

**Thailand Futures Exchange
Public Company Limited**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2009 and 2008

Thailand Futures Exchange Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

Assets	<i>Notes</i>	2009	2008
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	5	9,126	7,753
Current investments	6	39,204	86,259
Accounts receivable and accrued income	7	44,664	52,826
Accrued interest receivable		216	533
Short-term loans to parent entity	4	252,000	205,000
Other current assets	8	494	5,201
Total current assets		345,704	357,572
<i>Non-current assets</i>			
Long-term investments	6	5,000	5,000
Equipment, net	9	575	840
Intangible assets, net	10	231	301
Other non-current assets		-	946
Total non-current assets		5,806	7,087
Total assets		351,510	364,659

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

Thailand Futures Exchange Public Company Limited

Balance Sheets

As at 31 December 2009 and 2008

Liabilities and equity	<i>Notes</i>	2009	2008
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Accounts payable and accrued expenses		1,146	2,668
Amounts due to related parties	4	71,547	67,882
Unearned revenues		128,578	160,260
VAT payable		39	1,234
Withholding tax payable		88	1,296
Income tax payable		1,382	1,965
Other current liabilities		-	73
Total current liabilities		202,780	235,378
<i>Non-current liabilities</i>			
Provision for retirement benefits	11	-	2,282
Other non-current liabilities		-	665
Total non-current liabilities		-	2,947
Total liabilities		202,780	238,325
<i>Equity</i>			
Share capital	12		
Authorised share capital		100,000	100,000
Issued and paid-up share capital		100,000	100,000
Retained earnings			
Appropriated			
Legal reserve	13	2,449	1,329
Unappropriated		46,281	25,005
Total equity		148,730	126,334
Total liabilities and equity		351,510	364,659

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

Thailand Futures Exchange Public Company Limited

Statements of Income

For the years ended 31 December 2009 and 2008

	<i>Notes</i>	2009	2008
		<i>(in thousand Baht)</i>	
Revenues			
Trading fees		186,657	136,840
Membership fees		72,363	50,335
Information service fees		10,620	8,615
Interest income	4	5,141	7,778
Other revenues		4,177	2,435
Total revenues		278,958	206,003
Expenses			
Administrative expenses	14	246,256	175,229
Total expenses		246,256	175,229
Profit before income tax expense		32,702	30,774
Income tax expense		10,306	9,376
Profit for the year		22,396	21,398
Basic earning per share	16	2.24	2.14

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

Thailand Futures Exchange Public Company Limited

Statements of changes in equity

For the years ended 31 December 2009 and 2008

	<i>Note</i>	Issued and paid-up share capital	Retained earnings		Total equity
			Legal reserve	Unappropriated	
			<i>(in thousand Baht)</i>		
Balance at 1 January 2008		100,000	-	4,936	104,936
Profit for the year		-	-	21,398	21,398
Legal reserve	13	-	1,329	(1,329)	-
Balance at 31 December 2008		100,000	1,329	25,005	126,334
Profit for the year		-	-	22,396	22,396
Legal reserve	13	-	1,120	(1,120)	-
Balance at 31 December 2009		100,000	2,449	46,281	148,730

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

Thailand Futures Exchange Public Company Limited

Statements of cash flows

For the years ended 31 December 2009 and 2008

	<i>Notes</i>	2009	2008
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit before income tax expense		32,702	30,774
<i>Adjustments for</i>			
Depreciation and amortisation	<i>9, 10</i>	335	278
Interest income		(5,141)	(7,778)
Gain on disposals of equipment		-	(30)
		<u>27,896</u>	<u>23,244</u>
<i>Changes in operating assets and liabilities</i>			
Accounts receivable and accrued income		8,162	(42,956)
Other current assets		4,707	(486)
Other non-current assets		946	(43)
Accounts payable and accrued expenses		(1,522)	(3,661)
Amount due to related parties		3,665	21,019
Unearned revenues		(31,682)	90,493
VAT payable		(1,195)	910
Withholding tax payable		(1,208)	(463)
Other current liabilities		(73)	50
Provision for retirement benefits		(2,282)	384
Other non-current liabilities		(665)	-
Income tax paid		(10,889)	(7,565)
Net cash provided by (used in) operating activities		<u>(4,140)</u>	<u>80,926</u>
<i>Cash flows from investing activities</i>			
Interest received		5,458	8,094
Purchases of equipment		-	(695)
Proceed from sale of equipment		-	467
Increase in short-term loans to parent entity		(47,000)	(95,000)
Purchases of current investments		(152,869)	(218,194)
Proceed from sale of current investments		199,924	218,850
Purchase of long-term investments		-	(5,000)
Purchases of intangible assets		-	(196)
Net cash provided by (used in) investing activities		<u>5,513</u>	<u>(91,674)</u>

