THE IMPORTANCE OF ANNUAL REPORT PARTS AND UNDERSTANDABILITY OF THAI INDIVIDUAL INVESTORS

A MASTER’S PROJECT

BY

KHANITHA VISETHIANKUN

Presented in Partial Fulfillment of the Requirements for the

Master of Arts Degree in Business English for International Communication

at Srinakharinwirot University

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AN ABSTRACT

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Annual reports contain valuable information for investors who want to make more money by investing in stocks. This study aims to investigate the important parts of annual report which affect Thai individual investors' in making investment decisions. Problems of annual report using in Thai individual investors' viewpoints were also be studied. Data were derived from the questionnaire and interview. The samples were fifty respondents who were at Stock Exchange of Thailand, situated on Wireless Road in Bangkok. The result showed that "financial statements" is the most important part of annual reports among Thai individual investors and is also the part that the majority of investors read. This is because it provides accounting and financial information that Thai individual investors can use to predict future stock value of listed companies. However, there are some parts of annual reports that Thai individual investors do not read such as "supplementary information", "social responsibility reports", and "proxy statements". The main problem of investors' understanding is sentences containing relative clauses and modifiers because the investors cannot catch the main idea in each sentence. Moreover, the information shown in the auditor's report is not related to decision-making in stock investments.

ความคิดเห็นของผู้ถือหุ้นรายย่อยชาวไทยต่อความสำคัญและความเข้าใจ
ในส่วนประกอบของรายงานประจำปี

บทคัดย่อ
ของ
ขนิษฐา วิเศษเธียรกุล

เสนอต่อบัณฑิตวิทยาลัย มหาวิทยาลัยศรีนครินทรวิโรฒ เพื่อเป็นส่วนหนึ่งของการศึกษา
ตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต สาขาวิชาภาษาอังกฤษธุรกิจเพื่อการสื่อสารนานาชาติ
พฤษภาคม 2550

ขนิษฐา วิเศษเธียรกุล. (2550), *ความคิดเห็นของผู้ถือหุ้นรายย่อยชาวไทยต่อความสำคัญและความเข้าใจในส่วนประกอบของรายงานประจำปี.* สารนิพนธ์ ศศ.ม. (ภาษาอังกฤษธุรกิจเพื่อการสื่อสารนานาชาติ). กรุงเทพฯ: บัณฑิตวิทยาลัย มหาวิทยาลัยศรีนครินทรวิโรฒ. อาจารย์ที่ปรึกษาสารนิพนธ์: อาจารย์ ดร. อุมาพร คาดการณ์ไกล

รายงานประจำปีประกอบไปด้วยข้อมูลที่มีประโยชน์สำหรับนักลงทุนที่ต้องการมีรายได้เพิ่มขึ้นจากการลงทุนในหุ้น การศึกษาครั้งนี้มีวัตถุประสงค์เพื่อศึกษาส่วนประกอบที่สำคัญในรายงานประจำปีที่มีผลต่อการตัดสินใจลงทุนในหุ้นของผู้ถือหุ้นรายย่อยชาวไทย รวมถึงศึกษาปัญหาของการใช้รายงานประจำปีเพื่อศึกษาหาข้อมูลของผู้ถือหุ้นรายย่อย เครื่องมือในการศึกษาในครั้งนี้คือแบบสอบถามและการสัมภาษณ์ กลุ่มตัวอย่างคือผู้ถือหุ้นรายย่อยชาวไทยจำนวนห้าสิบคนที่ตลาดหลักทรัพย์แห่งประเทศไทย ถนนวิทยุ กรุงเทพมหานคร ผลการศึกษาพบว่า ”งบการเงิน” เป็นส่วนประกอบของรายงานประจำปีที่มีความสำคัญที่สุดในมุมมองของผู้ถือหุ้นรายย่อยชาวไทยและยังเป็นส่วนประกอบของรายงานประจำปีที่กลุ่มตัวอย่างอ่านมากที่สุดอีกด้วย ทั้งนี้เนื่องจากผู้ถือหุ้นสามารถนำข้อมูลทางบัญชีและการเงินที่ปรากฏอยู่ในงบการเงินไปใช้ในการทำนายมูลค่าหุ้นของบริษัทที่จดทะเบียนในตลาดหลักทรัพย์ อย่างไรก็ตาม ส่วนประกอบของรายงานประจำปีบางส่วนไม่ได้รับความสนใจจากผู้ถือหุ้นรายย่อยชาวไทยเท่าที่ควร ตัวอย่างเช่น “ข้อมูลเพิ่มเติมประกอบงบการเงิน” “รายงานความรับผิดชอบต่อสังคม” และ “รายงานการใช้สิทธิออกเสียงแทนผู้ถือหุ้น” ปัญหาของการใช้รายงานประจำปีที่พบได้แก่โครงสร้างของประโยคที่ใช้ในรายงานประจำปีมีความความซับซ้อน กล่าวคือ มีประโยคย่อยและส่วนขยายมาก ซึ่งมีผลทำให้ผู้ถือหุ้นไม่สามารถจับใจความสำคัญของประโยคนั้น ๆ ได้ นอกจากนี้ยังพบว่ารายงานของผู้สอบบัญชีรับอนุญาตเป็นข้อมูลที่ไม่เกี่ยวข้องกับการตัดสินใจลงทุนในหุ้น

