All stakeholders, including clients, counterparties, competitors, employees, shareholders and creditors, can send suggestions to the Company's management in order to create wealth, financial stability and sustainability of the Company.

2) The Company has procured channels for shareholders to communicate to the independent directors any concerns regarding illegal or unethical practices, incorrect financial reporting, insufficient internal control, etc. via the Company's website (www.phatrasecurities.com, Contact us / Stakeholders' Involvement section) for investigating and reporting to the Board of Directors. The rights of any person who communicates such concerns are protected, e.g. safekeeping of the identity of the person who communicates such concerns.

3) The Company ensures all stakeholders are well and fairly treated according to their statutory rights and agreements with the Company. Therefore, the Company defined guidelines for treatment with various stakeholders - shareholders, employees, clients, counterparties, competitors, creditors, community and society - in the Company's Principles of Corporate Governance.

4) The Company emphasizes its responsibility to the community, society and environment and strives to act as a good citizen, being non-partisan and unaligned with any political party. It bears in mind its role as part of society and the community, contributing to charitable activities and promoting a healthy environment in communities and the society at large for better living standards. The Company along with its employees has arranged charitable activities to inspire employees to act as part of the society and community.

The Corporate Social Responsibility Committee has been appointed by the Board of Directors to review and oversee the Company's corporate social responsibility policies, practices and strategies and to oversee and make recommendations to the Charity Committee in relation to initiating projects and activities for the public. The scope and responsibilities of the Corporate Social Responsibility Committee and the Company's projects and activities in this area in 2009 are shown in the annual report on page 34 and page 85 respectively.

4. DISCLOSURE AND TRANSPARENCY

Information disclosure is a vital principle for good corporate governance. The Company places great emphasis on disclosure of information to shareholders. Accurate and complete information is provided to shareholders in a transparent and timely manner through various actions as follows:

1) The Company ensures that all important information related to the Company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and in a transparent manner through the SET, its annual report, annual statement (Form 56-1), the Company's website in both Thai and English, as well as through public media (in some circumstances). The Company has not yet received any penalty from either the SEC or the SET regarding information disclosure.

2) The Board of Directors provided a statement of its responsibilities concerning the Company's financial reports signed by the Chairman of the Board of Directors and the CEO as shown on page 76 of the annual report.

3) The Board of Directors ensured that the roles and responsibilities of committees were disclosed in the Company's annual report as per details shown in the Management Structure section, report of the Audit Committee, report of the Management Development and Compensation Committee, report of the Director Nominating Committee, report of the Risk Management Committee and report of the Corporate Social Responsibility Committee.

- 4) The Company disclosed the directors' and executives' remuneration policies of the Management Development and Compensation Committee on page 84 of the Company's annual report.
- 5) The Corporate Social Responsibility Committee has approved concrete policies on corporate social responsibility. These were disclosed together with the Company's activities for society and environment carried out in 2009 in the report of the committee in the Company's annual report on page 85.
- 6) The Company disclosed related party transactions on page 52 of the Company's annual report.
- 7) The Company's Audit Committee considers, selects and nominates the auditor of the Company to the Board of Directors' and shareholders' meetings. The Company appointed an auditor who was independent and approved by the SEC. In the previous year, the Company's financial statements were unconditionally certified by the auditor and the Company was not ordered by the SEC to make any change to its financial statements.
- 8) The Company pays close attention to information that needs to be forwarded to the SET and shareholders, particularly for accuracy, adequacy, timeliness, and equitability. The CEO and the company's Investor Relations, Ms.Nithivadee Tantipoj, serve institutional investors, minor shareholders, analysts, and those who are interested in monitoring the Company's data. The Company has clear procedures for information disclosure under ordinary and urgent circumstances alike, formats for data presentation, and timeframes for notification to the SET so that shareholders and investors receive financial information quickly and completely. In 2009, the Company's information was disseminated via various channels, i.e. the SET, the SEC, newspapers, the Company's website (www.phatrasecurities.com), Company visits /one-on-one meetings, analyst briefings, etc.
- 9) In an effort to make financial information more rapidly available, the Company disclosed unaudited financial statements for 2008 in early 2009 and also disclosed unreviewed quarterly financial statements in 2009 besides the reviewed versions. Also, the Company disclosed management discussion and analysis along with the performance update presentations on a quarterly basis on its website (www.phatrasecurities.com, Investor Relations / Financial Statements / Management Discussion and Analysis and Performance Update sections).
- 10) The Company disclosed the shareholder structure, information of directors and management and their shareholdings transparently in the Company's annual report.
- 11) All disclosed information, as well as that made public to shareholders and investors, is disseminated through the Company's website which has been upgraded, regularly updated and made bilingual to benefit shareholders.



5. RESPONSIBILITIES OF THE BOARD

The Board of Directors endorses the Company's vision and strategies, and also approves key issues pertaining to the Company's business direction and policies, including the annual business plan and budget. The Board of Directors is also responsible for supervising management actions to ensure that they are consistent with approved policies and business plans, as well as in compliance with laws and regulations of all relevant government agencies and the resolutions of the shareholders' meetings. The best interest of the Company and all stakeholders is thus assured.

The Board of Directors is responsible for determining and separating duties and responsibilities of its own, committees and management as per details shown on page 22 of the Company's annual report.

The Board of Directors has leadership, vision and independence in making decisions for the best interest of the Company. The Board of Directors continues to value participation in training courses to apply to its job performance while adding to its knowledge and experience. To date, all members of the Board of Directors have attended the Director Certification Program (DCP) or Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD) and are competent, expert and experienced in various fields suitable for the Company's business. Details of their training, education and work experience are shown on page 36 of the annual report.

All directors understand their roles and responsibilities and the nature of the Company's business. They are ready to express their ideas independently and always update themselves. Directors perform their duties in good faith, with due diligence and care, and commit themselves to their responsibilities.

5.1 Board Structure

1) The election of members of the Board of Directors follows the resolutions of shareholders' meetings, as well as the rules and regulations and the Company's Articles of Association. The Board of Directors consists of those knowledgeable in diverse fields useful for the Company's business and can independently express their views on the Company's performance against the given policy in each Board of Directors' meeting. As of December 31, 2009, the Board of Directors comprised of eleven members, including six executive directors (including Chairman of the Board of Directors) and five non-executive directors. Four of them were independent directors which were equivalent to one-third of the board size.

2) The Company's qualifications for independent directors are in compliance with the qualifications specified by the SEC and the SET as per details shown on page 27 of the annual report, the Company's website (www.phatrasecurities.com, Investor Relations / Shareholders' Meeting / Agenda Proposal for Shareholders' Meeting section) and the notice of the shareholders' meetings.



3) Directors may engage in outside business activities. For example, they may serve as partners or stockholders in other businesses, officers in family-owned businesses or directors of other companies. The appropriateness of such activities depends on many factors: the nature and extent of the outside interest, the relationship between the Company and the outside entities and the duties involved. All authorized directors must report their outside business activities to OGC to consider conflicts of interest which may occur. Prior to serving as a director, officer or employee of any other corporation or business, executive directors must inform in writing to OGC. All new directors are required to disclose their outside business activities and interests once they join the Company. All directors have an obligation to keep the Company apprised of these activities and provide updated information about the outside interests. Prior to serving as a director of a publicly traded company, executive directors must report to the Executive Committee. Details of the directors are shown on page 36 of the annual report.

4) The roles and responsibilities of the Chairman of the Board of Directors are different from those of the CEO, and these two positions are held by different individuals. The Chairman of the Board of Directors is elected from the board members. He is the leader who takes part in making decisions on the Company's policies, which are the results from the Board of Directors' meetings in which the business targets are considered and set together with the management. The Chairman of the Board of Directors effectively and efficiently conducts the Board of Directors' meetings and encourages all directors to participate in the meetings, i.e. raises important questions, provides management with suggestions, monitors and evaluates the Company's performance, oversees the shareholders' benefit and supports the business operation via the CEO. The Chairman of the Board of Directors does not involve himself in the day-to-day business operations, which are under the responsibility of the management headed by the CEO. Meanwhile, the CEO has the duty to successfully manage the Company's business and set up action plans and strategies in accordance with the approval from the Board of Directors' meetings.

5) The Company has a person (Mrs. Patraporn Milindasuta, Managing Director and Chief Administrative Officer) in charge of the company secretary function to serve the Board of Directors in areas of providing legal advice, taking care of the Board of Directors' activities, monitoring compliance with the Board of Directors' resolution and Principles of Corporate Governance, and communicating with shareholders and relevant regulators. The person in charge of the company secretary function had already attended the Company Secretary Program (CSP) held by the IOD.

Regarding the term of service of directors, the Company's Articles of Association requires one-third of the directors to retire by rotation in every Annual General Meeting of Shareholders. If the number of directors cannot be a multiple of three, the nearest number to one-third must retire from office. Directors retiring by rotation can be re-elected as director. However, the Company does not specify a maximum number of

years and terms any director can be in office in order for the Company not to lose its opportunity to appoint the knowledgeable, capable and experienced directors who are a successful factor in directing the Company.

As the Company realizes the value of experience the directors gain from being directors for other entities, the Company does not specify the maximum number of outside positions the Company's directors can hold. However, in order for the Company's executive directors to have sufficient time to effectively work for the Company, the outside positions are held upon the condition that they do not interfere with their duty to the Company. Also, the Company requires executive directors to inform in writing to OGC prior to holding any position outside the Company and inform the Executive Committee prior to serving as a director of a publicly traded company. This is meant to avoid potential conflicts of interest. So far, all directors fully commit to the interest of the Company by regularly attending the meetings and expressing opinions beneficial to the Company. Also, currently there is no director who holds a position in more than five publicly traded companies. Information on outside positions of each director is shown on page 36 of the Company's annual report.

Reference is made to the Principles of Good Corporate Governance for Listed Companies in which it is recommended that the Company appoint an independent director as the Chairman of the Board of Directors. As the Company's business is complicated, fast-changing and requires flexibility, the Company believes the Chairman of the Board of Directors should be knowledgeable and capable, have direct experience in the Company's business, and be able to fully commit to the Company. This management structure is similar to those of leading international investment banks. Moreover, the Company believes its high-ranking executives are ethical and that the Company has good control to protect the best interest of shareholders and stakeholders.

5.2 Committees

1) The committees appointed by the Board of Directors to assist the Board of Directors in fulfilling its responsibilities are the Executive Committee, Audit Committee, Management Development and Compensation Committee, Director Nominating Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Company's committee structure and scope of work of each committee are shown in the annual report on page 22 and 28 respectively.

2) The Company's qualifications for the Audit Committee are in line with relevant regulations. The Company's Audit Committee consists of at least one member who has knowledge, understanding and experience in finance and accounting.

3) Besides the above-mentioned committees appointed by the Board of Directors, the Company's CEO has appointed other subcommittees to efficiently carry out the Company's operations. Such subcommittees have clear duties and responsibilities.

All committees appointed by the Board of Directors contain some independent directors. However, the majority of the Director Nominating Committee, the Management Development and Compensation Committee, the Risk Management Committee and the Corporate Social Responsibility Committee are not independent directors. Moreover, the Chairmen of the Management Development and Compensation Committee and the Corporate Social Responsibility Committee are not independent directors.

Most directors of the Company are executive directors who fully commit themselves to the Company's business, have knowledge and experience in the securities business and have been working for the Company for a long time. Appropriate persons for the Company's directors normally come from the Company's staff. Therefore, the Company believes that if most of the Director Nominating Committee consists of independent directors, they may face difficulties in selecting and nominating directors. However, numbers of independent directors of the Company have been continuously increased which is in line with the Company's policy on increasing the proportion of independent directors.

The Management Development and Compensation Committee has duty and responsibility for reviewing with management its programs and processes for management development and succession plans, reviewing the Company's compensation programs and policies to align them with the Company's goals and the interests of shareholders, reviewing expense accruals for incentive compensation and incentive compensation pools for the Company and proposing to the Board of Directors for approval prior to the annual determination of incentive compensation, considering and approving the allocation of variable incentive compensation payment (VICP) for each department as proposed by the CEO. Also, it reviews with the Board of Directors for proposing to shareholders' meeting for approval of the salaries or compensation of the Board of Directors members. It reviews the base salaries and compensation for the management who are members of the Management Committee and other senior management. Furthermore, it reviews and approves the promotion of the management at the level of Assistant Managing Director and above proposed by the CEO and all annuity contracts, compensation or special benefit plans for executives and senior management (if any) and employment or severance agreements. Consequently, the Company believes most Management Development and Compensation Committee members should be its own executives as they fully commit themselves to the Company, understand its business, and acknowledge the Company's performance.

5.3 Roles, Duties and Responsibilities of the Board of Directors

1) The Board of Directors reviews and approves key business matters such as the vision of the Company, strategies, financial targets, risks, major action plans and budget, and monitors implementation by management to ensure effectiveness.

2) The Board of Directors has set and approved the Company's written Principles of Corporate Governance which are regularly reviewed. The Board of Directors believes corporate governance is a critical factor in



achieving success. The Company's corporate governance policy seeks to align management and shareholder interests. The Company has instituted corporate governance principles through various policies and procedures to protect shareholders' interests and transact business in a transparent manner. Furthermore, the Company instills corporate governance awareness and understanding to employees continuously through various activities, e.g. orientation sessions for new employees and publishing of the Company's Principles of Corporate Governance in the Company's Intranet system.

3) The Company believes the Guidelines for Business Conduct and business ethics can focus the Board of Directors or management on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, help to foster a culture of honesty and accountability, and furnish good corporate governance. Therefore, all employees, management and directors are subject to the Company's Guidelines for Business Conduct, which they must acknowledge on their first working day and be able to study, review and refer to at all times as it is posted on the Company's Intranet system.

The Company is concerned about ethics, and aims to articulate its policies regarding this in everyday terms, developed with the input of employees from a cross-section of levels and jobs. These principles are the foundation for the Company's actions as a leader in the securities business and status as a good corporate citizen.

Examples of the Company's policies demonstrating how it is committed to upholding the highest ethical standards of business conduct are shown below.

Client Focus : The client is the driving force behind what we do.

In doing business, the client's interests must come first. In an increasingly competitive industry, success rests not on sales volume of a certain product or service, but on the degree to which clients value the Company as their trusted adviser. To achieve this, it is not sufficient merely to meet clients' expectations but constantly strive to exceed them.

Respect for the Individual : We respect the dignity of each individual, whether an employee, shareholder, client, or the general public.

Respect for the individual means treating others with dignity and respect-sharing the credit when credit is due, avoiding public criticism of one another, and encouraging an atmosphere in which openness, cooperation and mutual consultation are the norm.

Teamwork

It is great teams that win, not loose affiliations of all-stars. Therefore, the Company expects real teamwork throughout



the Company, and rewards people for it. The Company is committed to an honest sharing of both risks and rewards with one another, so that when clients achieve their goals, everyone in the Company benefits.

Responsible Citizenship : We seek to improve the quality of life in communities.

Responsible citizenship means the Company is committed to giving something back to the communities in which the Company earns its livelihood. The Company encourages employee volunteerism and community involvement. Both as a corporation and as individuals, the Company supports education, the cultural arts, and the environment and community services.

Integrity : No one's personal bottom line is more important than the reputation of our Company.

The Company values its long-standing reputation for integrity in the marketplace. As beneficiaries of this great tradition, the Company may be tolerant of minor mistakes made in the course of business. However, the Company will not tolerate lapses in ethics or integrity.