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

Thailand Futures Exchange Public Company Limited

Statements of cash flows

For the years ended 31 December 2009 and 2008

	2009	2008
	<i>(in thousand Baht)</i>	
Net increase (decrease) in cash and cash equivalents	1,373	(10,748)
Cash and cash equivalents at beginning of year	7,753	18,501
Cash and cash equivalents at end of year	9,126	7,753

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

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related party transactions and balances
5	Cash and cash equivalents
6	Current investments
7	Accounts receivable and accrued income
8	Other current assets
9	Equipment, net
10	Intangible assets, net
11	Provision for retirement benefits
12	Share capital
13	Legal reserve
14	Administrative expenses
15	Employee benefit expenses
16	Basic earnings per share
17	Financial instruments
18	Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the management on 18 February 2010.

1 General information

Thailand Futures Exchange Public Company Limited, the “Company”, is incorporated in Thailand on 17 May 2004 and has its registered office at 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110, Thailand.

The parent entity was The Stock Exchange of Thailand (incorporated in Thailand), which owned 99.99% of the Company’s share capital as at 31 December 2009 (2008: 99.99%).

The principle businesses of the Company are the center and advisor for the purchase and sale of derivatives or other financial instruments including any related services connected to such activities.

2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards (“IAS”) on which the TAS/TFRS are based.

The Company has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007) Impairment of Assets (formerly TAS 36)

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the Company’s financial statements.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The FAP has issued during 2009 a number of new and revised TAS/TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS/TFRS are disclosed in note 20.

The financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Although these estimates are based on management's best knowledge of current events and actions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

3 Significant accounting policies

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but not include deposit with bank which held to maturities, other short-term highly liquid investments held for working capital and short-term commitment payment purposes with original maturities of three months or less.

(c) Accounts receivable and accrued income

Accounts receivable represent amounts due from third parties. Accrued income represents unbilled service income. Accounts receivable and accrued income are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off during the year in which they are identified and recognise in the statement of income under administrative expenses.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(d) Investments

Time deposits, promissory notes at financial institutions with maturities of three months or more are classified as general investments and stated at cost less impairment losses.

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in the statement of income.

If the Company disposes part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Equipment

Owned assets

Equipment is stated at cost less accumulated depreciation.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated 5 years useful lives.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of income.

Management determines the estimated useful lives and residual values for SET and its subsidiaries' property and equipment. Management will revise the depreciation charge where useful lives and residual values differ from previous estimations or it will write off or write down technically obsolete or assets which have been abandoned or sold.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(f) Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over its estimated useful lives from the date that they are available for use. The estimated useful lives are 5 years.

Costs associated with developing or maintaining computer software programs are generally recognised as expenses in the statement of income as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Company and have probable economic benefit exceeding the cost beyond one year, are recognised as intangible assets. Direct cost includes purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as intangible assets.

(g) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised wherever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of financial assets carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost, the reversal is recognised in the statement of income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(h) Accounts payable and accrued expense

Account payable and accrued expense are stated at cost.

(i) Employee benefits

Defined contribution plans

The Company participates in a provident fund with The Stock Exchange of Thailand which is the major shareholder. The provident fund is a defined contribution plan. The asset for which are held in a separate trustee administered fund. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the statement of income in the year to which they relate.

Defined benefit plans

The Company provides for post-employment retirement benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is measured, using the project unit credit method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yield on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. Actuarial gains or losses will be recognised in the statement of income in the period to which they are related.

(j) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the period in which the Company becomes legally or constructively committed to payment. Costs relating to the ongoing activities of the Company are not provided in advance.

(k) Revenues

Revenue excludes value added taxes.

