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UNITED SECURITIES PUBLIC COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2007 AND 2006

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Report of Independent Auditor

To the Shareholders of United Securities Public Company Limited

I have audited the accompanying balance sheets of United Securities Public Company Limited as at 31 December 2007 and 2006, the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the 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 audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Securities Public Company Limited as at 31 December 2007 and 2006, the results of its operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 13 February 2008

UNITED SECURITIES PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2007 AND 2006

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	Note	2007	2006
ASSETS			
Cash and cash equivalents	5	24,030,561	66,675,926
Long-term deposits at financial institutions	6	63,143,926	58,008,140
Investments in debt and equity securities, net	7, 21	341,108,001	344,633,104
Receivables from Clearing House - Thailand Securities Depository		45,059,480	13,626,020
Securities business receivables, net	8, 9	887,316,025	713,991,494
Premises improvement and equipment, net	10	20,469,689	42,841,237
Intangible assets, net	11	5,235,356	3,996,930
Other assets, net	12, 21	19,733,832	20,357,803
TOTAL ASSETS		1,406,096,870	1,264,130,654

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

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

 Directors

UNITED SECURITIES PUBLIC COMPANY LIMITED

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2007 AND 2006

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Note 2007 2006

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Domestic borrowings	6	80,009,431	70,204,210
Payable to Clearing House - Thailand Securities Depository		-	28,374,259
Securities business payables		138,231,039	106,226,937
Liabilities under commercial papers sold	7.7	99,968,657	-
Corporate income tax payable		1,786,126	-
Accrued expenses		33,031,678	24,594,915
Provision for liabilities from litigation	22.5	8,687,907	4,380,887
Liabilities under hire purchase agreements	13	159,566	1,706,730
Other liabilities	21	743,114	457,121
TOTAL LIABILITIES		<u>362,617,518</u>	<u>235,945,059</u>

Shareholders' equity

Share capital			
Authorised			
172,000,000 ordinary shares of Baht 5 each		<u>860,000,000</u>	<u>860,000,000</u>
Issued and paid-up			
168,816,704 ordinary shares of Baht 5 each		844,083,520	844,083,520
Premium on ordinary shares		53,226,981	53,226,981
Revaluation deficit on investments	7.3	(10,883)	(255,514)
Retained earnings			
Appropriated			
Statutory reserve	19	16,173,093	15,420,637
Unappropriated		130,006,641	115,709,971
Total shareholders' equity		<u>1,043,479,352</u>	<u>1,028,185,595</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,406,096,870</u>	<u>1,264,130,654</u>
		0	0

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

Jeremy Kim San Liau

Tippranee Chatmanop

Director

Director

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

Directors

UNITED SECURITIES PUBLIC COMPANY LIMITED

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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Note 2007 2006

Revenues

Brokerage fees from securities business		171,937,914	197,218,712
Fees and service income	14	13,085,251	9,878,892
Gain on trading in securities	7.4	8,339,617	6,583,074
Interest and dividend		24,555,613	28,321,050
Interest on margin loans		44,770,329	21,499,841
Other income		9,989,856	2,425,788
Total revenues		272,678,580	265,927,357

Expenses

Expenses on borrowings		6,581,270	1,130,466
Fees and service expenses		12,617,461	13,700,890
Bad debts and doubtful accounts (reversal)		(4,062,319)	16,921
Operating expenses			
Personnel expenses	15	153,969,881	168,102,452
Premises and equipment expenses		60,815,451	76,639,625
Taxes and duties		2,598,257	1,794,297
Directors' remuneration	17, 21	2,975,000	2,815,000
Provision for liabilities from litigation		4,307,020	92,430
Other expenses		15,317,107	20,616,861
Total operating expenses		239,982,716	270,060,665
Total expenses		255,119,128	284,908,942
Net income (loss) before corporate income tax		17,559,452	(18,981,585)
Corporate income tax	20	(2,510,326)	-
Net income (loss) for the year		15,049,126	(18,981,585)

Basic earnings per share

Net income (loss)	18	0.09	(0.11)
Weighted average number of ordinary shares (shares)		168,816,704	168,816,704

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

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

Directors

UNITED SECURITIES PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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	Note	Revaluation surplus		Appropriated -		Total
		Ordinary shares	Premium on ordinary shares	(deficit) on investments	statutory reserve	
Balance as at 1 January 2006		844,083,520	53,226,981	(994,053)	15,420,637	1,046,428,641
Revaluation surplus on investments	7.3	-	-	738,539	-	738,539
Net loss for the year		-	-	-	-	(18,981,585)
Balance as at 31 December 2006		844,083,520	53,226,981	(255,514)	15,420,637	1,028,185,595
Revaluation surplus on investments	7.3	-	-	244,631	-	244,631
Net income for the year		-	-	-	-	15,049,126
Statutory reserve	19	-	-	-	752,456	(752,456)
Balance as at 31 December 2007		844,083,520	53,226,981	(10,883)	16,173,093	1,043,479,352
		0	0	0	0	0
		-	-	-	-	-