Regarding confidential information, the Company's policy prohibits employees from acting upon material confidential information to benefit themselves or others. Information is "material" if a reasonable investor would consider it important in making an investment decision, or if it can reasonably be expected to have a substantial effect on the price of an issuer's securities. Also, the Company will not release client information except upon a client's authorization or when required to by law. Third-party service providers with access to client information are required to keep client information confidential and use it only to provide services for the Company. At times, the Company's policies may limit the ability of some employees to enter into transactions. Anyone with ongoing possession of confidential information may be unable to trade personally in the securities of the companies where he or she has information. Employees are required to direct questions concerning the confidentiality or security of client information to their managers or OGC.

The Company has a policy on gifts, gratuities and impermissible payments. Employees and members of their families may not directly or indirectly accept or receive bonuses, fees, gifts, frequent or excessive entertainment, or any similar form of consideration of other-than-nominal value from any person or entity with which the Company directly or indirectly does, or seeks to do, business.

The Company's policy forbids bribes, payoffs or payments of any kind by the Company or employee to any person, government official or entity for the purpose of improperly obtaining or retaining business or influencing consideration of any business activity. Special rules may apply to payments or gifts including entertainment to officers, directors, employees or other affiliates of government-owned or controlled entities. Employees are required to consult OGC if they have any specific questions. In order to prevent the appearance



of corrupt business practices, the Company has adopted a policy consistent with the U.S. Foreign Corrupt Practices Act (FCPA).

The Company has posted the Guidelines for Business Conduct on its website (www.phatrasecurities.com, Investor Relations / Corporate Governance / Guidelines for Business Conduct section) and Intranet. It continuously and consistently communicates its ethical standards and requirements to all employees and seeks to ensure compliance.

4) A conflict of interest occurs when an individual's private interest interferes in any way-or even appears to interfere-with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make them unable to perform their work objectively and effectively. Furthermore, conflicts of interest arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Therefore, the Company's policies prohibit such conflicts of interest and require employees, officers and directors of the Company to disclose the conflict of interest which may occur.

The Company expects each employee, executive or director to avoid activities, interests or associations that might interfere with the independent exercise of their judgment or the best interests of the Company, its clients, its shareholders or the public. Employees, executives and directors are prohibited from using illegal or improper means to influence the actions of others on behalf of themselves or the Company.

The Company's Audit Committee is fully authorized to review and approve any transactions the Company may enter into with any of the Board members, management, major shareholders and related persons. This is to avoid potential conflicts of interest between the Company and those persons. The Company's policies include specific safeguards against many forms of conflicts of interest, although it is impossible to foresee every potential conflict that can arise during the holding of office of an employee, executive and director. The Company requires employees, executives and directors to try to recognize these conflicts, bring them to the attention of management and avoid them where possible. If a conflict cannot be avoided, it must be managed in an ethical, responsible manner.

The Company seeks to control potential conflicts of interest by establishing various policies and procedures, a few of which are summarized below.

Regarding employees' securities trading accounts, employees and their immediate families must maintain their securities trading accounts at the Company in accordance with the Company's regulations. Certain employees (including investment bankers and staff of Direct Investment Department) must pre-clear transactions with their department head and OGC. The Company's policy is intended to prevent



employees from engaging in any outside business or other activity that might create a conflict of interest or jeopardize the Company's integrity or reputation. The securities trading transaction with management and employees must be on an arm's-length basis without taking unfair advantage of anyone through unethical or illegal means. The transaction must be entered into in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other similarly situated clients. However, in doing business, the Company maintains the principle that clients' benefit comes first. The Company has regularly reviewed and monitored compliance with such policy.

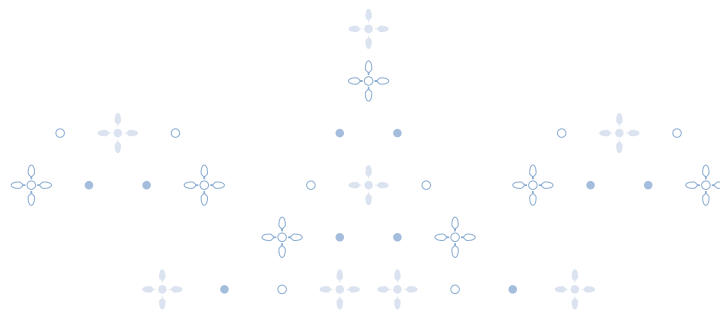
In addition, employees, executives and executives directors must disclose and obtain prior approval for certain interests outside the Company including outside employment, outside investments, and outside directorships.

Employees, however, may engage in outside business activities. For example, they may serve as partners or stockholders in other businesses, officers in family-owned businesses or outside directors of other companies. The appropriateness of such activities depends on many factors: the nature and extent of the outside interest, the relationship between the Company and the outside entities and the duties involved. Service as an employee, officer or director of any other corporation or business, employees, management and executive directors must be pre-authorized in writing by OGC.

The Company requires that employees, management and executive directors report all outside business activities, including ownership of privately held stocks and limited partnership interests, to OGC so that their activities can be reviewed for potential conflicts of interest.

5) The Board of Directors places significant emphasis on efficient internal control systems and is bound to maintain the culture which recognizes risk and internal control as important parts of the Company's overall operational activities. A system of effective internal controls is a critical component of the Company's management and a foundation for the safe and sound operation of the Company. It helps to ensure that the goals and objectives of the Company will be met, that the Company will achieve long-term profitability targets, and maintain reliable financial and managerial reporting. Such a system can also help ensure that the Company will comply with laws and regulations and decrease the risk of unexpected losses or damage to the Company's reputation.

The Risk Management Committee reviews the risk management system which covers all activities of the Company, including the assignment of any person or subcommittee to oversee the integration of departmental risk management and control systems and report regularly to the committee.



The Company maintains a system of internal controls to safeguard and preserve the information and assets of the Company, its clients and its shareholders. These controls are designed to ensure that business transactions are properly authorized and carried out, and that all reporting is truthful. All business transactions require authorization at an appropriate management level.

The Company actively promotes compliance with the laws, rules and regulations that govern the Company's business. Obeying both the letter and spirit of the law is one of the foundations of the Company's ethical standards.

Employees must report violations of law, rules, regulations and the Code of Ethics to their managers, OGC or senior management as appropriate. If they are not comfortable raising an ethical issue or discussing a possible or actual violation with their manager, they must seek assistance elsewhere within the Company. The Company has procedures for raising ethical concerns, misconduct or violations in a confidential manner, including concerns regarding internal accounting controls, questionable accounting or auditing matters. Procedures have been established for the receipt, retention and handling of concerns received by OGC regarding accounting, internal accounting controls, or auditing matters.

The Company has various corporate governance committees to ensure that new businesses or transactions are considered by all affected departments, such as the New Product Review Committee. All affected departments are required to confirm that all issues from their perspective have been addressed before the business can go forward.

The Audit Committee has been established by the Board of Directors to oversee the Company's business to ensure the effectiveness of the Company's internal audit system and good corporate governance. Duties of the Audit Committee are shown on page 29 of the annual report.

The Audit Committee's meeting shall be held at least once every three months and at least two members of the Audit Committee shall form a quorum. Each member shall have one vote and the Chairman of the Audit Committee has no casting vote. Details of the Audit Committee's works in 2009 are shown on the Audit Committee's report in the annual report on page 77.

The Company has two main departments i.e. OGC and the Risk Management Department which assist management to identify and manage various risks associated with business conduct.

OGC can be divided into three main functional areas : legal support, compliance and internal audit.



Legal and Compliance provides legal, regulatory and compliance guidance to the Company's management and employees to assist them in managing the business in a way consistent with the Company's principles, to comply with applicable laws and regulations, to provide a superior standard of service for issuing and investing clients, and to enhance and protect shareholder value. Compliance reports regularly to the Audit Committee.

Internal audit's mission is to contribute to the ongoing effectiveness of the Company's internal controls by evaluating operations and internal controls and be a partner with business leaders to ensure proper controls are established and maintained. The function of the internal audit is to examine, evaluate, and report on the adequacy of the internal control system within the Company in order to contribute to the proper, efficient and effective use of resources. In reviewing an organization, internal audit looks at the control environment, risk assessment, control activities, information and communication within the organization, and monitoring activities. Internal audit then furnishes the organization with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and reports regularly to the Audit Committee.

The Risk Management Department reviews the credit-worthiness of the counterparties for existing clients and new accounts, as well as setting and revising the limits.

6) The Company has established a Disaster Recovery Center and has set up a Business Continuity Plan to support the Company's business operations in case there is any emergency or damage to the computer system or the Company's offices. On November 28, 2009, the Company rehearsed its Business Continuity Plan.

7) The Board of Directors prepares reports on the Company's operating results and major events over the past year to shareholders for their acknowledgement. Also, the Board of Directors is responsible for risk management and internal control systems to ensure that they are appropriate and effective. In terms of the financial statements, the Board of Directors takes responsibility for the balance sheet and financial information and is obligated to prepare an efficient internal control system and to ensure that the recording of accounting data is correct, complete and sufficient. This enables the Company to know all weak points and to be protected from any dishonest act or any act that is materially unusual.

Pursuant to this, the Audit Committee, which consists of the non-executive directors who have experience in financial and accounting work, oversees the quality of the Company's financial statements and the internal control system, as well as other related processes in compliance with generally accepted accounting standards. The Audit Committee also ensures that the Company's financial data has been disclosed publicly and transparently. The Audit Committee's report is included in the annual report on page 77.

5.4 Board Meeting

1) The Board of Directors does not set its yearly schedule of meetings. However, the Company sets the schedule of the Board of Directors' meetings in advance and each director is notified of the meeting schedule ahead of time so they can attend the meetings. Normally all directors attend each Board of Directors' meeting except in cases where they have legitimate and necessary reasons not to attend. Whenever possible, directors inform the Chairman of the Board of Directors if they cannot attend a meeting. Details of attendance at the Board of Directors' meetings and committees' meetings of the Company's directors in 2009 are shown below:

Name of Board Members	Board of Directors (times)	Executive Committee (times)	Audit Committee (times)	Management Development and Compensation Committee (times)	Director Nominating Committee (times)	Risk Management Committee (times)	Corporate Social Responsibility Committee (times)
Mr. Banyong Pongpanich	5/5	13/13		5/5			1/1
Mr. Suvit Mapaisansin	5/5	13/13		5/5	1/1	6/6	1/1
Mr. Veravat Chutichetpong	5/5	12/13					
Dr. Supavud Saicheua	5/5	12/13			0/0		
Mrs. Patchanee Limapichat	5/5	10/13					1/1
Mr. Norachet Sangruji	5/5	11/13				6/6	1/1
Dr. Anumongkol Sirivedhin ⁽¹⁾	4/5		9/9		1/1		1/1
Assoc. Prof. Dr. Varakorn Samakoses ⁽¹⁾	4/5		8/9				
Prof. Dr. Uthai Tanlamai ⁽¹⁾	5/5		9/9				
Mr. Pongtep Polanun ⁽¹⁾	5/5		8/9	5/5		4/6	
Prof. Dr. Anya Khanthavit	4/5					6/6	

Remark : (1) Independent director

2) In 2009, the Board of Directors met five times. A typical Board of Directors' meeting takes three and a half hours, with the Company Secretary in attendance to take the minutes including the management's clarification and directors' comments.

Although the Board of Directors did not meet every month, the Company prepared the performance report on a monthly basis and non-executive directors were able to request such report from the Company's management or Company Secretary so that they could monitor management performance continuously and promptly.

- 3) The Chairman of the Board of Directors and the CEO jointly set the agenda for the Board of Directors' meetings by considering its importance and necessity. However, each director is free to propose an issue for a meeting agenda.
- 4) Meeting documents are sent to each director at least seven days in advance of the meeting date.
- 5) In the Board of Directors' meetings, the Chairman allocates the meeting time for complete management presentation and comprehensive director discussions. Top executives of the Company are able to attend the Board of Directors' meetings to present details on issues they are directly responsible for.
- 6) The Board of Directors can access additional information via the CEO or Company Secretary or executives designated as contact persons.
- 7) The Board of Directors realizes the importance of non-executive directors meeting as necessary among themselves without the management team in order to debate their concerns. The meeting outcome is notified to the CEO.

5.5 The Board Self Assessment

The Director Nominating Committee used the same self-evaluation form as the previous year to evaluate the Board of Directors' performance as a group. The form covers certain areas including board structure and directors' qualification, directors' scope of work and responsibilities, relationship with management, risk management and internal control, overseeing and supervising in order to avoid any conflicts of interest, follow up the Company's financial reports and operations, Board of Directors' meeting, seeking qualified individuals to become members of the Board of Directors, remuneration of the management and evaluating CEO's performance with rating scores from 1 to 5, which are 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree and N/A.

The result shows a satisfactory level with an average score of 4.61 out of 5 which is comparable with the score of 4.52 of the previous year.

5.6 Remuneration

The Management Development and Compensation Committee is responsible for reviewing director's remuneration, to be submitted for consideration by the Board of Directors for further submission for approval by the General Meeting of Shareholders. It considers the appropriateness of remuneration with respect to the obligations and responsibilities of each director, and the Company's financial status, to ensure that remuneration is comparable to other securities companies.

Remuneration of management is paid according to policies and criteria set by the Board of Directors. It is tied directly to the performance of the Company and individual performance. The Management Development and Compensation Committee shall propose to the Board of Directors for consideration and approval.

Details of remuneration to directors and management are shown on page 50 of the annual report.

5.7 Board and Management Training

The Company has a policy of supporting directors and executives in attending seminars and training courses of the IOD, when it is indicated to be useful to their functions, as well as training at the SET, Thai Listed Companies Association and other independent institutions. The aim is to continuously improve their performance, which will further benefit the Company's business operations.

The Board of Directors has assigned the Management Development and Compensation Committee to review with the management of the Company its programs and processes for management development, reviewing succession plans for key senior management positions, and reviewing the promotion of management and employees of the Company.

SUPERVISION OF USAGE OF INTERNAL INFORMATION

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Phatra Securities Public Company Limited



The Company has a policy prohibiting directors and executives from using internal information regarding status and results of the Company's operations which are not yet disclosed to the public for trading securities or for their own interest. In addition, the Company has a policy of limiting disclosure of confidential information to relevant employees on a need-to-know basis and such information must not be circulated to different areas of the Company. The sharing of confidential information between departments is permitted except in certain circumstances, which must be approved by OGC on a case-by-case basis to prevent the misuse of such confidential information.

Rules and procedures for performance of work in regard to the use of internal information to prevent the unlawful use of internal information and to avoid conflicts of interest can be concluded as follows:

1. Department having an opportunity to access inside information both in front office and back office support shall be clearly separated;
2. The structure of supervision, management and reporting of performance of work in each department shall be directly under the management responsible for such matter;
3. Temporary borrowing of personnel between departments (Across the Wall) shall be subject to approval of the most senior supervisor of those departments and OGC;
4. Limitation of access to information (Need-to-Know Basis) such as communication between departments, access to sites, provisions or requests for information between departments shall be subject to approval of the most senior supervisor of that department;
5. Operations with regard to registration or withdrawal of securities names in accounts, such as securities in a Grey List and Restricted List, shall be undertaken and OGC shall be responsible for supervising the preparation of such securities lists and securities trading of staff members and management of the Company.
6. The Company prohibits executive directors, management and staff who know the Company's material information and financial statements from trading the Company's shares for a period of five business days before the end of each accounting period until one trading session after the financial statements are disclosed.