Fees income

Membership fees comprise initial fees and annual fees. The initial fees are recognised as revenue on the straight-line basis of 5 years starting from the first day of service rendered and annual fees are recognised upon performance of services. Trading fees are recognised upon performance of services.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Services income

Information service income is recognised as services are provided.

Interest income

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Other income

Other income are recognised on an accrual basis.

(l) Expenses

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(m) Directors' remuneration

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

(n) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

4 Related party transactions and balances

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly-controlled by the Company are as follows:

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of entities	Country of incorporation	Nature of relationships
The Stock Exchange of Thailand	Thailand	Parent entity held 99.99% of the Company's share capital and all directors are representatives of the parent entity
SETTRADE.Com Co.,Ltd.	Thailand	Related party and is controlled by the Stock Exchange of Thailand
Family Know-how Co.,Ltd.	Thailand	Related party and is controlled by the Stock Exchange of Thailand 50% and 50% of directors are representatives of the parent entity
Thailand Securities Depository Co., Ltd	Thailand	Related party and is controlled by the Stock Exchange of Thailand

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest income	Reference rate with the interest rate of deposit at financial institutions
Fee and service expense	Contractually agreed price

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

Interest income	2009	2008
	<i>(in thousand Baht)</i>	
Parent entity		
The Stock Exchange of Thailand	3,618	4,754
	<u>3,618</u>	<u>4,754</u>
Fee and service expense		
Parent entity		
The Stock Exchange of Thailand	233,176	129,941
Related party		
SETTRADE.Com Co.,Ltd.	-	3,085
Family Know-how Co.,Ltd.	5,006	2,837
Thailand Securities Depository Co., Ltd	-	9
	<u>238,182</u>	<u>135,872</u>

Balances as at 31 December 2009 and 2008 with related parties were as follows:

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

<i>Short-term loans</i>	Interest rate		2009	2008
	2009	2008		
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Parent entity				
The Stock Exchange of Thailand	1.50	3.25-3.50	252,000	205,000

The parent entity has a policy of centralising the investments and manage the investments in order to increase the efficiency and enhance of the overall returns. The parent entity will borrow from its subsidiaries in the form of promissory notes which have maturity within 1 year and reference rate with the interest rate of deposit at financial institutions (The interest rate may be reviewed, where appropriate).

Movements for year ended 31 December 2009 and 2008 of short-term loans to parent entity were as follows:

	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	205,000	110,000
Increase	47,000	-
At 31 December	252,000	205,000

<i>Other non-current assets</i>	2009	2008
	<i>(in thousand Baht)</i>	

Deposit

Parent entity

The Stock Exchange of Thailand	-	946
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<i>Amounts due to related parties</i>	2009	2008
	<i>(in thousand Baht)</i>	

Accounts payables

Parent entity

The Stock Exchange of Thailand	-	515
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Related party

Family Know-how Co.,Ltd.	5,350	295
SETTRADE.Com Co.,Ltd.	-	267
	5,350	1,077

Accrued expenses

2009	2008
<i>(in thousand Baht)</i>	

Parent entity

The Stock Exchange of Thailand	66,197	66,561
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Related party

SETTRADE.Com Co.,Ltd.	-	235
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Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Thailand Securities Depository Co.,Ltd.	-	9
	<u>66,197</u>	<u>66,805</u>
Total	<u>71,547</u>	<u>67,882</u>

Other current liabilities

Parent entity

The Stock Exchange of Thailand	-	1
	<u> </u>	<u> </u>

5 Cash and cash equivalents

	2009	2008
	<i>(in thousand Baht)</i>	
Cash on hand	3	10
Cash at financial institutions - current accounts	5	-
Cash at financial institutions - savings accounts	9,118	7,743
Total	<u>9,126</u>	<u>7,753</u>

Cash at financial institutions - savings accounts bear interest rate of 0.10 – 0.85% per annum (2008: 0.10 % - 0.1.75% per annum).