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

I, _____, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.
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Directors

UNITED SECURITIES PUBLIC COMPANY LIMITED

CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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(Unit: Baht)
2006

Cash flows from operating activities

Net income (loss)	15,049,126	(18,981,585)
Adjustments to reconcile net income (loss) to net cash provided by (paid for) operating activities: -		
Depreciation and amortisation	17,718,916	26,119,860
Bad debts and doubtful accounts (reversal)	(4,062,319)	16,921
Gain on revaluation of investments	-	(2,991,694)
Amortisation of premium on bill of exchange	(12,606,382)	(5,915,822)
Amortisation of discount paid on bill of exchange	2,667,752	-
Gain on sales of premises improvement and equipment	(3,255,840)	(1,694,661)
Written-off premises improvement and equipment and intangible assets	2,198,128	3,500,351
Provision for liabilities from litigation	4,307,020	92,430
Income from operating activities before changes in operating assets and liabilities	22,016,401	145,800
Decrease (increase) in operating assets		
Long-term deposits at financial institutions	(5,135,786)	(4,610,844)
Current investments	16,376,116	(301,484,137)
Receivables from Clearing House - Thailand Securities Depository	(31,433,460)	63,427,179
Securities business receivables	(169,262,212)	(294,406,127)
Other assets	623,971	(2,683,848)
Increase (decrease) in operating liabilities		
Payable to Clearing House - Thailand Securities Depository	(28,374,259)	21,561,827
Securities business payables	32,004,102	(96,538,066)
Liabilities under commercial papers sold	97,300,905	-
Corporate income tax payable	1,786,126	-
Accrued expenses	8,436,763	1,960,247
Other liabilities	(1,261,171)	397,121
Net cash flows used in operating activities	(56,922,504)	(612,230,848)

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

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Directors

UNITED SECURITIES PUBLIC COMPANY LIMITED
 CASH FLOW STATEMENTS (Continued)
 FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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 (Unit: Baht)

	<u>2007</u>	<u>2006</u>
Cash flows from investing activities		
Proceeds from sales of equipment	11,247,638	2,770,372
Cash paid for purchase of equipment	(3,450,214)	(10,059,339)
Cash paid for purchase of intangible assets	(3,325,506)	(1,782,408)
Net cash flows from (used in) investing activities	4,471,918	(9,071,375)
Cash flows from financing activities		
Increase in domestic borrowings	9,805,221	70,204,210
Net cash flows from financing activities	9,805,221	70,204,210
Net decrease in cash and cash equivalents	(42,645,365)	(551,098,013)
Cash and cash equivalents at beginning of the year	66,675,926	617,773,939
Cash and cash equivalents at the end of the year (Note 5)	24,030,561	66,675,926
	0	0
Supplemental cash flows information		
Cash paid during the year for: -		
Interest expenses	6,607,297	1,100,329
Corporate income tax	724,200	507,436

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

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UNITED SECURITIES PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

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1. GENERAL INFORMATION

1.1 United Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is A.P.F. Holdings Company Limited, which was incorporated in Thailand.

The Company operates its business in Thailand and is engaged in the securities business, with the approval of the Ministry of Finance to undertake 4 types of securities businesses, as follows: -

1. Securities brokerage
2. Securities dealing
3. Investment advisory
4. Securities underwriting

The Company’s head office is located at 1550 4-5th Floor, Thanapoom Tower, New Petchburi Road, Kwaeng Makkasan, Khet Rachtevee, Bangkok.

As at 31 December 2007, the Company has a total of 176 employees (2006: 261 employees).

1.2 During the current year, the Company closed 9 branches. As at 31 December 2007, the Company has a total of 3 branches (2006: 12 branches).

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Nor. 26/2549 dated 29 June 2006.