DIVIDEND PAYMENT POLICY AND DIVIDEND PAYMENT

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The Company has a policy of making dividend payment at the rate of not less than 40 % of net profit after deduction of all legal reserves. Interim dividend may be considered from time to time. However, dividend payments are subject to change depending on investment plans, necessities and other reasons in the future as deemed appropriate.

In 2009, the Company made two dividend payments to shareholders, as detailed below:

1. Dividend payment for year 2008 on May 11, 2009 according to the resolution of the 2009 Annual General Meeting of Shareholders dated on April 23, 2009 at the rate of Baht 1.00 per share, totaling Baht 213,500,000.00. The record date on which shareholders had the right to receive dividend was fixed on March 11, 2009 and the closing of share register book for gathering shareholders' names under the Section 225 of the Securities and Exchange Act was on March 12, 2009; and
2. Interim dividend payment for the Company's performance in the first six-month period of 2009 on September 21, 2009 according to the resolution of the Board of Directors' meeting no.3/2552 dated on August 24, 2009 at the rate of Baht 0.60 per share, totaling Baht 128,100,000.00. The record date on which shareholders had the right to receive dividend was fixed on September 9, 2009 and the closing of share register book for gathering shareholders' names under the Section 225 of the Securities and Exchange Act was on September 10, 2009.



AUDITOR'S REMUNERATION

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Phatra Securities Public Company Limited



For the accounting period ended December 31, 2009, the auditor's remuneration paid to Ernst & Young Office Limited for the audit fee was Baht 1,200,000.00. This amount comprised of Baht 420,000.00 for auditing the annual financial statement ended December 31, Baht 395,000.00 for auditing the half year financial statement ended June 30, and Baht 385,000.00 for reviewing the financial statements of 1st and 3rd quarters.

RESPONSIBILITY TO THE FINANCIAL REPORT OF THE BOARD OF DIRECTORS

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The Board of Directors is responsible for the arrangement of the Company's financial statement and the financial information appearing in the annual report. The financial statements are prepared in accordance with generally accepted accounting standards and appropriate accounting policies, and are made with careful consideration. They have been duly audited and the independent auditors have provided their unqualified opinions. The financial statements therefore reflect the Company's financial status and operating results in a manner that is factual, reasonable and useful for shareholders, general investors and stakeholders.

The Board of Directors has also established and maintained an appropriate and efficient system of risk management as well as internal control systems. These guarantee accounting accuracy and adequacy in order to protect the Company's assets and prevent corruption and irregularities.

In this matter, the Board of Directors has appointed the Audit Committee which consists of four independent directors who are responsible for the quality of the financial statements and internal control system. Also, the Board of Directors has provided full authority to the Audit Committee and independent auditors in reviewing the internal control system and the accuracy and adequacy of the financial reports. The remarks of the Audit Committee are included in the Company's annual report.

The Board of Directors opines that the overall internal control system is satisfactory and lends credibility to the Company's financial statements as of December 31, 2009.

(Mr. Banyong Pongpanich)
Chairman

(Mr. Aphinant Klewpatinond)
Chief Executive Officer

AUDIT COMMITTEE'S REPORT

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For the period ended December 31, 2009

The Audit Committee (“the Committee”) consists of four independent directors. In 2009 the Committee met nine times to perform its responsibilities within the scope of duties assigned by the Board of Directors. Names of members and their attendance records are as follows:

Name	Position	Meetings Attended
1. Dr. Anumongkol Sirivedhin	Chairman of the Audit Committee	9/9
2. Assoc. Prof. Dr. Varakorn Samakoses	Member of the Audit Committee	8/9
3. Prof. Dr. Uthai Tanlamai	Member of the Audit Committee	9/9
4. Mr. Pongtep Polanun	Member of the Audit Committee	8/9

The Committee strives to assist the Company to operate with efficiency, transparency and in line with the Principles of Corporate Governance in order to create credibility and certainty to shareholders, investors, stakeholders and all other relevant parties. The Committee gives priority to the development of logical management and auditing systems in order to reduce the chance of error from operations, as well as fostering a mutual understanding among staff.

The Committee’s works during 2009 are summarized as follows:

JANUARY 2009

1. Acknowledged the progress of the Technology Department’s operations according to the internal auditor’s recommendations after the IT general control review and made suggestions on methods to prevent risks which might occur from hiring IT outsourcers;
2. Acknowledged the internal audit result of the Private Wealth Management Department;
3. Acknowledged the compliance report for the period September - December 2008 performed by OGC; and
4. Acknowledged the 2008 annual compliance report and made suggestions on its report format.

FEBRUARY 2009

1. Considered and approved the Company’s financial report and statement for the period ended December 31, 2008 which had been audited by the auditor;
2. Considered selecting the external auditor and fixing their remuneration, and proposed this to the Board of Directors’ and shareholders’ meetings; and
3. Considered and approved the year-end bonus payment to the related person and the information memorandum on connected transaction which had to be disclosed to shareholders via the SET.

MARCH 2009

1. Acknowledged the internal audit result of the Direct Investment Department and Treasury Department and made suggestions on setting all investment limits which had been approved by the Investment Committee as conditions in the technology system in order to ensure the complete compliance with all investment limits specified and reduce burdens for auditing. The Committee also suggested the internal auditor prepare the risk control structure for each business of the Company; and
2. Acknowledged the compliance report for the period January - March 2009 performed by OGC.

MAY 2009

1. Acknowledged the progress of the preparation of the risk control structure for each business of the Company and suggested that the Corporate Credit & Risk Management Department, which is the unit responsible for identifying the risk management policy, encourage staffs in business units to conform to the risk management policy whereas staffs in business units themselves make regularly control self assessment. The Committee also suggested the internal auditor review the operations of each business unit to ensure that the Company's business operations comply with the specified risk management policy; and
2. Considered and approved the Company's financial report and statement for the three-month period ended March 31, 2009 which had been reviewed by the auditor.

JULY 2009

1. Acknowledged the internal audit result of the Equity & Derivatives Markets Group;
2. Acknowledged the risk control structure for each business of the Company and suggested the internal auditor together with the Corporate Credit & Risk Management Department identify risk warning indicators and treatment options which were parts of the enterprise risk management. The Committee also suggested the department mainly responsible for controlling risks as specified in each risk control structure review its duties from time to time in order for its operations to be suitable for controlling risks which might change; and
3. Acknowledged the compliance report for the period April - May 2009 performed by OGC.

AUGUST 2009

1. Considered and approved the Company's financial report and statement for the six-month period ended June 30, 2009 which had been audited by the auditor; and
2. Reviewed the Committee's works to report to the Board of Directors in the Board of Directors' meeting no.3/2552 and made suggestions on information system improvement, employees' compliance with policies, rules and regulations, risk control of the Company and works of internal audit.

OCTOBER 2009

1. Acknowledged the internal audit result of the vendor selection management, the Corporate Credit & Risk Management Department and the Equity & Derivatives Trading Department and the result of an IT general control review. The Committee made suggestion on reviewing the necessity and appropriateness of the schedule of the computer system check in order to reduce daily procedures; and
2. Acknowledged the compliance report for the period June - September 2009 performed by OGC.

NOVEMBER 2009

1. Considered and approved the Company's financial report and statement for the nine-month period ended September 30, 2009 which had been reviewed by the auditor; and
2. Discussed with the auditor (Ernst & Young Office Limited) without the presence of the Company's management or representative to exchange opinions regarding the Company's internal control and accounting procedures.

DECEMBER 2009

1. Considered and approved the re-hiring of Mr. Banyong Pongpanich;
2. Acknowledged the result of financial consultants' remuneration review;
3. Considered and approved the annual internal audit plan for 2010; and
4. Acknowledged the compliance report for the period October - November 2009 performed by OGC.

For the year 2010 the Committee selected the Company's auditor by considering several factors in terms of their work quality, expense and independence, and resolved to nominate Mr. Sophon Permsirivallop, CPA no. 3182 or Ms. Rungnapa Lertsuwankul, CPA no. 3516 or Ms. Sumalee Reewarabandith, CPA no. 3970 or Mrs. Nonglak Pumnoi, CPA no. 4172 of Ernst & Young Office Limited as the Company's external auditor and propose their remuneration to the Board of Directors in order to propose to the shareholders' meeting for approval.

The Committee is of the opinion that the Company has an appropriate and effective internal control system and has performed in accordance with laws and relevant regulations. The financial statements of the Company were properly prepared with true statement and adequate disclosure of material information in accordance with generally accepted accounting principles.



(Dr. Anumongkol Sirivedhin)
Chairman of the Audit Committee

DIRECTOR NOMINATING COMMITTEE'S REPORT

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For the period ended December 31, 2009

The Director Nominating Committee (“The Committee”), which consists of three directors, namely Mr. Banyong Pongpanich as Chairman, Dr. Anumongkol Sirivedhin and Mr. Suvit Mapaisansin, met once to perform its duties and responsibilities within the scope and duties of work assigned by the Board of Directors. The Committee considered and proposed the appointment of new directors to replace those retired by rotation to the Board of Directors’ meeting and shareholders’ meeting. According to the Company’s Articles of Association, one-third (1/3) of the directors are required to retire by rotation at every annual general meeting of shareholders. If the number of directors is not a multiple of three, the nearest number to 1/3 must retire from office. Directors retiring by rotation can be re-elected as directors. For the first and second year after the Company became a registered company, it drew lots to select directors who would retire by rotation. In every subsequent year, directors having been longest in office retire. This is in line with the Public Limited Company Act. At that time, the Company had eleven board members so it had to be four directors retired by rotation. The three directors in office for the longest period were Mr. Suvit Mapaisansin, Mr. Norachet Sangruji and Prof.Dr.Uthai Tanlamai, which did not comprise 1/3 of the current board members. Therefore, the Committee drew lots among three directors in office for the second-longest period, with Mrs. Patchanee Limapichat selected as another director to be retired by rotation.

In addition, the Company had invited shareholders to propose director nominees to the Board of Directors via the Committee, but no shareholder proposed any person to be appointed as a director.

Hence, the Committee considered and agreed to propose to the Board of Directors’ meeting and the 2009 Annual General Meeting of Shareholders that Mr.Suvit Mapaisansin, Mrs.Patchanee Limapichat, Mr.Norachet Sangruji and Prof.Dr.Uthai Tanlamai, be re-elected as the Company’s directors for another term as these directors were knowledgeable, capable and experienced and performed well throughout their terms in office.

As approved by the Board of Directors' meeting no. 4/2552 dated September 17, 2009, the Committee consists of three directors, namely Dr. Anumongkol Sirivedhin as Chairman, Mr. Suvit Mapaisansin and Dr. Supavud Saicheua effective October 1, 2009. The Committee conducted an evaluation of the performance of the Board of Directors as a group for the year 2009. The evaluation form covers many areas including board structure and directors' qualification, directors' scope of work and responsibilities, relationship with management, risk management and internal control, overseeing and supervising in order to avoid any conflict of interest, following up on the company's financial reports and operations, Board of Director's meeting, seeking qualified individuals to become members of the Board of Directors, remuneration of the management and evaluating the CEO's performance with rating scores from 1 to 5. These are 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree and N/A.

The result for the year 2009 shows a satisfactory level with an average score of 4.61 out of 5.0 which is comparable with an average score of 4.52 out of 5.0 of last year.



(Dr. Anumongkol Sirivedhin)
Chairman of the Director Nominating Committee



RISK MANAGEMENT COMMITTEE'S REPORT

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For the period ended December 31, 2009

The Risk Management Committee (“the Committee”) has been appointed by the resolution of the Company’s Board of Director’s meeting no. 6/2551 dated August 18, 2008. The Committee consists of five members, namely Mr. Pongtep Polanun as Chairman, Mr. Suvit Mapaisansin, Mr. Veravat Chutichetpong, Mr. Norachet Sangruji and Prof. Dr. Anya Khanthavit. Dr. Popanit Poommarapan is Secretary of the Committee. The Board of Directors’ meeting no. 4/2552 dated September 17, 2009 appointed Mr. Aphinant Klewpatinond as member of the Committee replacing Mr. Veravat Chutichetpong effective October 1, 2009.

The Committee performed its best duties to assist the Board of Directors in relation to the Company’s risk management. During 2009, the Committee met six times and their works are summarized as follows:

1. Considered and approved the gap analysis results of the Company’s current risk governance and framework by comparing with risk management standards, and approved the projects to improve the Company’s risk governance and management to best practice.
2. Reviewed decision authority matrix of Private Wealth Management Department to ensure that the approval of temporary credit limit, which may increase credit risk to the Company, is appropriate and considered and approved by two authorized persons.
3. Set up guidelines, calculation method and operating procedures to control market risk of Equity & Derivatives Trading Department.
4. Set up guidelines and procedures to identify risks of new products and services.
5. Reviewed decision authority matrix of Private Wealth Management Department to ensure that the credit approval process has checks and balances between Private Wealth Management Department and Risk Management Department.
6. Reviewed risk control policy for Direct Investment Department including setting up an action trigger to report to the Investment Committee when market price of investment portfolio changes in order for the Investment Committee to be able to manage investment portfolio in a timely manner.
7. Set up guidelines and calculation method to control market risk for arbitrage strategy of Equity & Derivatives Trading Department.
8. Set up guidelines and calculation method to control market risk for Direct Investment Department.
9. Set up guidelines and method for market risk stress-testing.
10. Considered and approved Business Continuity Plan for pandemic event and H1N1 influenza appendix.
11. Considered and approved the practical MTM (mark to market) price for risk management purposes.
12. Reviewed decision authority matrix for temporary credit limit approval for clients of Equity & Derivatives Markets Group.

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13. Set up guidelines and calculation method for market risk control for derivative warrants.
 14. Set up guidelines and credit risk control for commercial bank counterparties.
 15. Set up guidelines and credit risk control for funds managed by asset management companies.
 16. Reviewed and approved the credit limit for each stock borrowing and lending.
 17. Set up decision authority matrix to add new stocks into stock borrowing and lending eligible list.
 18. Reviewed stock liquidity calculation method to control market risk of Equity & Derivatives Trading Department.
 19. Set up guidelines and calculation method for credit conversion factors and approved the implementation of credit conversion factors.



(Mr. Pongtep Polanun)
Chairman of the Risk Management Committee



MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE'S REPORT

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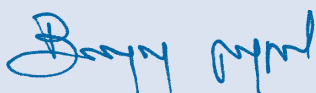


For the period ended December 31, 2009

The Management Development and Compensation Committee, which has been appointed by the resolution of the Company's Board of Director's meeting, consists of four directors, namely Mr. Banyong Pongpanich as Chairman, Mr. Suvit Mapaisansin, Mr. Pongtep Polanun and Mr. Aphinant Klewpatinond (who replaced Mr. Veravat Chutichetpong effective October 1, 2009).

During 2009, the Management Development and Compensation Committee met five times and their works as assigned by the Board of Directors are summarized as follows:

1. Proposed to the Board of Directors' meeting and the annual general meeting of shareholders to consider and fix the remuneration of the Board of Directors' members in an amount comparable to other companies in the industry and appropriate to their experiences, duties, roles and responsibilities and also benefits to the Company expected from each director;
2. Fixed the remuneration of employees and management in the form of salary and year-end bonus in a manner reflecting the economic situation, the Company's performance and individual performance. Remuneration was also set to ensure management and employees were motivated to work more efficiently and to retain their service in the Company;
3. Set consistent guidelines for succession planning for key management positions and considered and acknowledged succession plans for key management positions in order to ensure that each position has a successor to run and operate the Company's business smoothly;
4. Acknowledged the Company's long-term human resources management plan, HR Master Plan, in order to develop human resources systematically and effectively; and
5. Reviewed guidelines for employees' leave without pay.