The Master's Project Advisor, Chair of Business English for International Communication Program and Oral Defense Committee have approved this Master's Project as partial fulfillment of the requirements of the Master of Arts degree in Business English for International Communication of Srinakharinwirot University.

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This Master's Project has been approved as partial fulfillment of the requirements for the Master of Arts degree in Business English for International Communication of Srinakharinwirot University.

.... Dean of the Faculty of Humanities

(Associate Professor Chaleosri Pibulchol)

May ……, 2007

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Khanitha Visethiankun

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Under competitive economic situation, money is put to use in a way that it is likely to turn into more money. Investing is an option behind the above idea and it is not only an opportunity to make more money, but also the only way to secure the money that people already have (www.investorguide.com, 2006). Investment in stocks is one of the exciting activities among businessmen, who expect both short-term and long-term returns. These investors invest their money in companies that have potential to make a profit. On the contrary, listed companies propose their stocks to public in order to raise money so that they can hire more employees, build more factories or offices, and upgrade their equipment. When investors and listed companies reach win-win interests, the buying-selling processes begin. The place where their interests meet is the stock market.

Two major groups of investors of publicly traded companies are the institutional investors and the individual investors. Undoubtedly, the number of institutional investors which are the major players of the market are about sixty to eighty percent. However, retail investors cannot be disregarded because companies can benefit from strong purchasing power at appropriate times and occasion (www.people.vcu.edu, 2006). Moreover, based on the statistics of the Stock Exchange of Thailand collected from January 1 to September 25, 2006, individual investors have created buying-selling value in stocks at about fifty-five percent (www.set.or.th, 2006). Therefore, it is interesting to study their investment behaviors.

Retail Investor Survey made by the Securities and Futures Commission in Hong Kong from October to November 2003 showed that stock investors concerned about listed companies' fundamentals, backgrounds and reputations before making a decision to buy their stocks (http://english.people.com.cn, 2006). In addition, potential shareholders need financial information in choosing among competing alternative investments (Bernstein and Wild. 1998). As mentioned earlier, the individual investors need important indicators, such as current situation, risks, and financial status, in order that investors can choose the most suitable stocks for themselves.

As a communication tool, annual reports provide perspectives on companies' earning potential, companies' outlook, industry projections and companies' plans for future (Bexley and Hynes, 2003). Annual reports contain many parts, which are financial statements, management's discussion and analysis (MD&A), management report, auditor report, explanatory notes, supplementary information, social responsibility reports and proxy statements. Listed companies communicate facts through parts of the annual reports (Bernstein and Wild. 1998).

Each part of annual reports provides various information that affects investors' investment decisions. For example, the income statement appears to have the most impact on investor decision-making (Courtis. 1982; Soheila and Shahrokh. 2005). However, Brown (2003) found that the balance sheet is the most important part as it shows a sign of companies' efficiency and financial strength. Since the results of these studies were carried out in the USA, the researcher examine the importance of each part of annual reports which have an impact on investment decisions among Thai individual investors.

Annual reports can also be separated broadly into narrative and non-narrative (figures) segments. The narrative segments such as the MD&A (Chief Executive Officer's letter) generally contain descriptive information that clarifies financial data. Compared to non-narrative segments, the narrative ones are less impact on investors. For example, the management letter was ranked 10^{th} of 11 annual report components in terms of usefulness in investment decisions (Most & Chang, 1984). However, seventy-seven percent of investors read the management letter which means that it is the most widely read segment of the annual reports (Kohut & Segars, 1992). Bexley and Hynes (2003), therefore, concluded that at least investors find the narrative segments interesting. These segments may have more influence on shareholders' impressions, and beliefs about the company and its executives than on their investment decisions. This study aim to find out whether or not narrative segments which can draw Thai individual investors' attention on investment decisions.