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

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being responsible for the preparation of these financial statements, we hereby approve their issue in final form.
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Directors

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3. ADOPTION OF NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, 38/2550 and 62/2550 regarding Accounting Standards. The notifications mandate the use of the following new Accounting Standards.

a) Thai Accounting Standards which are effective for the current year

- TAS 44 (revised 2007) Consolidated Financial Statements and Separate Financial Statements
- TAS 45 (revised 2007) Investments in Associates
- TAS 46 (revised 2007) Interests in Joint Ventures

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. However, these three revised accounting standards are not relevant to the business of the Company.

b) Thai Accounting Standards which are not effective for the current year

- TAS 25 (revised 2007) Cash Flow Statements
- TAS 29 (revised 2007) Leases
- TAS 31 (revised 2007) Inventories
- TAS 33 (revised 2007) Borrowing Costs
- TAS 35 (revised 2007) Presentation of Financial Statements
- TAS 39 (revised 2007) Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 41 (revised 2007) Interim Financial Reporting
- TAS 43 (revised 2007) Business Combinations
- TAS 49 (revised 2007) Construction Contracts
- TAS 51 Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

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4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

a) Brokerage fees

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

b) Fees and service income

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

c) Interest on margin loans

Interest is recognised on an accrual basis. Except there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Loans are not fully covered with collateral.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that full repayment is recovered.
- (4) Problem financial institutions debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

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d) **Gain (loss) on trading in securities**

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

e) **Interest and dividends on investments in securities**

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

f) **Expenses**

Expenses are recognised on an accrual basis.

4.2 Interest on borrowing

Interest on borrowing is charged to income on an accrual basis.

4.3 Recognition and amortisation of customer deposits

Cash received from customers of cash balance accounts and credit balance accounts are recorded as assets and liabilities of the Company for the internal control purposes. As at the balance sheet date, the Company excluded these amounts from both the assets and liabilities and presents only the assets which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with maturity less than 3 months, call notes receivable and term notes receivable with maturity of three months or less and not subject to withdrawal restrictions.

4.5 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.

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4.6 Investments in debt and equity securities

- a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- c) 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.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value of the balance sheet date.

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

4.7 Receivable from Clearing Houses

Receivable from Clearing House comprises the net balance receivable from Thailand Securities Depository (TSD) in respect of securities trades settled through the Clearing House of TSD.

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4.8 Securities business receivables and allowance for doubtful accounts

Securities business receivables are the net balances after deducting allowance for doubtful accounts, and include accrued interest receivables. Securities business receivables comprise cash accounts, margin accounts, guarantee deposits receivable, as well as other receivables such as overdue cash accounts, and receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The Company has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines laid down in the Notification of the Office of the Securities and Exchange Commission and other relevant factors.

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

I, _____, Director, hereby approve their issue in final form.

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Loans classified as doubtful of loss will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balance. These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

4.9 Premises improvement and equipment and depreciation

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

Depreciation is calculated by reference to their cost on a straight-line basis (except for some parts of premises improvement and computers equipment which are considered to be more efficient early on in their life and are therefore depreciated using the sum-of-the-years digit method) over the following estimated useful lives.

Premises improvement	3, 5 years
Office furniture and equipment	5 years
Computers equipment	3, 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on office furniture and equipment under installation.

4.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation. Amortisation of membership fee is calculated by reference to their cost on a straight-line basis over estimated useful lives of 5 years.

Amortisation of software is calculated by reference to its costs using the sum-of-the-years - digits method over a useful life of 5 years. However, amortisation of software purchased since 1 December 2005 is calculated by reference to its cost on a straight-line basis over estimated useful lives of 5 years.

The amortisation is included in determining income.

No amortisation of software under installation.

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4.11 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

4.12 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 enterprises 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.

4.13 Payable to Clearing House

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

4.14 Securities business payables

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

4.15 Sales of bills of exchange

Sales of bills of exchange that carry no acceptances or aval from financial institutions with recourse clause are recorded as liabilities under the caption of "~~Liabilities under commercial papers sold~~". The amount of debt recorded upon the purchase of the bills will be credited when the bills are due and collected.

We being responsible for the preparation of these financial statements and to be approved, hereby approve their issue in final form.

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4.16 Foreign currency

Foreign currency transactions are translated into Baht at the rates ruling on the transaction dates. Assets and liabilities in foreign currencies outstanding on the balance sheet date have been translated into Baht at the rates ruling on the balance sheet date.

Gains and losses on exchange are included in determining income.

4.17 Employee benefits

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

4.18 Provisions

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

4.19 Income tax

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

4.20 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principle requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

....., being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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5. CASH AND CASH EQUIVALENTS

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	<u>2007</u>	<u>2006</u>
Cash on hand	35,000	71,070
Current deposits and saving deposits	13,687,223	63,663,543
Promissory note with maturity not over 3 months	240,000,000	70,000,000
Total cash and cash equivalents	253,722,223	133,734,613
Less: Deposits for customers' accounts	(229,691,662)	(67,058,687)
Net cash and cash equivalents	<u>24,030,561</u>	<u>66,675,926</u>

6. LONG-TERM DEPOSITS AT FINANCIAL INSTITUTIONS

These represent fixed deposits pledged with the banks as collateral for overdraft facilities, to secure a letters of guarantee issued by these banks and as a bond for the postponement of legal execution under a lawsuit, as discussed in Note 22.5 a).