(Mr. Banyong Pongpanich)
Chairman of the Management Development and Compensation Committee



CORPORATE SOCIAL RESPONSIBILITY COMMITTEE'S REPORT AND SOCIAL ACTIVITIES

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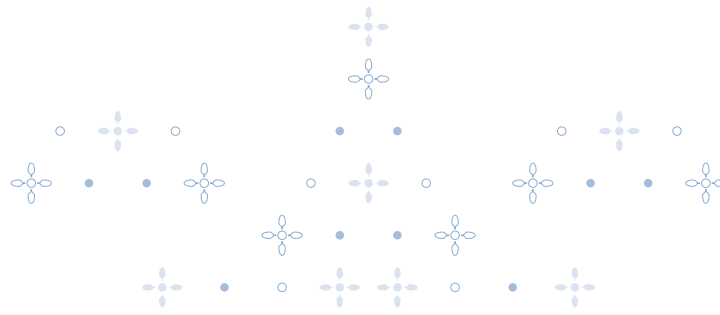


The Corporate Social Responsibility Committee (CSR Committee), which consists of executive and independent directors, has set guidelines and policies on the Company's operation showing its responsibility for society as follows:

1. The Company will not conduct any business harmful to the community, society or the environment and will not profit from society's burdens;
2. The Company will persist in aligning the benefits of the Company, employees, clients and shareholders with benefits in the country's economic and capital market development. The Company focuses on its growth along with Thailand's capital market development;
3. The Company will strive to be part of sustainable development of the country's capital market and securities market;
4. The Company will support the use of the Company's and employees' business knowledge and experience in various fields, e.g. management, system setup, legal, etc. to benefit society and social activities;
5. The Company will promote volunteerism and community engagement among the Company's employees; and
6. The Company's social activities are not limited to projects and activities that provide the Company with tax benefits.

According to the above-mentioned guidelines and policies, the Company will not conduct any business which might create an adverse impact to society. Instead, the Company aims to initiate the activities for the benefit of social welfare, and to balance between the Company's return and social responsibilities. The Company will also implement good business practice in realizing its responsibility to provide return to both shareholders and society at the same time. The Company has supported and encouraged the management and employees to be involved in many voluntary activities.

Based on the six guidelines above, in 2009 the CSR Committee launched several initiatives to respond to the needs of social welfare. For internal activities, the Company has allocated Baht 5.30 million for social activities which were initiated by employees via the consideration and approval of the Company's Charity Committee. The participation of employees is voluntary. Aspects of the Company's social welfare activities include the following:



- The Company has conducted its businesses strictly under related rules and regulations. Inside information is carefully protected from being misused. The Company also has an emergency plan to ensure business continuity and smoothness in case of emergencies. This reduces business risk and damage to shareholders and society.
- The Company supports and encourages management and employees to use their knowledge and experience to develop and strengthen the capital and securities markets, for example by being members of committees and working groups related to market development.
- The Company also supports and encourages management and employees to use their knowledge and experience for social benefits and charity, and also to share their experiences with academic institutions and other organizations by giving public lectures and speaking at various seminars. In 2009 this included speaking engagements on topics such as globalization and its challenges for Thailand, the impact of the global crisis on Thailand's economy, the crisis and opportunities for Thai investors, factors driving the capital market, and the future of capital markets in Thailand.
- The Company supports and encourages management and employees to use their knowledge on management, system management, and financial management for the benefit of non-profit organizations such as the Save Andaman Network (SAN) which still actively helps victims of the tsunami in the south, and the Buddhadasa Indapanno Archives Foundation.
- The Company supports and encourages management to be a member of the CSR club for establishing a social network among listed companies in the SET.
- The Company allocates a reasonable amount of budget for social activities which are divided into four areas, namely 1) Education, 2) Environment and endangered animal protection, 3) Public health and social services, and 4) Arts and culture. They are as follows:
 - Ton Pan Nam Jai Project (Wishlist Tree Project) has been an ongoing project since 2005. Employees jointly donated stationery and necessary items to students of four schools in Pai, Mae Hong Son province.
 - Nao Nua Hom Sua Pee Jung Hai Now Project (Sweater Project) was the campaign of sweater donations to students of Ban Mai Santi School in Chiang Rai province.
 - Dinner treat and donation for students of Petchaburi Panyanukul school in Petchaburi province.
 - Movie Day for underprivileged children was held to broaden perspectives of the audience. Those children saw the movie Kwam Suk Kong Kati. (The Happiness of Kati)
 - A wheelchair project was created to help 23 handicapped people in Kalasin province.
 - Matching scholarship project with The Ruamchit Norm Klao Foundation for Children and Youth Under Her Majesty's Royal Patronage has been introduced since 2008.



- The Company's scholarship program for university students to Kasetsart University was granted to students of the Agricultural faculty and Engineering faculty.
- Special scholarship for students who are children of the former employees who had already passed away.
- Donation to children development project for three Southern provinces (terrorist violence), Northeastern provinces (HIV infected parents), and Northern provinces (handicapped and no-identification children).
- Buddhadasa Indapanno archives foundation has been supported since 2006. The library building will be completed in June 2010. It will also be an education center and media center for Buddhist learning.
- Chakrabhand Posayakrit foundation was granted for Thai arts conservation project.
- Joint project with the Wishing Well foundation to encourage hope and faith of children with terminal illness and their families.

(Mr. Banyong Pongpanich)
Chairman of the Corporate Social Responsibility Committee

INTERNAL CONTROL

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During the Board of Directors' meeting no. 1/2553 dated on January 11, 2010, the Board of Directors, including the Audit Committee members, had evaluated the Company's internal control according to the SEC's evaluation form. This consisted of five parts, which were organization and environment, risk management, management's control, information system and communication and monitoring. The Board of Directors also discussed on internal control systems with the Company's management, and it was concluded that the Company had sufficient and appropriate internal control systems.

MANAGEMENT DISCUSSION AND ANALYSIS

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FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations for the year ended December 31, 2009

REVENUES

For the year 2009, the Company's total revenues were Baht 1,385.62 million, a decrease of Baht 15.52 million or 1.11 % from Baht 1,401.14 million in 2008. This result was due to revenues from agency business which decreased 19.70 % from Baht 1,163.30 million in 2008 to Baht 934.12 million in 2009, whereas revenues from investment business increased 76.72 % from Baht 225.93 million to Baht 399.27 million. In addition to the reversal of impairment loss on long-term deposits of Baht 50.16 million, there was a reversal of impairment loss on investment in promissory notes of TSFC Securities Public Company Limited, since TSFC has completed the debt restructuring agreement with its lenders and the Company's management believes that TSFC is able to repay its debt according to the restructuring plan. In 2009, the Company received Baht 38.71 million for debt repayment and converted debt of the Company amounting to Baht 1.78 million to ordinary shares of TSFC. Outstanding debt of Baht 9.67 million will be settled in June 2010.

Details are as follows:

(Unit : Bt mn)	2009	2008
Revenues from Agency Business		
Brokerage fees from securities business	670.05	864.74
Brokerage fees from derivatives business	30.16	28.17
Fees and services income	<u>233.91</u>	<u>270.39</u>
Total revenues from Agency Business	934.12	1,163.30
Revenues from Investment Business ¹		
Gain (loss) on securities trading	(11.76)	37.56
Gain on derivatives trading	287.22	18.75
Interest and dividend	<u>123.81</u>	<u>169.62</u>
Total revenues from Investment Business	399.27	225.93
Reversal of impairment loss on investments	50.16	-
Other incomes	<u>2.07</u>	<u>11.90</u>
Total revenues	1,385.62	1,401.14

¹ Only the portion that is reported in the Profit and Loss Statement, not including the Change in Unrealized Gain (loss) from Revaluation which is reported in the Balance Sheet under Shareholder's Equity. Please see details in the "Revenues from Investment Business" section.

REVENUES FROM AGENCY BUSINESS

BROKERAGE FEES FROM SECURITIES BUSINESS

Brokerage fees from securities business totaled Baht 670.05 million in 2009, down 22.51% from Baht 864.74 million in 2008. The Company's market share was 4.45%, decreased from 5.96% in 2008. The proportion of brokerage fees from foreign institutional investors, domestic institutional investors and high net worth individuals is as follows:

(Unit : Percent)	2009	2008
Foreign institutional investors	37.60	45.28
Domestic institutional investors	22.90	19.44
High net worth individuals	39.60	35.28
Total	100.00	100.00

Principal Operating Statistics of the SET and MAI, Securities Trading Value and Market Share of the Company

	2009	2008
Average securities trading value per day of the SET and MAI (Bt mn)	18,226.25	16,118.34
Securities trading ratio on the SET and MAI classified by investor group		
Foreign investors	19.44 %	29.13 %
Local institutional investors	6.66 %	7.04 %
Local investors	60.97 %	53.99 %
Proprietary	12.93 %	9.84 %
The Company's average securities trading value per day (Bt mn)	1,622.23	1,921.48
The Company's market share (including proprietary)	4.45 %	5.96 %
Market share - foreign institutional investors	10.15 %	11.17 %
Market share - local institutional investors	10.38 %	13.13 %
Market share - High Net Worth clients	2.13 %	2.80 %
Rank of market share	6	2

BROKERAGE FEES FROM DERIVATIVES BUSINESS

Brokerage fees from derivatives business was Baht 30.16 million in 2009, increased from Baht 28.17 million in 2008. The proportion of brokerage fees from derivatives business from foreign institutional investors, local institutional investors and high net worth individuals was 56.76 %, 5.01 % and 38.23 % respectively.

The Company's market share by trading volume in the derivatives market in 2009 was 4.48 % and the Company was ranked number six.

FEES AND SERVICES INCOME

Total fees and services income in 2009 was Baht 233.91 million, down 13.49 % from Baht 270.39 million in 2008. The fees and services income in this period consisted of Baht 189.73 million in advisory fees, Baht 39.43 million in selling agent fees from mutual funds and Baht 4.75 million in stock borrowing and lending fees.

The decrease in fees and services income was mainly due to a lack of participation in public offering deals by the Company in 2009, whereas in 2008 the Company gained underwriting fees from the initial public offering of Esso (Thailand) Public Company Limited. Selling agent fees from mutual funds also decreased from Baht 51.50 million in 2008.

(Unit : Bt mn)	2009	2008
Underwriting fees	-	74.69
Financial advisory fees	189.73	143.87
Selling agent fees from mutual fund	39.43	51.50
Stock borrowing and lending fees	4.75	0.33
Total	233.91	270.39

REVENUES FROM INVESTMENT BUSINESS

Revenues from investment, including gain (loss) on securities and derivatives trading and interest and dividend income, were from three departments of the Company: Equity and Derivatives Trading, Direct Investment and Treasury. Revenues from investment business were reported in two places. Gain (loss) on securities and derivatives trading and interest and dividend income are accounted for in the profit and loss statement, while change in unrealized gain (loss) from revaluation is accounted for in the balance sheet under shareholder's equity.

Revenues from investment business in 2009 can be classified by accounting method and department as follows:

(Unit : Bt mn)	Equity & Derivatives Trading Department	Direct Investment Department	Treasury Department and Others	Total
Interest and dividend income	9.69	88.45	25.66	123.81
Gain (loss) on securities trading	(180.12)	170.12	(1.76)	(11.76)
Gain (loss) on derivatives trading	<u>294.19</u>	<u>(6.98)</u>	<u>-</u>	<u>287.22</u>
Total revenues per profit & loss statement from Investment Business	123.76	251.59	23.90	399.27
Reversal of impairment loss on investments	-	-	50.16	50.16
Change in unrealized gain (loss) from revaluation (before the deferred tax)	<u>-</u>	<u>666.73</u>	<u>0.21</u>	<u>666.94</u>
Total revenues from Investment Business	123.76	918.32	74.29	1,116.36

In 2009, the Company had total revenues from investment, which are accounted for in the profit and loss statement, of Baht 399.27 million. This part of revenues is comprised of total gain (loss) on securities and derivatives trading of Baht 275.46 million, an increase of Baht 219.15 million from Baht 56.31 million in 2008, and interest and dividend income of Baht 123.81 million, a decrease of Baht 45.81 million or 27.01% from Baht 169.62 million in 2008.

Details of interest and dividend income are as follows:

(Unit : Bt mn)	2009	2008
Interest	25.65	68.43
Dividend		
Trading securities	9.71	3.07
Available-for-sale securities	88.45	96.71
Non-marketable securities	<u>-</u>	<u>1.41</u>
Total	123.81	169.62

Dividend income of Baht 98.16 million in 2009 decreased 2.99 % from Baht 101.19 million in 2008. This result was due to the Company having sold investment in available-for-sale securities in 2009, in addition to a decrease in dividend payment of their investments. Interest income of Baht 25.65 million in 2009, down 62.52 % from Baht 68.43 million in 2008, was due to a decrease in cash amount which was offset by an increase in investment, together with lower interest rates in 2009 compared with 2008.

Revenue comparison in 2008 and 2009 by department is as follows:

(Unit : Bt mn)	2009	2008
Equity & Derivatives Trading Department	123.76	85.65
Direct Investment Department ²	918.32	(486.26)
Treasury Department and Others ³	74.29	13.02
Total Revenues from Investment Business	1,116.36	(387.59)

1. Equity & Derivatives Trading Department

Detail of investment return from Equity & Derivatives Trading Department was as follows:

(Unit : Bt mn)	2009	2008
Dividend income	9.69	3.04
Gain (loss) on securities trading	(180.12)	53.88
Gain on derivatives trading	294.19	28.73
Total revenues from Equity and Derivatives Trading Department	123.76	85.65

Gain (loss) on securities and derivatives trading resulted from pair trading strategy.

² Including impairment loss on investment and change in Unrealized Gain (Loss) from Revaluation before deferred which were Baht 666.73 million and Baht (555.99) million in 2009 and 2008 respectively and booked in Shareholders' Equity in Balance Sheet.

³ Including impairment loss on investment in promissory notes and investment in common shares of TSFC Securities Public Company Limited, totaling Baht 55.24 million in 2008 and reversal of impairment loss on long-term deposits of Baht 50.16 million in 2009. + Total redemption - Beginning market value - Total purchase) Divided by (Beginning market value + Total purchase) Times 100

2. Direct Investment Department

Investment revenue from the Direct Investment Department has been accounted for in two places. Dividend income and gain (loss) on securities and derivatives trading are accounted for in the profit and loss statement. Change in unrealized gain (loss) from revaluation is accounted for in the balance sheet under shareholder's equity.

In 2009, Dividend income and gain on securities trading and derivatives trading totaled baht 251.59 Million. Change in unrealized gain from revaluation was Baht 666.73 million. Details of investment return from the Direct Investment Department are as follows:

(Unit : Bt mn)	2009	2008
Dividend income	88.45	96.72
Gain (loss) on securities trading	170.12	(17.00)
Loss on derivatives trading	(6.98)	(9.99)
Total return per profit & loss statement before impairment loss on investment	251.59	69.73
Impairment loss on investment	-	(248.71)
Total return per profit & loss statement after impairment loss on investment	251.59	(178.98)
Change in unrealized gain (loss) from revaluation (before the deferred tax) ⁴	666.73	(307.28)
Total revenues from Investment Business	918.32	(486.26)

3. Treasury and Others

In addition to return from investment of the Direct Investment Department and Equity and Derivatives Trading Department, the Company also had return from investment from the Treasury Department and Others in the amount of Baht 74.29 million in 2009. This return was mainly from investment in bonds and bank deposits, totaling Baht 24.12 million and reversal of impairment loss on long-term deposits of Baht 50.16 million.

