

THAILAND FUTURE EXCHANGE PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2005

AUDITOR'S REPORT

To the Shareholders of Thailand Future Exchange Public Company Limited

I have audited the accompanying balance sheets as at 31 December 2005 and 2004, the related statements of income, changes in shareholders' equity and cash flows for the year ended 31 December 2005 and for the period from 17 May 2004 (date of incorporation) to 31 December 2004 of Thailand Future Exchange Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. 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 as at 31 December 2005 and 2004, and the results of its operations and its cash flows for the year ended 31 December 2005 and for the period from 17 May 2004 to 31 December 2004 of Thailand Future Exchange Public Company Limited in accordance with generally accepted accounting principles.

Unakorn Phruithithada
Certified Public Accountant
(Thailand) No. 3257
PricewaterhouseCoopers ABAS Limited

Bangkok
22 February 2006

Thailand Future Exchange Public Company Limited
Balance Sheets
As at 31 December 2005 and 2004

	Notes	2005 Baht	2004 Baht
Assets			
Current Assets			
Cash and cash equivalents		30,462	1,101,423
Short-term investments	3	88,491,033	98,566,825
Accrued interest receivable		326,714	178,063
Other current assets		285,029	719
Total Current Assets		<u>89,133,238</u>	<u>99,847,030</u>
Non-Current Assets			
Long-term investments	4	11,204,886	-
Total Non-Current Assets		<u>11,204,886</u>	<u>-</u>
Total Assets		<u><u>100,338,124</u></u>	<u><u>99,847,030</u></u>
Liabilities and Shareholders' Equity			
Current Liabilities			
Accrued expenses		50,000	50,000
Income tax payable		30,401	-
Other current liabilities		5,500	-
Total Current Liabilities		<u>85,901</u>	<u>50,000</u>
Total Liabilities		<u>85,901</u>	<u>50,000</u>
Shareholders' Equity			
Share capital			
Authorized, issued and fully paid-up			
10,000,000 ordinary shares of Baht 10 each	5	100,000,000	100,000,000
Retained earnings (deficits)		252,223	(202,970)
Total Shareholders' Equity		<u>100,252,223</u>	<u>99,797,030</u>
Total Liabilities and Shareholders' Equity		<u><u>100,338,124</u></u>	<u><u>99,847,030</u></u>

The notes to the financial statements on pages 6 to 10 form an integral part of these financial statements.

Statements of Income
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

	For the year ended 31 December 2005	For the period from 17 May 2004 to 31 December 2004
Note	Baht	Baht
Revenues		
Members application fee	1,600,000	-
Interest income	2,277,802	250,009
Total Revenues	<u>3,877,802</u>	<u>250,009</u>
Expenses		
Administrative expenses	3,300,850	452,979
Total Expenses	<u>3,300,850</u>	<u>452,979</u>
Profit (loss) before income tax	576,952	(202,970)
Income tax	121,759	-
Net profit (loss) for the year/period	<u>455,193</u>	<u>(202,970)</u>
Basic earning (loss) per share		
Net profit (loss) for the year/period	6 0.05	(0.02)

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Thailand Future Exchange Public Company Limited
Statements of Changes in Shareholders' Equity
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

	Note	Issued and paid up share capital Baht	Retained earnings (deficit) Baht	Total Baht
Beginning balance as at				
1 January 2005	5	100,000,000	(202,970)	99,797,030
Net profit for the year		-	455,193	455,193
Ending balance as at				
31 December 2005		<u>100,000,000</u>	<u>252,223</u>	<u>100,252,223</u>
17 May 2004		-	-	-
Ordinary shares	5	100,000,000	-	100,000,000
Net loss for the period		-	(202,970)	(202,970)
Ending balance as at				
31 December 2004		<u>100,000,000</u>	<u>(202,970)</u>	<u>99,797,030</u>

The notes to the financial statements on pages 6 to 10 form an integral part of these financial statements.

Thailand Future Exchange Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

	For the year ended 31 December 2005 Baht	For the period from 17 May 2004 to 31 December 2004 Baht
Cash flows from operating activities		
Net profit (loss) for the year/period	455,193	(202,970)
<u>Add</u> Income tax	121,759	-
Profit from operations before tax	576,952	(202,970)
Adjustment for:		
Interest income	(2,277,802)	(250,009)
	(1,700,850)	(452,979)
Changes in operating assets and liabilities		
(Increase) in operating assets		
Other current assets	(284,310)	(719)
Increase in operating liabilities		
Accrued expenses	-	50,000
Other current liabilities	5,500	-
Cash used in operating activities	(1,979,660)	(403,698)
<u>Less</u> Income tax paid	(91,358)	-
Net cash used in operating activities	(2,071,018)	(403,698)
Cash flows from investing activities		
Interest received	1,308,300	71,946
Cash received from short-term investments	277,466,916	-
Purchases of short-term investments	(266,238,824)	(98,566,825)
Purchases of long-term investments	(11,536,335)	-
Net cash from (used in) investing activities	1,000,057	(98,494,879)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	100,000,000
Net cash from financing activities	-	100,000,000
Net increase (decrease) in cash and cash equivalents		
	(1,070,961)	1,101,423
Cash and cash equivalents, beginning balance	1,101,423	-
Cash and cash equivalents, ending balance	30,462	1,101,423
Supplementary information for cash flows :		
Cash paid during the year/period		
Income tax paid	91,358	719

The notes to the financial statements on pages 6 to 10 form an integral part of these financial statements.

Thailand Future Exchange Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2005
And for the period from 17 May 2004 to 31 December 2004

1. General information

Thailand Future Exchange Public Company Limited (“the Company”) was incorporated on 17 May 2004 to be the center and advisor for the purchase and sale of derivatives or other financial instruments including any related services connected to such activities.