7. INVESTMENTS IN DEBT AND EQUITY SECURITIES

7.1 Cost and fair value

	(Unit: Baht)			
	<u>2007</u>		<u>2006</u>	
	Cost/ <u>book value</u>	<u>Fair value</u>	Cost/ <u>book value</u>	<u>Fair value</u>
Current investments				
Trading securities				
Equity securities:				
Equity securities of private sector	-	-	588,000	428,000
Less: Changes in fair value of investment	-	-	(160,000)	-
Equity securities, net	-	-	<u>428,000</u>	<u>428,000</u>

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2007

2006

	2007		2006	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Debt securities:				
Debt securities of private sector	200,710,389	200,710,389	224,340,925	227,485,426
Add: Changes in fair value of investment	-	-	3,144,501	-
Debt securities, net	200,710,389	200,710,389	227,485,426	227,485,426
Trading securities, net	200,710,389	200,710,389	227,913,426	227,913,426
Available-for-sale securities				
Debt securities:				
Debt securities of private sector	132,561,699	132,550,816	109,137,702	108,882,188
Less: Changes in fair value of investment	(10,883)	-	(255,514)	-
Debt securities, net	132,550,816	132,550,816	108,882,188	108,882,188
Available-for-sale securities, net	132,550,816	132,550,816	108,882,188	108,882,188
Total current investments, net	333,261,205	333,261,205	336,795,614	336,795,614
Long-term investments				
Other investments				
Equity securities				
Other securities	7,996,000	7,846,796	7,996,000	7,837,490
Less: Allowance for loss on impairment	(149,204)	-	(158,510)	-
Other investments, net	7,846,796	7,846,796	7,837,490	7,837,490
Held-to-maturity debt securities				
Debt securities				
Debt securities of private sector	8,500,000	-	8,500,000	-
Less: Allowance for loss on impairment	(8,500,000)	-	(8,500,000)	-
Held-to-maturity debt securities, net	-	-	-	-
Long-term investments, net	7,846,796	7,846,796	7,837,490	7,837,490
Total investments, net	341,108,001	341,108,001	344,633,104	344,633,104

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7.2 As at 31 December 2007 and 2006, the Company's debt securities can be classified by the remaining period to maturity as follows: -

(Unit: Baht)

	2007				
	Period to maturity				
	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Trading securities					
Debt securities of private sector	200,710,389	-	-	-	200,710,389
Add: Allowance for change in valuation	-	-	-	-	-
Net	200,710,389	-	-	-	200,710,389
Available-for-sale securities					
Debt securities of private sector	132,561,699	-	-	-	132,561,699
Less: Allowance for change in valuation	(10,883)	-	-	-	(10,883)
Net	132,550,816	-	-	-	132,550,816
Held-to-maturity debt securities					
Debt securities of private sector	-	-	-	8,500,000	8,500,000
Less: Allowance for loss on impairment	-	-	-	(8,500,000)	(8,500,000)
Net	-	-	-	-	-
Total debt securities	333,261,205	-	-	-	333,261,205

(Unit: Baht)

	2006				
	Period to maturity				
	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Trading securities					
Debt securities of private sector	224,340,925	-	-	-	224,340,925
Add: Allowance for change in valuation	3,144,501	-	-	-	3,144,501
Net	227,485,426	-	-	-	227,485,426
Available-for-sale securities					
Debt securities of private sector	99,137,702	10,000,000	-	-	109,137,702
Less: Allowance for change in valuation	-	(255,514)	-	-	(255,514)
Net	99,137,702	9,744,486	-	-	108,882,188
Held-to-maturity debt securities					
Debt securities of private sector	-	-	-	8,500,000	8,500,000
Less: Allowance for loss on impairment	-	-	-	(8,500,000)	(8,500,000)
Net	-	-	-	-	-
Total debt securities	326,623,128	9,744,486	-	-	336,367,614

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7.3 Revaluation deficit in investments

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	<u>2007</u>	<u>2006</u>
Balance - beginning of the year	(255,514)	(994,053)
Changes during the year		
- from revaluation	244,631	338,328
- from disposal	-	400,211
Balance - end of the year	<u>(10,883)</u>	<u>(255,514)</u>

7.4 Gain (loss) on trading in securities

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Unrealised gain on trading securities	-	2,984,501
Reversal unrealised loss from impairment		
of other investments	9,306	7,194
Realised gain (loss) from securities trading		
Trading securities	8,330,311	4,021,846
Available-for-sale securities	-	(430,467)
Total	<u>8,339,617</u>	<u>6,583,074</u>

7.5 As at 31 December 2007 and 2006, the Company holds held-to-maturity debt securities of a company which has problem to repay the debt. Such investment has book value of Baht 8.5 million. The fair value of this investment cannot be calculated. However, the Company has set aside fully allowance of this investment.