⁴ After account for Deferred Tax, Change in Unrealized Gain (Loss) from Revaluation in 2009 would be Baht 500.00 million and would be Baht (229.89) million in 2008.

EXPENSES

	2009		2008	
	Bt mn	%	Bt mn	%
Expenses on borrowing	5.86	0.70	8.96	0.78
Fee and service expenses	68.24	8.17	133.41	11.61
Operating expenses before impairment loss on investment	761.30	91.13	702.87	61.16
Total expenses before impairment loss on investment	835.40	100.00	845.24	73.55
Impairment loss on investments	-	-	303.95	26.45
Total expenses	835.40	100.00	1,149.19	100.00

The Company's total expenses before impairment loss on investment in 2009 were Baht 835.40 million, a decrease of Baht 9.84 million or 1.16 % from Baht 845.24 million in 2008. This result was mainly due to a decrease in fee and service expenses which was related to a decrease in revenue from agency business. Total expenses decreased Baht 313.79 million or 27.31 %, compared to Baht 1,149.19 million in 2008.

NET EARNINGS

Due to the reasons discussed above, the Company's net earnings in 2009 were Baht 425.89 million, an increase of Baht 218.58 million or 105.44 % from Baht 207.31 million in 2008. Earnings per share was Baht 1.99, compared to Baht 0.97 in 2008.

FINANCIAL POSITION

ASSETS

The assets of the Company consist of cash and cash equivalents, long-term deposits at financial institutions, investments in debt and equity securities, receivables from clearing houses, securities and derivatives business receivables, property, plant and equipment, intangible assets and other assets.

As of December 31, 2009, the Company's total assets were Baht 5,822.65 million, an increase of Baht 1,679.97 million from Baht 4,142.68 million in 2008. These were mainly due to the increase in investments in debt and equity securities, receivables from clearing houses and securities and derivatives business receivables.



CASH AND CASH EQUIVALENTS

As of December 31, 2009, the Company's cash and cash equivalents were Baht 795.21 million compared to cash and cash equivalents of Baht 1,128.42 million as of December 31, 2008. The Baht 333.21 million decrease in cash and cash equivalents in 2009 was due to an increase in net cash paid for investment in available-for-sale securities, and payment of the annual dividend for 2008 and interim dividend in 2009, which were paid in May 2009 and September 2009, respectively.

LONG-TERM DEPOSITS AT FINANCIAL INSTITUTIONS

As of December 31, 2009, the Company's long-term deposits at financial institutions totaled Baht 9.68 million, whereas the Company had no long-term deposits at financial institutions in 2008.

INVESTMENTS IN DEBT AND EQUITY SECURITIES

As of December 31, 2009, the Company's investments in debt and equity securities were Baht 2,409.03 million, an increase of Baht 832.81 million from Baht 1,576.22 million in 2008. The investments in debt and equity securities consisted of net short-term investment amounting to Baht 1,108.32 million and net long-term investment amounting to Baht 1,300.71 million.

In addition, investments in debt and equity securities classified by Company Department are as follows:

(Unit : Bt mn)	31 Dec 09	31 Dec 08
Investment of Direct Investment Department	1,290.06	982.64
Investment of Equity and Derivatives Trading Department	538.18	261.95
Investment in government bond and others	399.91	331.28
Other investment	180.88	0.35
Total investment in debt and equity securities-net	2,409.03	1,576.22

RECEIVABLES FROM CLEARING HOUSE

As of December 31, 2009, the receivables from clearing were Baht 491.08 million, an increase from Baht 51.92 million in 2008.

SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

As of December 31, 2009, the Company's securities and derivatives business receivables were Baht 1,738.51 million compared to Baht 942.41 million in 2008. The increase in securities and derivatives business receivables was in accordance with securities trading activities at the end of the fiscal period, of which the amount would be accrued for settlement for three working days of securities business.

Details of securities and derivatives business receivables are as follows:

(Unit : Bt mn)	31 Dec 09	31 Dec 08
Securities business receivables	1,721.10	941.96
Derivatives business receivables	17.41	0.44
Total	1,738.51	942.41

PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as of December 31, 2009 totaled Baht 178.87 million, a decrease of Baht 31.11 million from Baht 209.98 million in 2008. This was due to depreciation expense in this year.

INTANGIBLE ASSETS

Intangible assets consist of deferred license fees and application software. As of December 31, 2009, the Company's intangible assets were Baht 64.03 million, an increase of Baht 29.06 million from Baht 34.97 million in 2008.

OTHER ASSETS

Other assets consist of payments for clearing funds, mutual fund receivables, assets for protecting the clearing system, advanced payments, accrued interest and dividend income, accrued fee income, etc.

As of December 31, 2009, the Company's other assets were Baht 136.25 million, an increase of approximately Baht 47.81 million from 2008, which resulted from an increase in accrued fee income, interest and dividend income.

TOTAL LIABILITIES

The liabilities of the Company consist of payables to clearing house, securities and derivatives business payables, corporate income tax payable, deferred tax liabilities, accrued expenses and other liabilities.

The Company's total liabilities as of December 31, 2009 were Baht 2,424.25 million, an increase of Baht 1,095.47 million from Baht 1,328.77 million in 2008. This is due to an increase in payables to clearing house and securities and derivatives business payables which were in line with the increase in total assets due to an increase in investments in debt and equity securities, receivables from clearing houses and securities and derivatives business receivables.



PAYABLES TO CLEARING HOUSE

As of December 31, 2009, payables to clearing house were Baht 601.44 million, up from Baht 428.80 million in 2008.

SECURITIES AND DERIVATIVES BUSINESS PAYABLES

As of December 31, 2009, securities and derivatives business payables was Baht 1,356.07 million, consisting of securities business payables of Baht 1,350.55 million and derivatives business payables of Baht 5.52 million.

An increase in securities and derivatives business payables was in accordance with securities and derivatives trading activities at the end of the fiscal period, in which the amount would be accrued for settlement for three working days, and went along with an increase in securities and derivatives business receivables.

CORPORATE INCOME TAX PAYABLE

As of December 31, 2009, the Company had corporate income tax payable of Baht 67.13 million, an increase from Baht 31.18 million in 2008. This was due to revenues and earnings before corporate income tax which increased from Baht 251.94 million in 2008 to Baht 550.22 million in 2009.

DEFERRED TAX LIABILITIES

The Company has deferred tax liabilities of Baht 89.97 million as of December 31, 2009. These deferred tax liabilities are mainly because the stock price of investments in available-for-sale securities significantly increased from its original cost.

ACCRUED EXPENSES

The Company's accrued expenses primarily consist of accrued employee bonuses and compensation for marketing officers. The accrued expenses as of December 31, 2009 were Baht 291.71 million, an increase from Baht 227.93 million in 2008 which was in line with the increase in net profit.

OTHER LIABILITIES

The Company's other liabilities primarily consist of withholding tax payable and value added tax payable. As of December 2009, other liabilities were Baht 17.92 million.

SHAREHOLDERS' EQUITY

As of December 31, 2009, the Company's shareholders' equity was Baht 3,398.40 million, an increase from Baht 2,813.91 million in 2008. This is due to the following:



1. Unappropriated retained earnings increased from Baht 440.42 million as of December 31, 2008 to Baht 524.71 million as of December 31, 2009. The increase in unappropriated retained earnings was due to higher net profit, which rose from Baht 207.31 million in 2008 to Baht 425.89 million in 2009, in addition to payment of annual dividend for 2008 and interim dividend of 2009 in May 2009 and September 2009, respectively.

2. The Company had revaluation surplus on investments of Baht 445.58 million as of December 31, 2009, compared with revaluation deficit on investments of Baht 54.62 million as of December 31, 2008.

The Company's debt to equity ratio as of December 31, 2009 was 0.71, up from 0.47 as of December 31, 2008 as a result of an increase in total liabilities in 2009. Furthermore, the debt (excluding payables to clearing house and securities and derivatives business payables) to equity ratio as of December 31, 2009 was 0.14 compared to 0.10 as of December 31, 2008. The liabilities and shareholders' equity show that the Company's source of working capital mainly came from long-term funds from shareholders.

The average return of shareholders' equity in 2009 was 13.7 %, up from 6.7 % in 2008.

NET LIQUID CAPITAL RATIO

The Company's net liquid capital ratio as of December 31, 2009 was 144.96 %, which was higher than the minimum requirement ratio of 7 % set by the SEC.

LIQUIDITY

For the year 2009, the Company's cash and cash equivalents were Baht 795.21 million, a decrease of Baht 333.21 million from 2008. Details are as follows:

(Unit : Bt mn)	2009
Net cash provided by (paid for) operating activities	(567.07)
Net cash provided by (paid for) investing activities	575.46
Net cash provided by (paid for) financing activities	(341.60)
Net increase (decrease) in cash and cash equivalent	(333.21)

CASH FLOW FROM OPERATING ACTIVITIES

In 2009, the Company had net cash paid for operating activities of Baht 567.07 million, a decrease of Baht 1,154.41 million from net cash flow generated from operating activities of Baht 587.34 million in 2008. This was due to an increase in operating assets, particularly investments in debt and equity securities, receivables from clearing houses and securities and derivatives business receivables, which are considered a normal operation of the Company's securities business.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow generated from investing activities in 2009 was Baht 575.46 million. This amount consisted of Baht 4.11 million for purchases of fixed assets, Baht 47.92 million for intangible assets, and cash received of Baht 627.49 million for net long-term investment.

CASH FLOW FROM FINANCING ACTIVITIES

In 2009, the Company's net cash paid for financing activities was Baht 341.60 million. The payment was due to the fact that the Company paid annual dividend for 2008 of Baht 213.50 million in May 2009 and interim dividend for half-year performance of 2009 of Baht 128.10 million in September 2009.



REPORT OF INDEPENDENT AUDITOR

ANNUAL REPORT 2009
Phatra Securities Public Company Limited



REPORT OF INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF PHATRA SECURITIES PUBLIC COMPANY LIMITED

I have audited the accompanying balance sheet of Phatra Securities Public Company Limited as at 31 December 2009, the related statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Phatra Securities Public Company for the year ended 31 December 2008, as presented herein for comparative purposes, were audited by another auditor in my firm whose report dated 21 February 2009, expressed an unqualified audit opinion on those statements.

I conducted my audit 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Phatra Securities Public Company Limited as at 31 December 2009, the results of its operations, and cash flows for the year then ended, in accordance with generally accepted accounting principles.



Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182
Ernst & Young Office Limited
Bangkok : 22 February 2010

BALANCE SHEETS

Phatra Securities Public Company Limited
As at 31 December 2009 and 2008



(Unit : Baht)

	Note	2009	2008
ASSETS			
Cash and cash equivalents	6	795,208,619	1,128,416,082
Long-term deposits at financial institutions - net	7	9,679,324	-
Investments in debt and equity securities - net	8	2,409,030,622	1,576,218,407
Receivables from Clearing House	9	491,075,145	51,915,114
Securities and derivatives business receivables	10	1,738,507,110	942,407,787
Other derivatives assets		-	125,760
Property, plant and equipment - net	11	178,868,113	209,975,276
Intangible assets - net	12	64,032,914	34,973,747
Deferred tax assets	20	-	110,214,736
Other assets	13	136,245,274	88,433,250
Total assets		<u>5,822,647,121</u>	<u>4,142,680,159</u>

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

BALANCE SHEETS

Phatra Securities Public Company Limited
As at 31 December 2009 and 2008



(Unit : Baht)

	Note	2009	2008
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Payables to Clearing House		601,438,404	428,800,215
Securities and derivatives business payables	14	1,356,074,063	607,784,477
Other derivatives liabilities		-	210,680
Corporate income tax payable		67,133,286	31,178,987
Deferred tax liabilities	20	89,971,568	-
Accrued expenses		291,709,188	227,931,963
Other liabilities	15	17,924,832	32,868,157
Total liabilities		2,424,251,341	1,328,774,479
Shareholders' equity			
Share capital			
Registered			
220,000,000 ordinary shares of Baht 5 each		1,100,000,000	1,100,000,000
Issued and fully paid-up			
213,500,000 ordinary shares of Baht 5 each		1,067,500,000	1,067,500,000
Share premium		1,250,605,206	1,250,605,206
Revaluation surplus (deficit) on investments	8.3	445,580,016	(54,622,668)
Retained earnings			
Appropriated			
Statutory reserve	16	110,000,000	110,000,000
Unappropriated		524,710,558	440,423,142
Total shareholders' equity		3,398,395,780	2,813,905,680
Total liabilities and shareholders' equity		5,822,647,121	4,142,680,159

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



INCOME STATEMENTS

Phatra Securities Public Company Limited
For the years ended 31 December 2009 and 2008



(Unit : Baht)

	Note	2009	2008
REVENUES			
Brokerage fees			
Brokerage fees from securities business		670,050,730	864,742,683
Brokerage fees from derivatives business		30,160,427	28,174,102
Fees and services income	17	233,914,493	270,385,498
Gain (loss) on securities trading	8.4	(11,762,104)	37,564,665
Gain on derivatives trading		287,220,592	18,745,446
Interest and dividend	8.6	123,808,157	169,623,947
Reversal of impairment loss on investments	7	50,157,382	-
Other incomes		2,070,283	11,899,023
Total revenues		1,385,619,960	1,401,135,364
EXPENSES			
Expenses on borrowing		5,858,459	8,960,376
Fee and service expenses		68,239,038	133,405,629
Operating expenses			
Personnel expenses		446,199,080	435,127,124
Premises and equipment expenses		96,365,389	91,316,235
Taxes and duties		3,681,467	2,721,586
Managements' benefit and directors' remuneration		138,827,100	94,748,283
Impairment loss on investments	7, 8.2	-	303,953,682
Other expenses		76,229,485	78,958,830
Total expenses		835,400,018	1,149,191,745
Income before corporate income tax		550,219,942	251,943,619
Corporate income tax	20	(124,332,526)	(44,636,685)
Net income for the year		425,887,416	207,306,934
Earnings per share			
Basic earnings per shares	21		
Net earnings		1.99	0.97

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Phatra Securities Public Company Limited
For the years ended 31 December 2009 and 2008



(Unit : Baht)

	Note	Issued and fully paid-up share capital	Share premium	Revaluation surplus (deficit) on investments	Retained earnings		Total
					Appropriated statutory reserve	Unappropriated	
Balance as at 31 December 2007		1,067,500,000	1,250,605,206	177,554,755	110,000,000	713,491,208	3,319,151,169
Income and expenses recognised directly in equity:							
Investment in available-for-sale securities	8.3						
Loss recognised in shareholders' equity		-	-	(50,848,313)	-	-	(50,848,313)
Transferred to loss statement on disposals		-	-	5,201,727	-	-	5,201,727
Transferred to income statement on loss on impairment		-	-	(186,530,837)	-	-	(186,530,837)
Net income and expenses recognised directly in equity		-	-	(232,177,423)	-	-	(232,177,423)
Net income for the year		-	-	-	-	207,306,934	207,306,934
Total income and expenses for the year		-	-	(232,177,423)	-	207,306,934	(24,870,489)
Dividend paid	19	-	-	-	-	(480,375,000)	(480,375,000)
Balance as at 31 December 2008		<u>1,067,500,000</u>	<u>1,250,605,206</u>	<u>(54,622,668)</u>	<u>110,000,000</u>	<u>440,423,142</u>	<u>2,813,905,680</u>
Balance as at 31 December 2008		1,067,500,000	1,250,605,206	(54,622,668)	110,000,000	440,423,142	2,813,905,680
Income and expenses recognised directly in equity:							
Investment in available-for-sale securities	8.3						
Gain recognised in shareholders' equity		-	-	443,469,130	-	-	443,469,130
Transferred to income statement on disposals		-	-	56,733,554	-	-	56,733,554
Net income and expenses recognised directly in equity		-	-	500,202,684	-	-	500,202,684
Net income for the year		-	-	-	-	425,887,416	425,887,416
Total income and expenses for the year		-	-	500,202,684	-	425,887,416	926,090,100
Dividend paid	19	-	-	-	-	(341,600,000)	(341,600,000)
Balance as at 31 December 2009		<u>1,067,500,000</u>	<u>1,250,605,206</u>	<u>445,580,016</u>	<u>110,000,000</u>	<u>524,710,558</u>	<u>3,398,395,780</u>