Cash and cash equivalents of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

6 Investments

	2009	2008
	<i>(in thousand Baht)</i>	
<i>Current investments</i>		
General investments		
Time deposit accounts	39,204	86,259
Total	<u>39,204</u>	<u>86,259</u>
<i>Long-term investments</i>		
Debt securities held to maturity		
Debenture - Advance Info Service PCL.	5,000	5,000
Total	<u>5,000</u>	<u>5,000</u>

Current investments

Time deposit accounts represent time deposit at banks which have maturity more than 3 months but not more than 1 year and interest rates of 0.75% – 4.38% per annum (2008: 2.25% - 5.00% per annum)

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Long-term investments

Debt securities held to maturity represent corporate debenture with maturity of 5 years, coupon rate of 4.00% per annum for the first two years and coupon rate of 4.90% per annum for the third year to the fifth year from the issuance date, and yield of 3.49% per annum. Interest payments are four times a year. The aggregated market value as at 31 December 2009 was Baht 5.20 million (2008: Baht 5.05 million).

Both current investments and long-term investments of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

7 Accounts receivable and accrued income

	<i>Note</i>	2009	2008
		<i>(in thousand Baht)</i>	
Accounts receivable		599	760
Accrued income		44,065	52,066
Total		44,664	52,826

Aging analyses for trade accounts receivable were as follows:

	2009	2008
	<i>(in thousand Baht)</i>	
Other parties		
Within credit terms	546	710
Overdue:		
Less than 3 months	51	48
3-6 months	-	2
6-12 months	2	-
Total	599	760

The normal credit term granted by the Company ranges from 1 days to 15 days.

Accounts receivable and accrued income of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

8 Other current assets

	2009	2008
	<i>(in thousand Baht)</i>	
Pending input tax	355	147
Prepaid expenses	69	30
Loans to employees	-	1,080
Withholding Income Tax	-	3,934
Others	70	10
Total	494	5,201

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

9 Equipment, net

	Office furniture, fixtures and equipment	Computers	Vehicle	Total
	<i>(in thousand Baht)</i>			
<i>Cost</i>				
At 1 January 2008	579	496	-	1,075
Additions	68	199	428	695
Disposals	(18)	-	(428)	(446)
At 31 December 2008 and 1 January 2009	629	695	-	1,324
At 31 December 2009	629	695	-	1,324
<i>Accumulated depreciation</i>				
At 1 January 2008	145	104	-	249
Depreciation charge for the year	127	116	-	243
Disposals	(8)	-	-	(8)
At 31 December 2008 and 1 January 2009	264	220	-	484
Depreciation charge for the year	126	139	-	265
At 31 December 2009	390	359	-	749
<i>Net book value</i>				
At 31 December 2008	365	475	-	840
At 31 December 2009	239	336	-	575

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

10 Intangible assets, net

	Software (in thousand Baht)
<i>Cost</i>	
At 1 January 2008	156
Additions	196
At 31 December 2008 and 1 January 2009	352
At 31 December 2009	352
<i>Amortisation</i>	
At 1 January 2008	15
Amortisation charge	36
At 31 December 2008 and 1 January 2009	51
Amortisation charge	70
At 31 December 2009	121
<i>Net book value</i>	
At 31 December 2008	301
At 31 December 2009	231

11 Provision for retirement benefits

	2009	2008
	(in thousand Baht)	
Balance sheet obligations	-	2,282
Charge in statement of income	-	384

The amounts recognised in the balance sheets are determined as follows:

	2009	2008
	(in thousand Baht)	
Present value of obligations	-	2,282
Liability in the balance sheet	-	2,282

The movement in the defined benefit obligation is as follows:

	2009	2008
	(in thousand Baht)	
Beginning balance	2,882	1,898
Current service costs	-	299
Interest cost	-	85
Less Reversals	(2,882)	-
Ending balance	-	2,282

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

In 2009, parent entity approved a restructuring of management and personnel as a new organization structure. The Company reversed provision for retirement benefits and recorded as part of other income in the statement of income.

The amounts recognised in the statement of income are determined as follows:

	2009	2008
	<i>(in thousand Baht)</i>	
Current service costs	-	299
Interest costs	-	85
Total	<u>-</u>	<u>384</u>

The principal actuarial assumptions used were as follows:

	2009	2008
Discount rate as of 31 December	-	4.50%
Salary increase rate – permanent employee	-	6.00%
Salary increase rate – contract employee	-	4.50%
Average turnover rate	-	6.40%
Pre-retirement mortality rate	-	0.11%-1.48%
Retirement age	-	60 years old