7.6 During the years, the Company received proceeds from the sale of investments as follows:

	(Unit: Million Baht)	
	<u>2007</u>	<u>2006</u>
Current investments		
Trading securities	12,021.9	7,227.1
Available-for-sale securities	106.7	45.1
Total	<u>12,328.6</u>	<u>7,272.2</u>

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7.7 As at 31 December 2007, the Company sold with recourse clause of bills of exchange that carry no acceptances or aval of the financial institutions as recorded as liabilities under the caption of "Liabilities under commercial papers sold".

8. SECURITIES BUSINESS RECEIVABLES

Below is details of securities business receivables as at 31 December 2007 and 2006.

	(Unit: Baht)	
	2007	2006
Cash's accounts	101,554,662	92,194,524
Credit balance accounts	785,732,039	620,965,754
Other receivables: -		
Overdue cash customers accounts	63,515	8,237,133
Receivables subject to legal proceedings	2,026,540	2,026,540
Total securities business receivables	<u>889,376,756</u>	<u>723,423,951</u>
Add: Accrued interest receivables	36,951	321,514
Less: Allowance for doubtful accounts (Note 9)	<u>(2,097,682)</u>	<u>(9,753,971)</u>
Net securities business receivables	<u><u>887,316,025</u></u>	<u><u>713,991,494</u></u>

8.1 As at 31 December 2007 and 2006, the Company has other receivables, including accrued interest receivables for which it has stopped recognising interest income, of approximately Baht 2.1 million and Baht 9.6 million respectively.

8.2 The Company has classified securities business receivables including related accrued interest receivables according to a Notification set out by the Office of the Securities and Exchange Commission. As at 31 December 2007 and 2006, classified securities business receivables are as follows: -

	2007			2006		
	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	Securities business receivables
Normal debts	887	-	887	714	-	714
Doubtful debts	<u>2</u>	<u>(2)</u>	<u>-</u>	<u>10</u>	<u>(10)</u>	<u>10</u>
Total	<u><u>889</u></u>	<u><u>(2)</u></u>	<u><u>887</u></u>	<u><u>724</u></u>	<u><u>(10)</u></u>	<u><u>714</u></u>

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9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

(Unit: Baht)

	<u>2007</u>	<u>2006</u>
Balance - beginning of the year	9,753,971	9,737,050
Add: Bad debts and doubtful accounts	-	16,921
Less: Bad debt written-off	(3,593,970)	-
Reversal of bad debts and doubtful accounts	(4,062,319)	-
Balance - end of the year	<u>2,097,682</u>	<u>9,753,971</u>

10. PREMISES IMPROVEMENT AND EQUIPMENT

(Unit: Baht)

	Premises improvement	Office furniture and equipment	Motor vehicles	Office furniture and equipment under installation	Total
Cost					
31 December 2006	31,084,719	79,920,827	22,353,386	-	133,358,932
Additions	120,960	1,977,710	1,109,844	241,700	3,450,214
Disposals	(8,379,840)	(12,375,827)	(16,411,431)	-	(37,167,098)
Write-off	(935,573)	(6,171,447)	-	-	(7,107,020)
31 December 2007	<u>21,890,266</u>	<u>63,351,263</u>	<u>7,051,799</u>	<u>241,700</u>	<u>92,535,028</u>
Accumulated depreciation					
31 December 2006	18,740,404	55,254,493	16,522,798	-	90,517,695
Depreciation for the year	3,607,903	10,385,877	2,219,012	-	16,212,792
Depreciation on disposals	(6,356,295)	(10,062,324)	(12,756,681)	-	(29,175,300)
Depreciation on write-off	(295,353)	(5,194,495)	-	-	(5,489,848)
31 December 2007	<u>15,696,659</u>	<u>50,383,551</u>	<u>5,985,129</u>	<u>-</u>	<u>72,065,339</u>
Net book value					
31 December 2006	<u>12,344,315</u>	<u>24,666,334</u>	<u>5,830,588</u>	<u>-</u>	<u>42,841,237</u>
31 December 2007	<u>6,193,607</u>	<u>12,967,712</u>	<u>1,066,670</u>	<u>241,700</u>	<u>20,469,689</u>
Depreciation charge for year					
2006					<u>24,413,702</u>
2007					<u>16,212,792</u>

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As at 31 December 2007, net book value of premises improvement and equipment include assets under hire purchase agreements of the Company with net book values amounting to Baht 0.5 million (2006: Baht 2.9 million).

As at 31 December 2007, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 39.2 million (2006: Baht 36.7 million).