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

CASH FLOWS STATEMENTS

Phatra Securities Public Company Limited
For the years ended 31 December 2009 and 2008



(Unit : Baht)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before corporate income tax	550,219,942	251,943,619
Adjustments to reconcile income before corporate income tax to net cash provided by (paid from) operating activities: -		
Depreciation and amortisation	55,392,957	50,508,864
Amortisation of discount on bill of exchanges	(450,187)	-
Unrealised loss (gain) on revaluation of investments in securities	16,523,955	(19,065,367)
Unrealised loss on revaluation of derivatives trading	-	41,440
Loss (gain) on disposal of long-term investments	(170,116,761)	16,999,148
(Reversal) impairment loss on long-term deposits at financial institution	(50,157,382)	51,148,219
Impairment loss on investments	-	252,805,463
Loss (gain) on disposal of equipment	(25,630)	20,234
Unrealised gain on exchange	(6,889)	(13,464,432)
Interest and dividend income	(123,808,157)	(169,623,947)
Interest expenses	<u>5,858,459</u>	<u>8,960,376</u>
Income from operating activities before changes in operating assets and liabilities	283,430,307	430,273,617
Operating assets (increase) decrease		
Long-term deposits at financial institutions	38,213,808	50,000,000
Short-term investments	(495,176,341)	(6,435,495)
Receivables to Clearing House	(439,160,031)	(31,653,954)
Securities and derivatives business receivables	(796,099,323)	1,150,084,662
Other derivatives assets	125,760	(143,640)
Other assets	(75,595,189)	(7,115,107)

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

CASH FLOWS STATEMENTS

Phatra Securities Public Company Limited
For the years ended 31 December 2009 and 2008



(Unit : Baht)

	2009	2008
Operating liabilities increase (decrease)		
Payables to Clearing House	172,638,189	(368,754,966)
Securities and derivatives business payables	712,339,738	(467,994,801)
Other derivatives liabilities	(210,680)	187,120
Accrued expenses	63,780,783	(63,028,231)
Other liabilities	<u>(16,233,291)</u>	<u>(4,062,805)</u>
Cash flows from (used in) operating activities	(551,946,270)	681,356,400
Cash received from interest and dividend income	45,663,118	74,729,063
Cash paid for interest expenses	(5,858,426)	(8,960,339)
Cash paid for corporate income tax	<u>(54,926,151)</u>	<u>(159,785,014)</u>
Net cash flows from (used in) operating activities	<u>(567,067,729)</u>	<u>587,340,110</u>
Cash flows from investing activities		
Cash paid for purchases of long-term investments	(179,246,851)	(1,018,812,510)
Cash received from sales of long-term investments	700,608,765	396,659,551
Cash received from dividend income	106,127,717	80,446,417
Cash received from capital reduction of long-term investments	-	30,339,000
Cash paid for purchases of equipment	(4,137,832)	(34,403,226)
Proceeds from sales of equipment	28,316	85,580
Cash paid for purchases of intangible assets	<u>(47,919,849)</u>	<u>(12,427,537)</u>
Net cash flows from (used in) investing activities	<u>575,460,266</u>	<u>(558,112,725)</u>
Cash flows from financing activities		
Dividend paid	<u>(341,600,000)</u>	<u>(480,375,000)</u>
Net cash flows used in financing activities	<u>(341,600,000)</u>	<u>(480,375,000)</u>
Net decrease in cash and cash equivalents	(333,207,463)	(451,147,615)
Cash and cash equivalents at beginning of the year	<u>1,128,416,082</u>	<u>1,579,563,697</u>
Cash and cash equivalents at end of the year (Note 6)	<u>795,208,619</u>	<u>1,128,416,082</u>
Supplemental cash flows information: -		
Non-cash items		
Purchases of equipment recorded as liabilities	1,033,808	3,652,980
Purchases of intangible assets recorded as liabilities	256,158	868,766
Other investment received from converting debt to equity	1,775,500	-
Increase (decrease) in revaluation surplus on investments	500,202,684	(232,177,424)

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

NOTES TO FINANCIAL STATEMENTS

Phatra Securities Public Company Limited
For the years ended 31 December 2009 and 2008



1. GENERAL INFORMATION

Phatra Securities Public Company Limited (the Company) is a public company incorporated and domiciled in Thailand. Previously, the Company's major shareholders are Ruamphon Phatra International Corp., a company incorporated in Samoa, and a group of the Company's management. On 7 May 2009, the Company's major shareholders has changed from Ruamphon Phatra International Corp. to be RPIC Pte. Ltd., a company incorporated in Singapore and totally held by Ruamphon Phatra International Corp.

The Company's registered office is located at 6th, 8th-11th Floor, Muang Thai-Phatra Office Tower 1, 252/6 Ratchadaphisek Road, Bangkok.

The Company operates its business in Thailand and undertakes securities businesses licensed, as follows: -

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Securities borrowing and lending
6. Financial advisory
7. Derivatives brokerage
8. Derivatives agent

On 23 February 2009 the Ministry of Finance issued a securities business license (type Kor) to the Company. In addition to businesses mentioned above, the Company can undertake addition businesses as below.

1. Mutual fund management
2. Private fund management
3. Venture capital management

The Company will be able to operate the addition businesses when the Securities and Exchange Commission complete an inspection of the Company's systems and personnel as stipulated in the Ministerial Regulations on Securities Businesses B.E. 2551.

As at 31 December 2009, the number of employees was 200 persons (2008: 243 persons).

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and in conjunction with the Notification of the Office of the Securities and Exchange Commission.



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.

3.ADOPTION OF NEW ACCOUNTING STANDARDS

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.

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

Impairment of Assets

Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Business Combination under Common Control

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3.2 Accounting standards which are not effective for the current year

		Effective date
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 allows 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 and expense recognition

(a) Brokerage fees

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

(b) Fees and services income

Fees are recognised as income on an accrual basis. Service income is recognised on the basis of percentage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when there is probability that the amount will be collected.

(c) Gain (loss) on securities trading

Gain (loss) on securities trading is recognised as income or expense on the transaction dates.

(d) Gain (loss) on derivatives trading

Gain (loss) on derivatives trading is recognised as income or expense on the transaction dates.

(e) Interest and dividend on investments

Interest on investments is recognised on an accrual basis based on the effective interest rate. Dividends from investments are recognised when the right to receive the dividends is established.

(f) Expenses

Expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

4.3 Long-term deposits with financial institutions

Long-term deposits with financial institutions include fixed deposit, investments in promissory notes issued by financial institutions with maturities more than 3 months and deposits used as collateral.

4.4 Recognition and amortisation customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts or placed as margin 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 the assets and liabilities and presents only the assets which belong to the Company.

4.5 Securities borrowing and lending

The Company records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing payables" in the balance sheet. At the end of the year, the balance of securities borrowing payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. 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 "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an accrual basis.

4.6 Investments in debt and equity securities

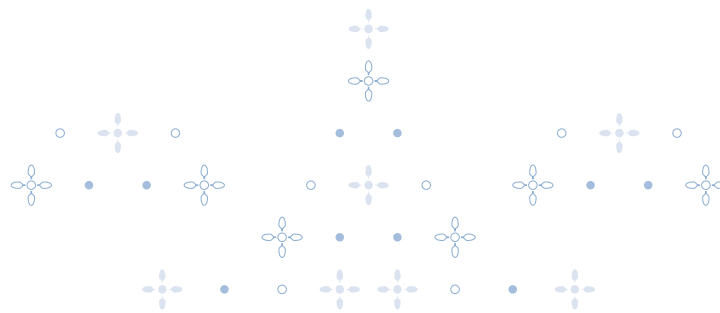
Investments in trading securities are stated at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are stated at fair value. Changes in the carrying amounts of securities are recorded as separated items in shareholders' equity, when the securities are sold then included in determining income.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium / discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost and net of allowance for loss on impairment (if any).

The fair value of marketable securities is based on the latest bid price on the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value of the balance sheet date.



The fair value of government bonds and debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association.

Loss on impairment (if any) of investments in available-for-sale securities, debt securities expected to be held to maturities and other investments are included in the income statements.

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

4.7 Receivables from Clearing House

Receivables from Clearing House comprises the net receivable at Thailand Securities Depository (TSD) in respect to securities trades which settlement is made through TSD and the net receivable at Thailand Clearing House (TCH) including cash collateral pledged with TCH for derivatives trading.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables are the net receivables of cash accounts and derivatives after deducting allowance for doubtful accounts (if any).

The Company has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are in accordance with the following criteria: -

- a) Asset classified as bad debt is defined as the following criteria: -
 - (1) Loan balances which the Company has already made effort to collect, but could not collect. The Company has already written off in accordance with tax law.
 - (2) Loan balances which the Company has forgiven them.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria: -
 - (1) General loans, problem financial institution loans, and other loans which the collateral value is less than the loan balance.
 - (2) Principal or interest is overdue by more than 3 months for installment loans with repayments scheduled less than 3 months for each installment.
 - (3) Installment loans with repayments scheduled more than 3 months for each installment, unless there is clear evidence and a high degree of certainty that full repayment will be received.



c) Sub-standard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Provision will be set aside for loans classified as doubtful at 100% of the loan balance. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

4.9 Property, plant and equipment and depreciation

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

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

Building and building improvement	5, 20 - 30	Years
Furniture, fixtures and office equipment	3 - 5	Years
Motor vehicles	5	Years

No depreciation is provided on land.

Depreciation is included in determining income.

4.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairments (if any). Intangible assets with finite lives are amortised on a systematic basis over the useful 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.

Useful lives	
Deferred license fee	5 Years
Application software	3 Years

4.11 Impairment of assets

At each reporting date, the Company performs impairment reviews for property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment



loss is recognised when the recoverable amount of an asset, which is the higher value between 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 by 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 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.

4.12 Payables to Clearing House

Payables to Clearing House comprises the net payable to Thailand Securities Depository (TSD) in relation to securities trading which settlement is made through TSD and the net payable to Thailand Clearing House (TCH), which is margin required by TCH for derivatives business.

4.13 Securities and derivatives business payables

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

4.14 Related party transactions

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

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

4.15 Long-term leases

Leases of equipment, which all the risks and rewards of ownership are transferred substantially, are classified as finance leases. Finance leases are capitalised at fair value of the leased assets or the present value of the minimum lease payments, whichever lower. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset and or the lease period, whichever shorter.



4.16 Provisions

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

4.17 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.18 Financial derivatives

Future contracts

Obligation under derivatives business which the Company enters into for trading purpose are regarded as off-balance sheet items. Cash collateral amounts pledged as security for derivatives trading are recorded as receivable at TCH and gain (loss) from changes in the value of derivatives are included in the income statements. The fair value of derivatives is based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

Options contracts

The Company recorded the premium paid (long position) and the premium received (short position) under SET 50 index options contracts as at trade date as other derivative assets and other derivative liabilities, respectively. Gains or losses from changes in the value of the premium under option contracts are included in the income statements. Fair value is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

4.19 Employee benefits

Salary, wages, bonuses, compensations for employees reaching retirement age and contributions to the social security fund and provident fund are recognised as expenses on an accrual basis.

4.20 Income tax

a) Current tax

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

b) Deferred Tax

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

The Company recognises deferred tax liabilities for taxable temporary differences and recognises deferred tax assets for deductible temporary differences and tax losses carried forward. The Company recognises deferred tax assets to the extent that there is probability that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and could differ from actual results. Significant judgments and estimates are as follows:

Recognition and derecognition of assets and liabilities

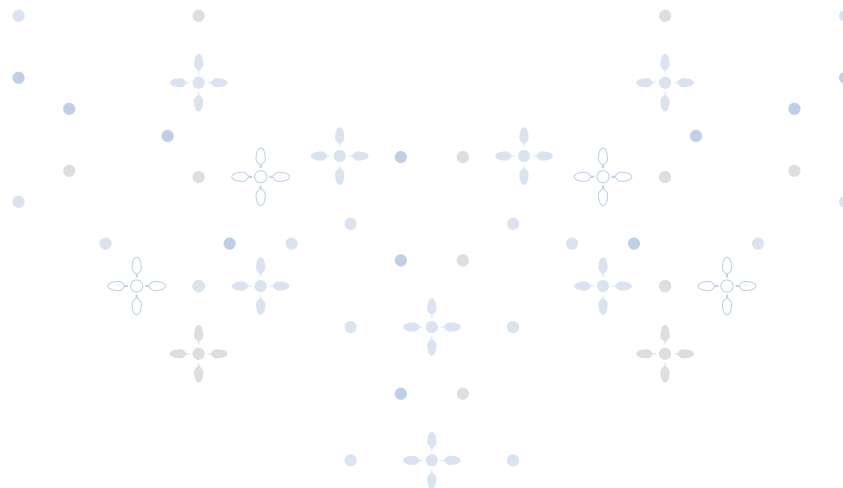
In considering whether to recognise and derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Impairment of long-term deposit at financial institution

The Company treats long-term deposits at financial institution as impaired when such financial institution is facing going concern problems and has defaulted on payment. The management uses judgment to estimate the loss reserve for deposit at financial institution, based on considering repayment ability and the financial institution plan to restructure its debts.

Impairment of equity investments

The Company treats available-for-sale equity investments and non-marketable equity investments as impaired when the management judge that there has been a significant or prolonged decline in the fair value below their cost, together with investments in businesses that have been severely impacted by the global economic slow down and which will take time to recover to their fair values or where other evidence of impairment exists. The determination of what is “significant” or “prolonged” or “businesses that have been severely impacted” requires management’s judgment.



Allowance for doubtful accounts for securities business receivables

Allowance for doubtful accounts for securities business receivables are intended to adjust the values of receivables for probable credit losses. In determining an allowance for doubtful accounts for securities business receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, the value of the securities collateral, aging profile of outstanding debts and the prevailing economic condition.

Property plant and equipment / Depreciation

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

In addition, the management is required to review property, plant 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.

Intangible assets

The initial recognition and measurement of 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.

Deferred tax assets

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

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.

Fair value of financial instruments

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

6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	2009	2008
Cash	21,000	21,000
Current deposits and savings deposits	474,656,381	741,483,821
Promissory notes with maturity less than 3 months	1,200,000,000	950,000,000
Less: Deposits for customers' accounts	<u>(879,468,762)</u>	<u>(563,088,739)</u>
Total cash and cash equivalents - net	795,208,619	1,128,416,082

7. LONG-TERM DEPOSITS AT FINANCIAL INSTITUTIONS

(Unit : Baht)

	2009	2008
Promissory notes with maturity more than 3 months	9,679,324	50,000,000
Less: Allowance for loss on impairment	<u>-</u>	<u>(50,000,000)</u>
Total	9,679,324	-

As at 31 December 2008, the Company had a long-term deposit of Baht 50 million with TSFC Securities Public Company Limited (formerly known as "TSFC Securities Limited"). TSFC Securities Public Company Limited had going concern issues, defaulted on settlement, and entered into a debt restructuring and business rehabilitation process. The Company had therefore set aside full allowance for loss on impairment for such deposit.