Understanding annual reports is very important since annual reports inform investors what happened in the past, and what is going to happen in the future. Different parts of annual reports communicate different ideas and information to readers. Unfortunately, the facts may not be translated from the listed companies completely. Based on the Securities and Exchange Commission (SEC)'s examinations and discussions with listed companies' managements, officers found that despite most listed companies having excellent operating results, their annual reports are not able to communicate their interesting performances to potential individual investors (http.//capital.sec.or.th). One problem is that contents appeared in the annual reports comprising many accounting technical terms and complicated financial data. Besides, investors do not have enough background knowledge accounting and financial skills to understand the information clearly. When investors found the reports difficult to interpret, they suspected fraud (Bexley and Hynes, 2003). As a result, listed companies are not able to present their good performances and intention to investors. In short, companies fail to make the most of annual reports to communicate effectively with potential investors.

Valuable information presented on the annual reports is probably worthless if investors cannot comprehend it. Listed companies have to make their complex information comprehensible and seek a way to enhance the effectiveness of communication process between them and potential individual investors.

1.2 Objectives of the Study

This research has two objectives as follows:

1. To study an important part of annual reports affecting Thai individual investors' in making investment decisions.

2. To study Thai individual investors' problems in using annual reports.

1.3 Research Questions

The research questions for this study are:

1. What is the most influential part of annual reports among Thai individual investors?

2. What problems do Thai individual investors face when using annual reports in making investment decision?

1.4 Significance of the Study

Annual reports provide valuable information through their various parts. However, some parts cannot draw Thai individual investors' attention to invest in stocks. The result of this study provides guidance for government officers, who are responsible for listed companies' annual report submissions and preparations, to specify crucial information that should be included in annual reports. The problems about annual reports in Thai individual investors' viewpoints can help listed companies improve their annual report preparations in order to better communicate with potential individual investors and sell their stocks to public more effectively.

1.5 Scope of the Study

This study uses questionnaires and interviews as tools to explore influential parts affecting Thai individual investors' for their stock investment decisions and their problems when using annual reports. Questionnaires were distributed to fifty Thai individual investors at the Stock Exchange of Thailand, a center of investment.

1.6 Definition of Terms

1. **Annual Report** — The formal financial statements issued yearly by a corporation. The annual reports shows assets, liabilities, revenues, expenses and earnings how the company stood at the close of the business year, how it fared profit-wise during the year, as well as related information of interest to shareowners. Basically, the annual reports contain of totally eight important parts, which are (1) financial statements, (2) management’s discussion and analysis, (3) management report, (4) auditor report, (5) explanatory notes, (6) supplementary information, (7) social responsibility reports and (8) proxy statements.
2. **Individual Investor** — An individual who purchases small amounts of securities for him/herself with the expectation of financial returns, as opposed to an institutional investor, also called retail investor or small investor.
3. **Listed company** — A company that has obtained permission for its shares to be admitted to the Stock Exchange’s Official List.

4. Stock Investment The amount of money invested in all levels of stock at any given point in time.

CHAPTER 2

RELATED LITERATURE REVIEW

In this chapter, four important main areas, the importance of annual reports on stock investment decisions, parts of annual reports, understandability of annual reports and stock investment decision processes are presented. The researcher first provides basic background of the importance of annual reports. Next, various parts of annual reports, which provide various information for making stock investments of individual investors are explained. Understanding of annual reports is also discussed to clarify critical criteria affecting readers' understanding. Finally, stock investment decision processes will be presented.

2.1 Importance of Annual Reports on Stock Investment

Listed companies are required by law to provide their shareholders with information about their operations. In Thailand, the Securities and Exchange Commission (SEC), controlling listed companies, always updates regulations and information in its website that the companies must comply with. Annual reports fulfill this obligation. A primary objective of annual reports is to provide information that is useful to users in making rational investments. The information helps individual investors to assess companies' operation performances in the past accounting periods in order to assess the future profitability. Besides, investors read annual reports in order to help determine whether a company might be an attractive investment. The annual reports can be classified as financial documents, reporting and analyzing factors which affect companies' operations, both the ones that already existed and expect to happen. Investors also use annual reports to compare operating results with companies' competitors.

In conclusion, annual reports are documents prepared by listed companies under the Securities and Exchange Commission (SEC)'s regulation. They contain useful information for individual investors who analyze companies' performances in order to invest in profitable stocks.