11. INTANGIBLE ASSETS

(Unit: Baht)

	2007					Balance end of the year
	Remaining life	Balance beginning of year	Additions	Amortised	Transfer in (out)/ write-off	
License fee	1 - 5 years	238,992	-	(69,988)	-	169,004
Software	1 - 5 years	2,934,690	1,229,468	(1,436,136)	2,319,226	5,047,248
Software under installation	-	823,248	2,096,038	-	(2,900,182)	19,104
Total		3,996,930	3,325,506	(1,506,124)	(580,956)	5,235,356

(Unit: Baht)

	2006					Balance end of the year
	Remaining life	Balance beginning of year	Additions	Amortised	Transfer in (out)	
License fee	1 - 5 years	163,158	139,507	(63,673)	-	238,992
Software	1 - 5 years	3,160,536	1,119,511	(1,642,485)	297,128	2,934,690
Software under installation	-	596,987	523,389	-	(297,128)	823,248
Total		3,920,681	1,782,407	(1,706,158)	-	3,996,930

As at 31 December 2007 and 2006, certain intangible asset items have been fully amortised but are still in use. The original cost of those intangible assets amounted to Baht 9.0 million and Baht 9.3 million respectively.

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12. OTHER ASSETS

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	<u>2007</u>	<u>2006</u>
Deposits	5,049,595	6,184,044
Prepayments for securities clearing fund	9,484,475	8,579,617
Others	5,593,122	5,987,502
Total	20,127,192	20,751,163
Less: Provision for liabilities from litigation	(393,360)	(393,360)
Other assets, net	<u>19,733,832</u>	<u>20,357,803</u>

As at 31 December 2007 and 2006, the outstanding balance amounting of Baht 0.1 million of the other assets included securities which the Company purchased for return to a customer in relation to the litigation as discussed in Note 22.5 a).

13. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Loans under hire purchase agreements - computers equipment	159,566	1,706,730
Total	<u>159,566</u>	<u>1,706,730</u>

As at 31 December 2007, the current portion of the Company's loans under hire purchase agreements of computers equipment amount to Baht 0.2 million (2006: Baht 1.6 million).

14. FEES AND SERVICE INCOME

	(Unit: Baht)	
	<u>2007</u>	<u>2006</u>
Underwriting	652,500	1,041,280
Investment advisory	126,132	130,829
Financial advisory	10,500,000	7,636,595
Others	1,806,619	1,070,188
Total	<u>13,085,251</u>	<u>9,878,892</u>

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15. NUMBER OF EMPLOYEES AND RELATED COST

	<u>2007</u>	<u>2006</u>
Number of employees at end of the year (persons)	176	261
Employee costs (Million Baht)	154	168

16. 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 monthly at the rates of 3 to 6 percent of basic salary. The fund, which is managed by BT Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the current year, the Company contributed Baht 3,432,589 (2006: Baht 3,400,469) to the fund.

17. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position.

18. EARNINGS PER SHARE

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

19. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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.

20. INCOME TAX

Corporate income tax of the Company for the year ended 31 December 2007 has been calculated on the taxable income for the year after adding back certain expenses which are disallowable for the tax computation purposes and adjusting tax loss brought forward from the previous years thereto, being responsible for the preparation of

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21. RELATED PARTY TRANSACTIONS

During the years, the Company had significant business transactions with related persons and related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those persons and parties. Below is a summary of those transactions.

(Unit: Baht)

	<u>2007</u>	<u>2006</u>	<u>Transfer Pricing Policy</u>
Brokerage fees	417,967	5,539,137	0.15%, 0.20% and 0.25% of trading volume
Advisory fee income	15,082,277	4,000,000	Contract price
Rental and service income	2,097,689	488,298	Contract price
Sales of equipment	3,100,000	-	Contract price
Service expenses	280,271	728,938	Same rate as general customers
Interest income	6,983,516	-	At the rates of 8.5%, 9.0% per annum
Upfront fee	135,394	-	At the rate of 0.5% per annum of bills of exchange

The balances of the accounts as at 31 December 2007 and 2006 between the Company and those related persons and related parties are as follows:

(Unit: Baht)

	<u>Relationship</u>	<u>2007</u>	<u>2006</u>
<u>Bill of exchanges</u>			
Group Lease Plc.	Shareholder and/or common directors	99,951,653	99,137,702
<u>Rental and service fee receivable</u>			
Bangkok Station Network Co., Ltd.	Shareholder and/or common directors	32,140	864,243
<u>Other receivables</u>			
A.P.F. Holdings Company Limited	Parent company	253,387	-
<u>Other payable - deposits and other liabilities</u>			
Bangkok Station Network Co., Ltd.	Shareholder and/or common directors	536,445	457,121

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(Unit: Baht)

Relationship

2007

2006

Securities business receivables

Related persons and related parties	Shareholder and/or common directors	173,463	-
-------------------------------------	-------------------------------------	---------	---