On 20 March 2009, TSFC Securities Public Company Limited entered into a debt restructuring agreement with the Company. In the agreement, TSFC Securities Public Company Limited issued new promissory notes, converted debt to equity, and a hair-cut was granted on the remaining debt. Settlement was to be made in accordance with the schedule and conditions stipulated in the debt restructuring agreement.

In March 2009, the Company received new promissory notes amounting to Baht 48.4 million in respect of the debt restructuring, of which Baht 26.9 million were to mature in April 2009. The Company's management believed that there was no uncertainty regarding receipt of settlement of such promissory notes and therefore the previously recorded allowance for loss on impairment of the long-term deposits, amounting to Baht 26.9 million, was reversed to the income statement in March 2009. The Company received full settlement of such promissory notes in April 2009. With respect to the new promissory notes that had maturities of more than 3 months, amounting to Baht 21.5 million, the Company's management believed that there was still uncertainty as to whether settlement of these notes would be received. On a conservative basis, allowance for loss on impairment of such long-term deposits therefore continued to be recognised.

On 16 June 2009, the Company entered into subscription agreement to subscribe 780,000 new shares of TSFC Securities Public Company Limited at a price of Baht 10 each, for a total of Baht 7.8 million, as part of the restructuring plans under the debt restructuring agreement dated 20 March 2009. The subscription agreement became effective after TSFC Securities Public Company Limited completed all conditions stated in the restructuring plan. The Company paid for these shares on 22 July 2009.

On 24 July 2009 TSFC Securities Public Company Limited converted debt of the Company amounting to Baht 1.8 million, which be a part of long-term deposits, to 177,550 ordinary shares of TSFC Securities Public Company Limited, as part of the restructuring plans under the debt restructuring agreement dated 20 March 2009. The Company therefore reversed allowance for loss on impairment of the long-term deposits, which were converted to equity, in the income statement.

As TSFC Securities Public Company Limited had completed all conditions in the debt restructuring agreement dated 20 March 2009 and the Company's management believed that there was no uncertainty regarding receipt of settlement of the remaining promissory notes when they mature, the previously recorded allowance for loss on impairment of the long-term deposits, amounting to Baht 21.5 million, was reversed in the income statement in September 2009. In addition, on December 2009 the Company received full settlement of a promissory note of Baht 11.8 million.

As at 31 December 2009, the promissory notes with maturity more than 3 months have interest rates of 3% per annum (2008: 3.3% per annum).

8. INVESTMENTS IN DEBT AND EQUITY SECURITIES

8.1 Cost and fair value

(Unit : Baht)

	2009		2008	
	Cost/Cost net amortisation	Fair value	Cost/Cost net amortisation	Fair value
Short-term investments				
Trading securities				
Listed securities	518,750,448	538,176,342	70,978,727	261,955,200
Add (less): Changes in fair value of securities	<u>19,425,893</u>	<u>-</u>	<u>(9,023,527)</u>	<u>-</u>
Total trading securities - net	<u>538,176,341</u>	<u>538,176,341</u>	<u>261,955,200</u>	<u>261,955,200</u>
Available-for-sale securities				
Unit trust	170,000,000	170,228,450	-	-
Add: Changes in fair value of securities	<u>228,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total available-for-sale securities - net	<u>170,228,450</u>	<u>170,228,450</u>	<u>-</u>	<u>-</u>
Debt securities due within 1 year				
Debt securities	<u>399,911,033</u>		<u>331,275,969</u>	
Total debt securities due within 1 year	<u>399,911,033</u>		<u>331,275,969</u>	
Total short-term investments - net	<u>1,108,315,824</u>		<u>593,231,169</u>	
Long-term investments				
Available-for-sales securities				
Listed securities	824,501,964	1,290,058,942	1,304,148,797	982,639,106
Unit trust	<u>641,108</u>	<u>591,606</u>	<u>376,449</u>	<u>348,132</u>
Total	825,143,072	1,290,650,548	1,304,525,246	982,987,238
Add (less): Changes in fair value of securities	<u>593,878,238</u>	<u>-</u>	<u>(72,830,225)</u>	<u>-</u>
Less: Allowance for loss on impairment	<u>(128,370,762)</u>	<u>-</u>	<u>(248,707,783)</u>	<u>-</u>
Total available-for-sales securities - net	<u>1,290,650,548</u>	<u>1,290,650,548</u>	<u>982,987,238</u>	<u>982,987,238</u>
Non-marketable securities				
Other securities	10,064,255		4,097,685	
Less: Allowance for loss on impairment	<u>(5)</u>		<u>(4,097,685)</u>	
Total non-marketable securities - net	<u>10,064,250</u>		<u>-</u>	
Total long-term investments - net	<u>1,300,714,798</u>		<u>982,987,238</u>	
Total investments in debt and equity securities - net	<u>2,409,030,622</u>		<u>1,576,218,407</u>	

8.2 During year 2008 the Company recognised loss on impairment of investments in available-for-sales securities amounting to Baht 249 million because the fair values of those investments had diminished significantly. As at 31 December 2009, allowance for impairment on investments in available-for-sales securities amounted to Baht 128 million. In addition, during year 2008 the Company recognised a loss of Bath 4 million on impairment of a non-marketable security, which was common shares of TSFC Securities Limited, because such company had going concern issues and was in the process of rehabilitation restructuring its debts and rehabilitating its business. However, during the year 2009, TSFC Securities Public Company Limited completed the debt restructuring and business processes and the Company therefore reversed the allowance in the income statement.

8.3 Revaluation surplus (deficit) on investments

(Unit : Baht)

	2009	2008
Balance - beginning of the year	(54,622,668)	177,554,755
Changes during the year		
- from revaluation	443,469,130	(50,848,313)
- from sales	56,733,554	5,201,727
- from impairment	-	(186,530,837)
Balance - end of the year	445,580,016	(54,622,668)

8.4 Gain (loss) on securities trading

(Unit : Baht)

	2009	2008
Unrealised gain (loss) on trading securities	(16,523,955)	19,065,367
Realised gain (loss) on trading securities	(165,354,910)	35,498,446
Realised (loss) gain on available-for-sale securities	170,116,761	(16,999,148)
Total	(11,762,104)	37,564,665



8.5 During the years, the Company received proceeds from the sale of trading securities and available-for-sale securities, as follows: -

	(Unit : Baht)	
	2009	2008
Short-term investments		
Trading securities	25,650,984,460	14,817,929,094
Available-for-sale securities	-	154,102,871
Long-term investments		
Available-for-sale securities	<u>700,608,765</u>	<u>396,659,551</u>
Total	<u>26,351,593,225</u>	<u>15,368,691,516</u>

8.6 Interest and dividend

During the years, the Company received interest and dividend income classified by type of investments as follows: -

	(Unit : Baht)	
	2009	2008
Interest		
Deposit at financial institutions	14,321,986	28,747,206
Margin deposits at Clearing House	4,416,119	4,320,586
Debt securities due within 1 year	6,905,428	35,223,380
Trading securities - Debt securities	-	138,082
Dividend		
Trading securities	9,711,347	3,073,836
Available-for-sale securities	88,453,277	96,713,257
Non-marketable securities	-	1,407,600
Total	<u>123,808,157</u>	<u>169,623,947</u>

9. RECEIVABLES FROM CLEARING HOUSE

Below are details of receivables from Clearing House as at 31 December 2009 and 2008.

(Unit : Baht)

	2009	2008
Receivables from Thailand Securities Depository (TSD)	<u>470,751,868</u>	-
Receivables from Thailand Clearing House (TCH)	<u>329,279,130</u>	175,999,094
Less: Receivables from Clearing House for customers' accounts	<u>(308,955,853)</u>	(124,083,980)
Receivables from Thailand Clearing House (TCH) - net	<u>20,323,277</u>	51,915,114
Total receivables from Clearing House	<u>491,075,145</u>	51,915,114

10. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Below are details of securities and derivatives business receivables as at 31 December 2009 and 2008.

(Unit : Baht)

	2009	2008
Securities business receivables		
Cash accounts	1,129,919,435	631,932,511
Collateral receivables	523,128,203	300,832,695
Securities borrowing receivables	68,052,000	9,200,000
Derivatives business receivables		
Derivatives business receivables	<u>17,407,472</u>	442,581
Securities and derivatives business receivables	<u>1,738,507,110</u>	942,407,787

10.1 The Company has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. As at 31 December 2009 and 2008, securities business receivables are classified as follows: -

(Unit : Million Baht)

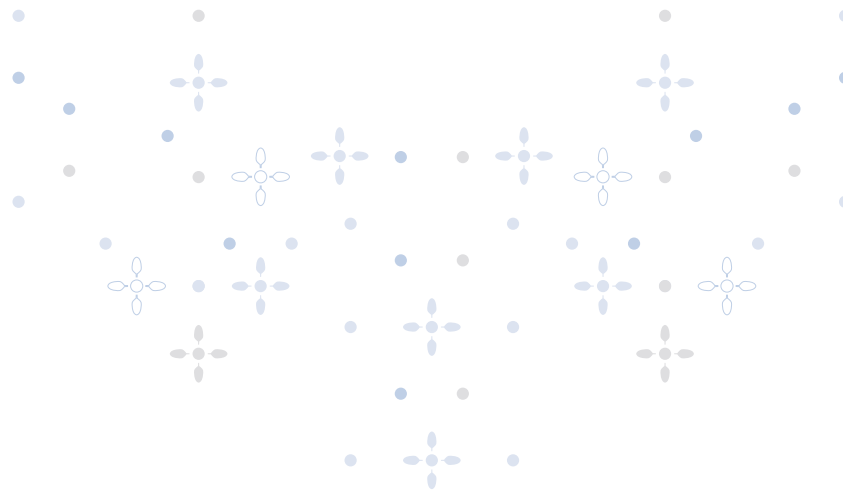
	2009			2008		
	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debts	1,130	-	1,130	632	-	632
Total	1,130	-	1,130	632	-	632

10.2 As at 31 December 2009, securities business receivables include cash collateral receivables of approximately Baht 523.13 million (2008 : Baht 300.83 million), which was cash that 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 securities was approximately Baht 451.72 million (2008 : Baht 265.28 million). Approximately Baht 383.67 million (2008 : Baht 256.08 million) of such borrowed securities were lent for the Company's account and Baht 68.05 million of such borrowed securities lent to client (2008 : Baht 9.2 million).

11. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Land	Building and building improvement	Furniture, fixtures and office equipment	Vehicles	Total
At cost:					
31 December 2008	52,012,454	241,153,677	175,634,108	17,242,053	486,042,292
Acquisitions	-	1,640,412	3,531,228	-	5,171,640
Disposal	-	-	(10,660,206)	(48,547)	(10,708,753)
31 December 2009	52,012,454	242,794,089	168,505,130	17,193,506	480,505,179



(Unit : Baht)

	Land	Building and building improvement	Furniture, fixtures and office equipment	Vehicles	Total
Accumulated depreciation:					
31 December 2008	-	131,102,638	133,222,142	11,742,236	276,067,016
Depreciation charged for the year	-	13,100,856	20,427,315	2,747,946	36,276,117
Disposal	-	-	(10,657,521)	(48,546)	(10,706,067)
31 December 2009	-	144,203,494	142,991,936	14,441,636	301,637,066
Net book value:					
31 December 2008	<u>52,012,454</u>	<u>110,051,039</u>	<u>42,411,966</u>	<u>5,499,817</u>	<u>209,975,276</u>
31 December 2009	<u>52,012,454</u>	<u>98,590,595</u>	<u>25,513,194</u>	<u>2,751,870</u>	<u>178,868,113</u>
Depreciation for the year:					
2008					36,287,334
2009					36,276,117

As at 31 December 2009, certain plant and equipment items have been fully depreciated but are still in used. The original cost of those assets amounted to approximately Baht 148 million (2008 : Baht 134 million).

12. INTANGIBLE ASSETS

(Unit : Baht)

	Remaining period of amortisation	Balance beginning of the year	Increase	Amortisation	Balance end of the year
Deferred license fee	1 - 2 years	2,534,165	-	(1,107,543)	1,426,622
Application software	1 - 3 years	<u>32,439,582</u>	<u>48,176,007</u>	<u>(18,009,297)</u>	<u>62,606,292</u>
Total		<u>34,973,747</u>	<u>48,176,007</u>	<u>(19,116,840)</u>	<u>64,032,914</u>

Amortisation expenses included in the income statements for the year:

2008	14,221,530
2009	19,116,840

As at 31 December 2009, certain application software items have been fully amortised but are still in use. The original cost, before deducting accumulated amortisation, of these assets amounted to Baht 56 million (2008: Baht 45 million).

13. OTHER ASSETS

The balances as at 31 December 2009 and 2008 consist of: -

(Unit : Baht)

	2009	2008
Accrued fee income	73,399,101	2,000,000
Payments for clearing fund	24,701,749	22,549,301
Asset for protecting the clearing system	13,719,216	13,009,500
Prepaid expenses	7,690,403	7,065,995
Mutual fund receivables	2,978,442	3,537,409
Advanced payment	1,696,964	2,289,056
Accrued interest and dividend income	406,635	23,667,364
Others	11,652,764	15,462,844
Total	136,245,274	89,581,469
Less: Allowance for loss on impairment	-	(1,148,219)
Total	136,245,274	88,433,250

14. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Below are details of securities and derivatives business payables as at 31 December 2009 and 2008.

(Unit : Baht)

	2009	2008
Securities business payables		
Cash accounts	820,795,589	340,415,732
Collateral payables	79,900,800	10,120,000
Securities borrowing payables	449,851,974	256,722,245
Derivatives business payables		
Derivatives business payables	5,525,700	526,500
Securities and derivatives business payables	1,356,074,063	607,784,477

As at 31 December 2009, securities business payables include collateral payables of approximately Baht 79.90 million (2008: Baht 10.12 million), which was cash that borrowers placed as collateral for securities borrowed from the Company. As at the same date, the fair value of the lent securities was approximately Baht 68.05 million (2008: Baht 9.20 million).

15. OTHER LIABILITIES

The balances as at 31 December 2009 and 2008 consist of: -

(Unit : Baht)

	2009	2008
Mutual fund payables	2,978,442	3,537,409
Withholding tax payable	3,883,326	2,945,079
Value added tax payable	6,832,500	9,863,843
Other account payables	1,289,966	7,533,972
Others	<u>2,940,598</u>	<u>8,987,854</u>
Total	17,924,832	32,868,157

16. 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.

17. FEES AND SERVICES INCOME

(Unit : Baht)

	2009	2008
Underwriting fee	-	74,685,800
Financial advisory fee	189,735,082	143,873,388
Selling agent fee	39,425,184	51,495,855
Securities borrowing and lending fee	<u>4,754,227</u>	<u>330,455</u>
Total	233,914,493	270,385,498



18. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund on monthly basis at the rate of a percent of basic salary. The fund, which is managed by a licensed fund manager, will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company contributed Baht 18.32 million (2008 : Baht 21.40 million) to the fund.