12 Share capital

	Par value per share <i>(in Baht)</i>	2009		2008	
		Number of shares	Amount <i>(thousand Shares/thousand Baht)</i>	Number of shares	Amount
Authorised					
At 1 January					
- ordinary shares	10	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>
At 31 December					
- ordinary shares	10	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	10	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>
At 31 December					
- ordinary shares	10	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

13 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

14 Administrative expenses

	2009	2008
	<i>(in thousand Baht)</i>	
Management fee	233,176	129,156
Marketing expenses	5,425	12,878
Staff costs	-	23,207
Property rental expenses	-	2,207
Others	7,655	7,781
Total	<u>246,256</u>	<u>175,229</u>

15 Employee benefit expenses

	2009	2008
	<i>(in thousand Baht)</i>	
Salaries and other benefit	-	21,640
Contribution to defined benefit plans	-	1,567
Total	<u>-</u>	<u>23,207</u>

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Company at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

16 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	2009	2008
	<i>(in thousand Baht / thousand shares)</i>	
Profit attributable to equity holders of the Company (basic)	22,396	21,398
Number of ordinary shares outstanding	<u>10,000</u>	<u>10,000</u>
Earnings per share (basic) (in Baht)	<u>2.24</u>	<u>2.14</u>

17 Financial instruments

Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

Credit risk from investments and deposits

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

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, and credit risk from the issuer of financial instruments. The Company, therefore, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the Board of Directors' resolution.

The Board of Directors approved an investment policy to invest its working capital in high liquidity securities and the excess of its liquidity are granted to the parent entity for borrowing in order to enhance the overall returns and flexibility of investment management.

The investment policy framework on types and proportion of investments are as follows:

Type of investments	Proportion of investments
Government bonds, debentures or bonds of state enterprise or entities incorporated by specific laws and guaranteed by Ministry of finance.	Unlimited amount
Type of investments	Proportion of investments
Time deposits or NCD at commercial banks and promissory notes at finance companies or financial institutions incorporated by specific laws	Not more than 15% of total investments per a financial institution
Bills of exchange, debentures and/or warrants of debentures (not included convertible debentures)	Not more than 10% of total investments per an issuer and not more than 5% per an issued size
Investment units or warrants of investment units in mutual funds investing in debt securities	Not more than 10% of total investments per a mutual fund and not more than 20% of total investments per an asset management company

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Liquidity Risk

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

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investors and stakeholders' confidence.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders depend on the Company' operating performance.

Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of other short-term receivable is taken to approximate the carrying value.

The fair value of investments in debt securities, which are held to maturity, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investment is determined for disclosure purposes only as described in note 6.

The carrying amounts of the following financial assets and financial liabilities are approximate to their fair values: cash and cash equivalents, current investments, account receivable and accrued income, accrued interest receivable, accounts payable and accrued expenses unearned revenues and income tax payable.

18 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the following new and revised TAS/TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TAS/TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS/TFRS	Topic	Year effective
Framework for the Preparation and Presentation of Financial Statements (revised 2009)		2011
TAS 1 (revised 2009)	Presentation of Financial Statements (formerly TAS 35)	2011
TAS 7 (revised 2009)	Statement of Cash Flows (formerly TAS 25))	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors (formerly TAS 39)	2011

Thailand Futures Exchange Public Company Limited
Notes to the financial statements
For the years ended 31 December 2009 and 2008

TAS/TFRS	Topic	Year effective
TAS 10 (revised 2009)	Events after the Reporting Period (formerly TAS 52)	2011
TAS 16 (revised 2009)	Property, Plant and Equipment (formerly TAS 32)	2011
TAS 18 (revised 2009)	Revenue (formerly TAS 37)	2011
TAS 19	Employee Benefits	2011
TAS 24 (revised 2009)	Related Party Disclosures (formerly TAS 47)	2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements (formerly TAS 44)	2011
TAS 28 (revised 2009)	Investments in Associates (formerly TAS 45)	2011
TAS 31 (revised 2009)	Interests in Joint Ventures (formerly TAS 46)	2011
TAS 33 (revised 2009)	Earnings per Share (formerly TAS 38)	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets (formerly TAS 53)	2011
TAS 38 (revised 2009)	Intangible Assets (formerly TAS 51)	2011
TAS 40	Investment Property	2011
TFRS 3 (revised 2009)	Business Combinations (formerly TAS 43)	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)	2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	2011

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS/TFRS on the Company's financial statements.