The address of its registered office is as follows:

62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110.

These financial statements have been approved for issue by the management on 22 February 2006.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below :

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547.

As a result of the Federation of Accounting Professions (FAP) approval of the new accounting standards on 12 May 2005, the Company has adopted TAS 52, “Events After Balance Sheet Date”, TAS 53, “Provisions, Contingent Liabilities, and Contingent Assets” and TAS 54, “Discontinuing Operations” in the second quarter of 2005. The adoption of these new accounting standards did not have a material impact to the financial statements presented.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires management, in some circumstances, to make estimates and assumptions to reflect the appropriated contingencies of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results afterwards may differ from those estimates.

2. Summary of significant accounting policies (Cont'd)

2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash at banks and promissory notes at financial institutions held for working capital and short-term commitment payment purposes.

2.3 Investments

Investments in fixed deposit and promissory notes at financial institutions are classified as general investments and stated in balance sheet at cost.

Investments in debt securities classified as held-to-maturity securities are carried at amortized cost.

A test for impairment is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is less than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When disposing part of a particular investment in debt securities, the carrying amount of the disposed part is determined from the weight average carrying amount of the total holding of the investments.

2.4 Revenue recognition

Fee is recognized upon performance of service and interest income is recognized on a proportion basis taking account of the principal outstanding and the effective rate over the period to maturity, when its is determined that such income will accrue to the Company.

2.5 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Company's directors (not included salaries, bonus and related benefits payable to management).

Thailand Future Exchange Public Company Limited
Notes to the Financial Statement
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

3. Short-term investments

	2005	2004
	Baht	Baht
General investments		
Fixed deposit account	-	68,566,825
Promissory notes	16,800,000	30,000,000
	<u>16,800,000</u>	<u>98,566,825</u>
Debt securities held to maturity	71,691,033	-
	<u>88,491,033</u>	<u>98,566,825</u>

Promissory notes represent the promissory notes at financial institutions which have maturity not more than 3 months (2004 : not more than 3 months) and interest rates of 3.00% - 4.00% per annum (2004 : 1.55% per annum).

Debt securities held to maturity represent treasury bills and the Bank of Thailand bonds which have maturity not more than 3 months and yields of 3.25% - 3.55% per annum. The aggregated market value as at 31 December 2005 was Baht 71.59 million.

4. Long-term investments

	2005	2004
	Baht	Baht
Debt securities held to maturity	<u>11,204,886</u>	<u>-</u>

Debt securities held to maturity represent government bonds and debentures which have maturity within 3 years, coupon rates of 3.67% - 5.60% and yields of 4.90% - 5.78% per annum. The aggregated market value as at 31 December 2005 was Baht 10.89 million.

5. Share capital

	Number of	Ordinary
	shares	shares
	Baht	Baht
As at 17 May 2004	-	-
Issue of shares	10,000,000	100,000,000
As at 31 December 2004	<u>10,000,000</u>	<u>100,000,000</u>
Issue of shares	-	-
As at 31 December 2005	<u>10,000,000</u>	<u>100,000,000</u>

The total authorized number of ordinary shares is 10,000,000 shares (2004 : 10,000,000 shares) with a par value of Baht 10 per share (2004 : Baht 10 per share). All issued shares are fully paid.

Thailand Future Exchange Public Company Limited
Notes to the Financial Statement
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

6. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year/period.

	For the year ended 31 December 2005	For the period from 17 May 2004 to 31 December 2004
Net profit (loss) attributable to shareholders (Baht)	455,193	(202,970)
Weighted average number of ordinary shares in issue during the year/period (Shares)	10,000,000	10,000,000
Basic earnings (loss) per share (Baht)	0.05	(0.02)

7. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following significant transactions were carried out with related parties:

Purchases of services

		For the year ended 31 December 2005	For the period from 17 May 2004 to 31 December 2004
	Related parties	Baht	Baht
Service expenses	The Stock Exchange of Thailand	2,750,000	-

The Company pays for service rendered from related parties according to an agreed rate according to an agreement.

Thailand Future Exchange Public Company Limited
Notes to the Financial Statement
For the year ended 31 December 2005
and for the period from 17 May 2004 to 31 December 2004

8. Financial instruments

a) Key objectives and condition

The Company's investments are used as working capital. The Company has no policy to seek outside funding in the near future but to maintain its liquidity.

b) Credit risk

The Company has no significant concentration of investments or deposits at financial institutions. The Company, however, is exposed to market risks as the investor of financial instruments. The Company, however, has a policy to diversify its investments and deposits to high credit financial institutions according to the investment policy prescribed by Board of Directors' resolution.

In 2005, the Board of Directors approved an investment policy to invest in debt securities at a proportion which is appropriate to circumstance at each point of time and align with the policy of The Stock Exchange of Thailand. The investment policy framework on types and proportion of investments are as follows:

<u>Type of investments</u>	<u>Proportion of investments</u>
- Government bonds, debentures or bonds of state enterprise or entities incorporated by specific laws	Unlimited amount
- Time deposits at commercial banks and promissory notes at financial company or financial institution incorporated by specific laws	Not more than 15% of total investments per institution
- Bills of exchange, debentures and/or warrants of debentures (not included convertible bonds)	Not more than 10% of total investments per issuer and not more than 5% per issue size
- Investment units or warrants of investment units in mutual funds those invested in debt securities	Not more than 10% of total investments per mutual fund and not more than 20% of total investments per asset management company

c) Fair value

The carrying amounts of these financial assets and financial liabilities are approximate to their fair values: cash and cash equivalents, short-term investments, accrued interest receivable and accrued expenses.