Securities business payables

Related persons and related parties	Shareholder and/or common directors	320,740	-
-------------------------------------	-------------------------------------	---------	---

During the year, bills of exchanges - related party have movements as follows:

(Unit: Baht)

	<u>31 December 2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2007</u>
<u>Group Lease Plc.</u>				
Principals	100,000,000	440,000,000	(440,000,000)	100,000,000
Discount on bill of exchanges	(862,298)	(7,542,071)	8,356,022	(48,347)
	<u>99,137,702</u>	<u>432,457,929</u>	<u>(431,643,978)</u>	<u>99,951,653</u>

Remunerations paid to directors and/or executives

Remunerations paid to directors

During the year 2007, monetary remuneration paid to the Board of Directors consisted of meeting allowances and gratuities amounting to Baht 3.0 million (2006: Baht 2.8 million).

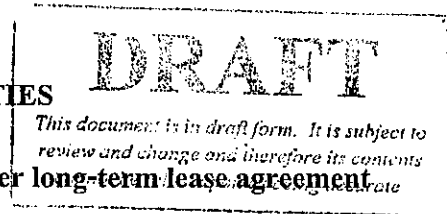
Remunerations paid to executives

During the year 2007, monetary remuneration in form of salaries and bonuses totalling Baht 36.7 million (2006: Baht 30.3 million) were paid to seven executives. These comprised executives in the four top ranking positions below the President, including all of the fourth ranked executives except the head of Accounting and Finance. During 2007 one of the executives resigned, and therefore as at 31 December 2007 there were six executives.

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22. COMMITMENTS AND CONTINGENT LIABILITIES



22.1 Operating lease and service commitments under long-term lease agreement

As at 31 December 2007, the Company has the following outstanding rental and service commitments under long-term lease agreements for its offices and branches: -

<u>Year</u>	(Unit: Million Baht)
2008	25.2
2009	15.4
2010	13.7
2011	0.2
Total	<u>54.5</u>

22.2 Service commitments

- a) As at 31 December 2007, the Company has a commitment under an on-line trading service agreement whereby the Company is charged a fee at a rate of 0.02 to 0.05 percent of its trading volume, with the minimum payment being Baht 20,000 per month.
- b) As at 31 December 2007, 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 percent of the trading volume.
- c) As at 31 December 2007, the Company has obligations to pay service fees to the Thailand Securities Depository Company Limited, as the Company's Back Office Service Bureau. These are charged at Baht 40,000 per month and at rates of Baht 7 to 16 per customer account.
- d) As at 31 December 2007, 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 underwriting. The fee is charged at a minimum fee to Baht 500,000 per annum and a maximum fee to Baht 5,000,000 per annum.

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- e) As at 31 December 2007, 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 rates of 0.008 percent, 0.012 percent or 0.016 percent of its net settlements each month.
- f) As at 31 December 2007, the Company is required to pay a membership fee to Securities Investor Protection Fund (SIPF), which is overseen by the Stock Exchange of Thailand, on a monthly basis, at a rate of 0.0005 percent of its trading volume.

22.3 Guarantees

As at 31 December 2007 and 2006, there was outstanding bank guarantee of amounting to Baht 334,000 issued by a bank on behalf of the Company in respect of certain performance bonds required in the normal course of business of the Company.

22.4 Contingent liabilities

As at 31 December 2007, the Company has contingent liabilities from securities business customer claims for compensation, amounting to Baht 9.5 million (2006: Baht 7.4 million). The Company is confident that they will not be obliged to pay such compensation.

22.5 Litigations

a) Litigation against the Company by securities trading customer

The Company was sued by a securities trading customer as second defendant for the return of securities with a monetary value of approximately Baht 3.3 million. During the year 2004, the court found the Company, as employer, jointly responsible with the first defendant. The Company is appealing this judgment in the court of first instance. On 20 December 2005, the court of first instance ordered the Company to place a bond to postpone legal execution. The amount claimed, which included principal and interest, amounts to Baht 4.5 million. The Company has placed fixed deposits amounting to Baht 4.5 million as a bond, as discussed in Note 6, purchased and set aside the Baht 0.1 million of securities (2006: Baht 0.1 million), as discussed in Note 12, and has set provision of Baht 4.4 million for the liabilities as a result of this litigation.

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b) **Litigation against the Company by a former staff**

In 2006, the Company was sued in the Central Labor Court by a former employee seeking compensation totaling Baht 13 million for unfair dismissal. On 14 August 2007, the Central Labor Court ordered the Company to pay compensation of approximately Baht 4.3 million, including interest to the employee. The Company has set full provision for the liabilities as a result of this litigation but on 27 November 2007 appealed this decision to the Supreme Court. This case is currently before the Supreme Court.