2.2 Stock Investment Process

Buying shares of stock in companies is another way to invest people's money. Some stocks have enormous short-term growth potential and other grow steadily in value over a long period of time. In addition, all stocks carry a degree of risk, as with all investments. Normally, a higher amount of risk generally means a greater potential return (www.bes.co.id, 2006). Before investing money in the stock market, the following processes must be done:

2.2.1 Seeking professionals' advice

Individual investors must understand that there are risks involved. They may gain lots of money as well as losing it too. Seeking the advices of financial professionals is a good first step to determine investment strategies.

2.2.2 Analyzing company accounts

Investments in shares require analysis of companies. An assessment of the companies' current financial position, their history of profit growth and other measures of performance are essential quantitative data for investors, who are trying to estimate future prospect (Arnold, 2004). Annual reports play an important role in this process because they provide the above information that individual investors need to analyze before making investment decisions.

2.2.3 Selecting brokerage firms

Based on the SEC's regulation, individual investors who wish to buy stocks are not allowed to do one-on-one transaction with other investors that sell the stocks. Individual investors must appoint a brokerage firm, having license from SEC, as intermediary (broker dealer) in selling or buying stocks. The brokerage firms will act to represent individual investors in executing their orders. They may also make investment recommendations based on investors' objectives. Individual investors shall compare the range of services and fees that the brokerage firms offered to.

2.2.4 Studying stock indexes/stock prices

Stock index is an indicator of market trends calculated using several methods. Each stock exchange has its own index computation to reflect its market activity. The index is adjusted from time to time to accommodate changes in the number of shares as results of corporate actions like stock split. Dow Jones Indices and Nikkei are examples of international index providers publishing indices that are widely used by market participants all over the world as benchmarks.

2.2.5 Buying stocks

Once investors decide to buy stocks, the process of selling and buying begin. The most common practice is buying via the telephone or the Internet. When individual investors telephone their brokers, they will be asked for their names and bank account numbers. After that, investors can tell the brokers shares of particular companies that they would like to buy. The price of shares will be informed and the process will be done by computerized systems. The next day, investors should receive contract notes in the post or by email stating the price, the time of deal, the number of shares, the broker's commission and the charge of 0.5 per cent of the value of investors' purchase in stamp duty. The process will end up with paying the share value and related fees to brokers' accounts.

2.3 Parts of Annual Reports

Generally, annual reports contain useful information regarding companies' corporate mission, business model, quality of leaderships, financial performance and strategic direction. Annual Reports consist of many parts which provide different kinds of information for stock investments to individual investors. The details of each part of annual reports will be presented as follows:

2.3.1 Financial Statements

Bernstein and Wild (1998) stated that the financial statements update listings of financing and investing activities, and summarize operating activities for the most recent period(s). Financial statements report financing and investing activities occurred at a point in time, whereas operating activities are reported for a period of time. Primarily, the following financial statements are prepared:

2.3.1.1 Balance sheet

The balance sheet shows assets, liabilities and shareholders' equity at the end of an accounting period, which basically is December 31 of each fiscal year. Assets are properties that companies own such as cash in banks, accounts receivable and land, whereas liabilities are debts that companies are liable to pay such as banks overdraft, accounts payables and accrued expenses. The shareholders' equity presents capital that shareholders invest in companies, which will be added with profit or deducted with loss incurred in a period. According to Brown (2003), the balance sheet is the most important element of annual reports.

2.3.1.2 Income statement

The income statement provides a financial summary of the firm's operating results during a specified period (Gitman, 2006). It shows incomes and expenses incurred in an accounting period. If the incomes are more than the expenses, companies get profits. In contrast, if the incomes are less than the expenses, the company's operations lose. In addition, monthly income statements are typically prepared for use by management, and quarterly statements must be made available to the stockholders of publicly owned corporations. Courtis (1982) and Soheila and Shahrokh (2005) stated that the income statement has the most impact on investor decision-making.

2.3.1.3 The Statement of Retained Earnings

The statement of retained earnings shows the change in retained earnings between balance sheet dates. For example, it presents the changing of the companies' equities between December 31, 2005 and December 31, 2006. The changing actually comes from the companies' operation results in an accounting period, which include profit and loss.

2.3.1.4 Statement of cash flows

Brigham and Ehrhardt (2002) stated that the statement of cash flows summarized the changes in a company's cash position. Basically, the statements separate activities into three categories:

(1) Operating activities

The operating activities are the earning-related activities of a company. Cash inflowing from sales and cash outflowing for inventory purchasing are examples of the operating activities.