19. DIVIDENDS

(Unit : Baht)

Dividends	Approved by	Total dividends	Dividend per share
Dividend from 2007 net income	Annual General Meeting of the shareholders on 23 April 2008	266,875,000	1.25
Interim dividend from the income of six-month period of 2008	Board of Directors' meeting on 18 August 2008	213,500,000	1.00
Total dividend payment in 2008		<u>480,375,000</u>	<u>2.25</u>
Dividend on 2008 net income	Annual General Meeting of the shareholders on 23 April 2009	213,500,000	1.00
Interim dividend from the income of six-month period of 2009	Board of Directors' meeting on 24 August 2009	128,100,000	0.60
Total dividend payment in 2009		<u>341,600,000</u>	<u>1.60</u>

20. INCOME TAX

The income tax expenses for the years ended 31 December 2009 and 2008 are as follows:

(Unit : Baht)

	2009	2008
Income tax payable on taxable income for the year	90,880,450	117,915,316
Decrease (increase) in deferred tax assets	35,984,266	(80,734,966)
Increase (decrease) in deferred tax liabilities	<u>(2,532,190)</u>	<u>7,456,335</u>
Income tax expenses as included in income statements	<u>124,332,526</u>	<u>44,636,685</u>

As at 31 December 2009 and 2008 the aggregate current and deferred tax relating to items that are charged or credited to shareholders' equity were as follows:

(Unit : Baht)

	2009	2008
Deferred tax relating to revaluation surplus (loss) on investments	148,526,672	(18,207,556)

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2009 and 2008 is as follows:

(Unit : Baht)

	2009	2008
Accounting income	<u>550,219,942</u>	<u>251,943,619</u>
Applicable tax rate of 25%	137,554,985	62,985,905
Net tax effect of non-deductible expenses (tax exempted revenue)	<u>(13,222,459)</u>	<u>(18,349,220)</u>
Income tax as included in income statements	124,332,526	44,636,685

As at 31 December 2009 and 2008 the components of deferred tax assets and deferred tax liabilities can be summarised as follows:

(Unit : Baht)

	2009	2008
Deferred tax assets		
Amortisation of intangible assets	9,089,650	8,461,308
Allowance for impairment of fixed assets	10,415,302	10,997,672
Allowance for impairment on investments	34,292,065	79,867,412
Revaluation loss on investment	-	18,207,556
Unrealised loss from revaluation securities borrowing	9,738,465	-
Others	<u>112,592</u>	<u>305,948</u>
Total	<u>63,648,074</u>	<u>117,839,896</u>

(Unit : Baht)

	2009	2008
Deferred tax liabilities		
Revaluation surplus on investment	(148,526,672)	-
Unrealised gain from revaluation securities borrowing	-	(6,998,277)
Others	(5,092,970)	(626,883)
Total	(153,619,642)	(7,625,160)
Deferred tax assets (liabilities) - net	(89,971,568)	110,214,736

As from 2006 to 2010 the Company has calculated income tax by using a 25 % tax rate because Royal Decree No. 387 B.E. 2544, dated 5 September 2001, granted companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30 % to 25 % for taxable income for five consecutive accounting periods beginning on or after the date of which companies listed on the Stock Exchange of Thailand in accordance with securities and exchange laws.

21. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

22. RELATED PARTY TRANSACTIONS

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

(Unit : Baht)

	2009	2008	Transfer pricing policy
Transactions with the Company's directors			
Brokerage fees from securities business	1,416,861	849,612	0.10 % of trading value in unit trust and 0.25 % of trading value in securities
Brokerage fees from derivatives business	130,350	165,700	Normal rate charged to ordinary customers

(Unit : Baht)

	2009	2008	Transfer pricing policy
Transactions with related parties			
Brokerage fees from securities business	36,942	110,086	0.10 % of trading value in unit trust and 0.25 % of trading value in securities
Brokerage fees from derivatives business	13,950	-	Normal rate charged to ordinary customers

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related companies are as follows:

(Unit : Baht)

	2009	2008
The Company's directors		
Deposits for customers' accounts	2,055,827	2,630,288
Derivatives business receivables	-	6,000
Securities business payable	-	190,489
Derivatives business payable	9,300	-
Related parties		
Deposits for customers' accounts	71,716	-

23. COMMITMENTS AND CONTINGENT LIABILITIES

23.1 Commitments

- 1) As at 31 December 2009, the Company is required to pay a sub-license fee of approximately USD 87,000 per annum for the use of the software provided by the foreign company for use in the Company's operations. The agreement has an initial term of three years, starting on 1 December 2003 and will be automatically extended by one year following the expiry of the initial term, unless terminated by either party.

In addition, the Company is committed to pay a service fee of approximately Baht 4.83 million per quarter over 6 quarters for the use of the other software provided by such foreign company in the Company's operations, beginning from the fourth quarter of 2009.

- 2) As at 31 December 2009, the Company is required to pay a membership fee to the Stock Exchange of Thailand on a monthly basis of Baht 50,000 and at the rate of 0.005% of the trading volume.
- 3) As at 31 December 2009, the Company is required to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licensed for securities brokerage, securities trading, investment advisory and securities underwriting. The fee is charged at the rate of 1 percent per annum of income from the aforesaid activities with a minimum fee of Baht 500,000 per annum and a maximum fee of Baht 5,000,000 per annum.
- 4) As at 31 December 2009, 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%, 0.012% or 0.016% of its net settlements each month, depend on settlement risk of the Company.
- 5) As at 31 December 2009, the Company is required to pay a membership fee to the Securities Investor Protection Fund (SIPF), which is overseen by the Stock Exchange of Thailand, on a monthly basis at the rate of 0.0005% of the trading volume.
- 6) As at 31 December 2009, the Company has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. A monthly fee at a rate of Baht 30,000 and certain other fees specified in the agreement are charged to the Company on a monthly basis. The agreement will terminate on 31 December 2011.
- 7) As at 31 December 2009, the Company has an outstanding obligation to pay derivatives trading fees to the Thailand Futures Exchange Public Company Limited. Such fees are charged at Baht 500,000 per annum. The Company also has obligations to pay derivatives trading fees for each derivatives contract, at rates set by Thailand Futures Exchange Public Company Limited.
- 8) As at 31 December 2009, the Company has obligations under a settlement agreement fee with Thailand Clearing House Company Limited, which charges a fee at a rate of Baht 300,000 per annum. The Company also has obligations to pay settlement fees for each derivatives contract, at rates set by Thailand Clearing House Company Limited.
- 9) As at 31 December 2009, the Company has the following commitments in respect of derivative contracts:

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 224 contracts detailed below.

	Long position		Short position	
	Number of contracts	Cost * (Thousand Baht)	Number of contracts	Cost * (Thousand Baht)
Future contracts of March 2010	-	-	224	115,412
Total	-	-	224	115,412

* Delivery method of SET 50 Index Futures listed in TFEX is cash settlement. Real exposure is a difference between cost of futures and SET50 Index level on settlement date.

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 38 contracts detailed below.

	Long position		Short position	
	Number of contracts	Cost * (Thousand Baht)	Number of contracts	Cost * (Thousand Baht)
Future contracts of March 2010	-	-	38	5,814
Total	-	-	38	5,814

* 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.

23.2 Contingent liabilities - bank guarantees

As at 31 December 2009, there were outstanding bank guarantees of approximately Baht 1.30 million (2008 : Baht 6.3 million), issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

24. SEGMENT INFORMATION

The Company's business operations involve 4 principal segments: securities brokerage segment, investment banking segment, investments segment and financial product development segment. These operations are mainly carried on in Thailand. Below is the financial information for the years ended 31 December 2009 and 2008 of the Company by segment.

(Unit : Thousand Baht)

	Securities brokerage segment		Investment banking segment		Investments segment		Other segments		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	712,984	887,558	190,085	249,212	375,730	155,978	29,814	30,232	1,308,613	1,322,980
Loss on impairment	-	-	-	-	-	(248,708)	-	(55,246)	-	(303,954)
Segment income (loss)	374,083	544,109	100,501	89,833	308,678	(135,036)	8,081	443	791,343	499,349
Unallocated income (expense):										
Reversal of impairment loss on investments									50,157	-
Other income									26,850	78,155
Operating expenses									(318,130)	(325,560)
Corporate income tax									(124,333)	(44,637)
Net income for the year									425,887	207,307

(Unit : Thousand Baht)

	Securities brokerage segment		Investment banking segment		Investments segment		Other segments		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Property, plant and equipment - net										
- allocated	26,650	33,177	11,548	13,143	7,281	7,608	1,521	3,006	47,000	56,934
- unallocated									131,868	153,041
Total									178,868	209,975
Unallocated assets									5,643,779	3,932,705
Total assets									5,822,647	4,142,680

25. FINANCIAL INSTRUMENTS

25.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, investments, receivables from and payables to Clearing House, securities and derivatives business receivables and payables, and other derivatives assets and liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to deposits at financial institutions, investment in debt securities, receivables from Clearing House, securities and derivatives business receivables and other receivables. The Company manages the risk by adopting appropriate trading limit policies and procedures. In addition, to manage risks on debt instruments, the Company has assigned the list of issuers with maximum credit exposure limits. As a result, the Company does not expect to incur material financial losses.

In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit : Baht)

	2009	2008
Financial assets		
Cash and cash equivalents - promissory notes with maturity less than 3 months	500,000,000	600,000,000
Long-term deposits from financial institutions - net	9,679,324	-
Investment in debt securities	399,911,033	331,275,969
Receivables from Clearing House	491,075,145	51,915,114
Securities and derivatives business receivables	1,738,507,110	942,407,787
Other assets - other receivables	86,737,557	44,392,130

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions and investments. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. In addition, to reduce the interest rate risk, the Company has determined the maximum limit for investments as appropriate. As a result, the interest rate risk is expected to be minimal.



Significant financial assets and liabilities as at 31 December 2009 and 2008 classified by type of interest rates and, for those financial assets and liabilities are categorised by the contractual repricing or maturity date (whichever is earlier) are as follows: -

(Unit : Million Baht)

	2009								
	Outstanding balances of financial instruments							Interest rate	
	Floating interest rate	Repricing or maturity dates						(Percent)	
		At call	Less 1 year	1 - 5 years	Over 5 years	No interest	Total	Floating rate	Fixed rate
Financial instruments - assets									
Cash and cash equivalents	152	500	-	-	-	143	795	0.01 - 0.75	1.10 - 1.15
Long-term deposits from financial institutions - net	-	-	10	-	-	-	10	-	3.00
Investments - net	-	-	400	-	-	2,009	2,409	-	1.16
Receivables from Clearing House	-	-	-	-	-	491	491	-	-
Securities and derivatives business receivables	-	-	-	-	-	1,739	1,739	-	-
Financial instruments - liabilities									
Payables to Clearing House	-	-	-	-	-	601	601	-	-
Securities and derivatives business payables	-	-	-	-	-	1,356	1,356	-	-

(Unit : Million Baht)

	2008								
	Outstanding balances of financial instruments							Interest rate	
	Floating	Repricing or maturity dates						(Percent)	
	interest		Less	1 - 5	Over	No		Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
Financial instruments - assets									
Cash and cash equivalents	353	600	-	-	-	175	1,128	0.75	2.60
Investments - net	-	-	331	-	-	1,245	1,576	- 1.90	- 5.63



(Unit : Million Baht)

	2008									
	Outstanding balances of financial instruments							Interest rate		
	Floating interest rate	Repricing or maturity dates					No interest	Total	(Percent)	
		At call	Less 1 year	1 - 5 years	Over 5 years	Floating rate			Fixed rate	
Receivables from Clearing House	-	-	-	-	-	52	52	-	-	
Securities and derivatives										
business receivables	-	-	-	-	-	942	942	-	-	
Financial instruments - liabilities										
Payables to Clearing House	-	-	-	-	-	429	429	-	-	
Securities and derivatives										
business payables	-	-	-	-	-	608	608	-	-	

Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of 31 December 2009 and 2008 are as follows: -

(Unit : Million Baht)

	2009					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - assets						
Cash and cash equivalents	795	-	-	-	-	795
Long-term deposits from financial institutions - net	-	10	-	-	-	10
Investments - net	-	1,108	-	-	1,301	2,409
Receivables from Clearing House	-	491	-	-	-	491
Securities and derivatives business receivables	-	1,739	-	-	-	1,739
Financial instruments - liabilities						
Payables to Clearing House	-	601	-	-	-	601
Securities and derivatives business payables	-	1,356	-	-	-	1,356



(Unit : Million Baht)

	2008					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial instruments - assets						
Cash and cash equivalents	1,128	-	-	-	-	1,128
Investments - net	-	593	-	-	983	1,576
Receivables from Clearing House	-	52	-	-	-	52
Securities and derivatives business receivables	-	942	-	-	-	942
Financial instruments - liabilities						
Payables to Clearing House	-	429	-	-	-	429
Securities and derivatives business payables	-	608	-	-	-	608

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from income and expense transactions that are denominated in foreign currencies. The Company has no forward contracts to reduce the exposure.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2009 and 2008 are summarised below: -

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	2009	2008	2009	2008	2009	2008
(Baht per 1 foreign currency unit)						
US dollar	1,366,728	13,604,750	21,799	22,703	33.3197	34.8977
Hongkong dollar	-	-	118,442	118,442	4.2937	4.5015
Euro	52,008	3,066,366	-	-	47.7291	49.2015
JPY	3,440,012	184,216,081	-	-	0.3618	0.3859

FINANCIAL DERIVATIVES INSTRUMENTS

As of 31 December 2009, the fair values of off-balance sheet financial derivatives as presented in the Company's accounts are as follows:

(Unit : Thousand Baht)

	Remaining period before maturity date			Total
	1 - 6 months	6 months - 1 year	Over 1 years	
SET 50 Index Futures				
Short position	115,494	-	-	115,494
Single Stock Futures				
Short position	5,821	-	-	5,821

25.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The methodology of fair value measurement is depended on the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique such as discounted cash flow.

The Company has estimated the fair value of financial instruments as follows: -

a) Financial assets

The methodology used for determining the fair value is depended on the characteristics of the financial instrument. The fair value of financial assets are presented as the amount stated in the balance sheet (including cash, deposits at financial institutions) which are considered to be their approximated respective carrying value since the financial instruments are predominantly and subject to market interest rates. Financial instruments that have standard terms and conditions which are traded on an active and liquid market, such as investment in securities and derivatives, have their fair values determined by the quoted market price. The fair value of receivables from Clearing House and securities and derivative business receivables are estimated at their net book value since the maturity date is in the short-term.

b) Financial liabilities

Payables to Clearing House and securities and derivative business payables are presented at net book value since the maturity dates occur of short-term.

26. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management is to ensure that it has an appropriate financing structure, to preserve the ability to continue its business 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.

27. SUBSEQUENT EVENTS

The Meeting of the Company's Board of Directors, held on 22 February 2010, passed the resolution to propose the additional dividend payment for the year 2009 of Baht 1.35 per share or total Baht 288.23 million. This is the additional dividend payment to the interim dividend payment at Baht 0.60 per share or Baht 128.10 million in total paid on 21 September 2009. Therefore, total dividend payment for the whole year 2009 would be at Baht 1.95 per share. The Company's Board of Directors will propose this additional dividend payment for approval by the Annual General Meeting of the Company's shareholders, which will be held on 22 April 2010, and payment will be on 11 May 2010.

28. 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 or shareholders' equity. The reclassifications are as follows:

(Unit : Baht)

	As reclassified	As previously reported
Personnel expenses	435,127,124	526,207,407
Directors' remuneration	-	3,668,000
Managements' benefit and directors' remuneration	94,748,283	-

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2010.