23. FINANCIAL INFORMATION BY SEGMENT

The Company's business operations involve three principal segments: (1) Securities brokerage segment (2) Investment banking segment and (3) Securities trading segment. These operations are mainly carried on in Thailand. Below is the financial information for years ended 31 December 2007 and 2006 and as at 31 December 2007 and 2006 of the Company by segment.

(Unit: Million Baht)

	For the year ended 31 December							
	Securities brokerage segment		Investment banking segment		Securities trading segment		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues	170.9	197.3	15.7	11.4	19.0	8.3	205.6	217.0
Segment income (loss)	(22.1)	(21.1)	3.1	2.9	1.7	(1.8)	(17.3)	(20.0)
Unallocated income (expenses):								
Interest income							44.8	21.5
Other revenue							14.1	2.3
Operating expenses							(17.5)	(21.7)
Interest expenses							(6.6)	(1.1)
Corporate income tax							(2.5)	-
Net income (loss)							15.0	(19.0)

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As at 31 December

	Securities brokerage segment		Investment banking segment		Securities trading segment		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Premises improvement and equipment, net								
- allocated	12.3	24.5	-	-	0.6	0.5	12.9	25.0
- unallocated							7.6	17.8
Total							20.5	42.8
Unallocated assets							1,385.6	1,221.3
Total assets							1,406.1	1,264.1

24. FINANCIAL INSTRUMENTS

24.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, long-term deposits at financial institutions, investments in debt and equity securities, receivables from Clearing House - Thailand Securities Depository, securities business receivables, domestic borrowings, payable to Clearing House - Thailand Securities Depository, securities business payables and liabilities under commercial papers sold. 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 investments in debt securities, receivable from Clearing House - Thailand Securities Depository and securities business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of investments in debt securities, receivable from Clearing House - Thailand Securities Depository and securities business receivables as stated in the balance sheet.

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Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash and cash equivalents, long-term deposits at financial institutions, investments in debt and equity securities, receivable from Clearing House-Thailand Securities Depository, securities business receivables, domestic borrowings, payable to Clearing House - Thailand Securities Depository, securities business payables and liabilities under commercial papers sold. 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, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2007 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Outstanding balances of financial instruments as at 31 December 2007							(Unit: Million Baht)		
	Floating interest rate	Repricing or maturity dates					No interest	Total	Interest rate (Percentage)	
		At call	Less 1 year	1 - 5 years	Over 5 years	Non-performing debt			Floating rate	Fixed rate
<u>Financial instruments - assets</u>										
Cash and cash equivalents	-	15.2	-	-	-	-	8.8	24.0	-	0.050 - 3.125
Long-term deposits at financial institutions	-	-	63.1	-	-	-	-	63.1	-	0.250 - 4.000
Investments in debt and equity securities, net	-	-	333.3	-	-	-	7.8	341.1	-	3.150 - 11.400
Receivables from Clearing House - Thailand Securities Depository	-	-	-	-	-	-	45.1	45.1	-	-
Securities business receivables	785.7	-	-	-	-	2.1	101.6	889.4	5.250 - 15.000	-
<u>Financial instruments - liabilities</u>										
Domestic borrowings	-	80.0	-	-	-	-	-	80.0	-	3.400 - 3.750
Securities business payables	-	-	-	-	-	-	138.2	138.2	-	-
Liabilities under commercial papers sold	-	-	100.0	-	-	-	-	100.0	-	4.750 - 5.400

we, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

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Directors

DRAFT

This document is in draft form. It is subject to review and change and therefore its contents cannot be relied upon as being accurate

Liquidity risk

The maturity dates of financial instruments held as of 31 December 2007, counting from the balance sheet date, are as follows: -

(Unit: Million Baht)

	Outstanding balances of financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non performing debt	Total
<u>Financial instruments - assets</u>							
Cash and cash equivalents	24.0	-	-	-	-	-	24.0
Long-term deposits at financial institutions	-	63.1	-	-	-	-	63.1
Investments in debt and equity securities, net	-	333.3	-	-	7.8	-	341.1
Receivables from Clearing House - Thailand Securities Depository	-	45.1	-	-	-	-	45.1
Securities business receivables	785.7	101.6	-	-	-	2.1	889.4
<u>Financial instruments - liabilities</u>							
Domestic borrowings	80.0	-	-	-	-	-	80.0
Securities business payables	-	138.2	-	-	-	-	138.2
Liabilities under commercial papers sold	-	100.0	-	-	-	-	100.0

Foreign exchange risk

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

The Company considers itself no foreign currency risk because it has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the balance sheet date.

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Directors

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24.2 Fair value 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 fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 13 February 2008.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form:

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Directors