(2) Investing activities

The investing activities are means of acquiring and disposing of noncash assets. These activities involve assets expected to generate income for a company. For instance, cash is outflowed when companies purchase machines and plants to produce products. In contrast, when these assets were sold, cash is inflowed to companies.

(3) Financing activities

The financing activities are ways of contributing, withdrawing, and servicing funds to support business activities. These include money borrowed from creditors and principal paid back to them. The activities also include contributions (capital from investors) and withdrawals by owners for their return on investment (dividend).

According to Siangsuwan (2006), financial statements, both balance sheet and income statement are the most important parts among Thai stock analysts and fund managers. Below are the brief descriptions of each part of financial statements.

TABLE 1: SUMMARY OF PARTS OF FINANCIAL STATEMENTS AND THEIR DESCRIPTIONS

Parts of Financial Statements	Description
(1) Balance sheet	Showing assets, liabilities and shareholders' equity of the firm at the end of the accounting period.
(2) Income statement	Indicating the flow of sales, expenses, and earnings during a period of time.
(3) Statement of retained earnings	Showing all equity account transactions occurred during a given year.
(4) Statement of cash flow	Summarizing the companies' sources and uses of cash.

2.3.2 Management's Discussion and Analysis (MD&A)

Listed companies are required by the Securities and Exchange Commission to provide a Management's Discussion and Analysis (MD&A) in their financial reports. The MD&A section reviews a company's financial condition and results of operations. Managements also highlight any favorable or unfavorable trends and identify significant events and uncertainties affecting the company's liquidity, capital resources, and results of operations. The MD&A also reports qualitative information regarding the effects of inflation and changing prices if material to financial statement trends. Companies are encouraged, but not required, to provide forward-looking information.

2.3.3 Management Report

The management report sets out the responsibilities of management in preparing a company's financial statements (Bernstein and Wild, 1998). The purposes of this report are as follows:

(1) To reinforce senior management's responsibilities for the company's financial and internal control systems.

(2) To reinforce the shared roles of management, directors, and auditor in preparing financial statements.

2.3.4 Auditor Report

An external auditor is an independent certified public accountant hired by management to assess whether the company's financial statements are prepared in accordance with generally accepted accounting principles. Auditors provide an important check on financial statements before expressing their opinions in the annual reports, which will be released to the public. There are four types of auditor opinions:

2.3.4.1 Unqualified (clean) opinion

An unqualified (clean) opinion means that the financial statements present fairly, in all material aspects such as the financial position, results of operations and cash flows of organizations.

2.3.4.2 Qualified opinion

An auditor expresses a qualified opinion when there are some matters that may effect the financial positions. For example, no accounting controls are exercised over cash collections prior to the initial entry of such transactions in the accounting records.

2.3.4.3 Adverse opinion

In extreme circumstances, an auditor may express an adverse opinion stating that financial statements do not present fairly a company's financial performance and position.

2.3.4.4 Disclaimer of opinion

Based on a disclaimer of opinion, an auditor would like to point out there is no examination performed because no documents and cooperation supported. As a result, the auditor is insufficient in scope to render an opinion.

2.3.5 Explanatory Notes

The explanatory notes accompanying financial statements are documents that listed companies use as method of communicating additional information both included and excluded from the body of the statements. Normally, explanatory notes include the following information:

(1) Accounting principles

Basic principles for financial statement preparations are disclosed in order to provide background for investors. For example, income and expense recognition and depreciation methods of fixed assets are revealed.

(2) Commitment and contingencies

Companies are forced to show crucial situation that will happen surely in the future and effect materially to the companies' operations. If there is a lawsuit which companies have not knew the result on the balance sheet date, they must disclose such situation in the explanatory notes.

(3) Transaction with related parties.

Generally, related parities mean companies having the same directors or shareholders. For example, A Company owns some shares of B Company or Mr. C is the managing director of Both A Company and B Company. Transactions with related parties are forced to disclose because they tell investors of real sources of incomes and expenses. For instance, A Company has to present the sale amounts that incurred in an accounting period coming from B Company's buying.

(4) Significant customers.

Companies are subject to break in detailed of their main customers. This note provides basic information related to companies' sales.

2.3.6 Supplementary Information

The supplementary information is presented in the Form 56-1. The additional details include business segment date, export sales, short-term borrowings and quarterly financial data.

2.3.7 Social Responsibility Reports

As investors scrutinize companies on their social responsibility, companies increasingly recognize their need for social responsibility (Bernstein and Wild, 1998). Examples of the responsibility are commitment to employees, companies' integrity and their devotion to human resource development.

2.3.8 Proxy Statements

A proxy is a means that a shareholder authorizes another person(s) to act for him/her at a meeting of shareholders. A proxy statement contains information necessary for shareholders in voting on matters for which the proxy is solicited. Shareholders can vote for electing directors and vote on corporate actions such as mergers, acquisitions, and authorization of securities.

It can be concluded that every firm with publicly traded stock must prepare and distribute annual reports of financial operations and current financial positions to its stockholders. The report discusses what happened during the year and outline future prospects. Information of each part of annual report is summarized in Table 2.

TABLE 2: SUMMARY OF ANNUAL REPORT PARTS AND THEIR DESCRIPTIONS

Parts of An Annual Report	Description
(1) Financial Statements	Summarizing a firm's accounting data and indicating its financial condition.
(2) Management's Discussion and Analysis	Reviewing financial condition of a company and the results of its operation.
(3) Management Report	Identifying responsibilities of management in preparing a company's financial statements.
(4) Auditor Report	Showing an auditor's opinion on the result of examination of a company's accounts.
(5) Explanatory Notes	Giving detailed information on the accounting policies, procedures, calculations, and transactions underlying entries in the financial statements.
(6) Supplementary Information	Providing adding information of business such as export sales, short-term borrowings and quarterly financial data.
(7) Social Responsibility Reports	Presenting social activities companies devote to public.
(8) Proxy Statements	Containing information for shareholders in voting on important matters as director election.

2.4 Understandability of Annual Reports

Crucial information of listed companies is sent via a communication medium, an annual report, to expected individual investors. Information sometimes cannot be transferred completely. This section will discuss three areas that can help to improve understandability of expected investors in reading annual reports. These areas are wording, relevance and reliability, and format and layout.

2.4.1 Wording/Sentence Structure

Word choice has a strong influence on communication effectiveness. The better a person's grasp of language, the easier it is for him/her to encode (Dubrin, 1996). Based on a Guidance Note issued by Auditing & Assurance Standards Board of the Australian Accounting Research Foundation in July 2003, there have been a number of calls in Australia for changes to the wording of the independent audit report, which is a part of annual reports. The intention of all these changes is to provide readers with a clearer, more understandable and more business-like summary of the auditor's work.

Information presented on various parts of annual reports are complex, impenetrable, and full of jargon and numbers. For example, statements of income comprise a lot of technical terms such as loss on impairment of assets (reversal), delivery income and extraordinary items. Reading such a complex document exactly obstructs investors' understandability. This is because investors do not know exactly what they are looking for and where to find it. In addition, Arnold (2004) also said at the key elements of accounting are simple. Therefore, it is really not necessary for investors to deal with the more complex accounting issues in order to understand the profit performance of a business or the value of firm's assets. In deed, the most successful investor in the history of the world, Warren Buffet, declared that accounts should be easy to follow. If they are presented in such a way that readers are finding them difficult then it is probably because the managements do not want readers to understand. As a result, companies should be struck from expected investors' investment.

The Accountability Office of Treasury Board (AOTB) stated in their Guidelines for Annual Reporting in June 2003 and February 2004 that annual reports must present meaningful, complete, and accurate reports with an emphasis on quality in writing and production standards. Avoid using jargon and lengthy sentences. If it is necessary to use technical terms, writers should ensure that they are explained properly. In case of using an acronym, it must be spelled out on first use. For example, MD&A is the acronym of Management Discussion and Analysis. Before using it, the full meaning of the word has to be explained clearly. Also, too many unfamiliar acronyms should be avoidable.

In order to convince expected investors, listed companies need to simplify wording and languages used in their annual reports. The more information expected investors can understand, the more opportunities companies can attract power of investment.

2.4.2 Relevance and Reliability

Annual reports deal with the preparation of financial statements, namely, income statement, statement of changes in owner's equity, balance sheet and statement of cash flow. These financial statements enable users of accounting information to make informed decisions about a company's performance. In order to make decisions, the information presented must be relevant and reliable. Relevant means useful for the purpose of decision making whereas reliable means verifiable (http://dwc.hct.ac.ae, 2006).

The management's discussion and analysis (MD&A) is a part that managements of listed companies try to do their best for the preparations. Meiers (2006) stated that the purpose of MD&A is to provide an analysis of a company's business, results of operations and financial condition "through the eyes of management". He also referred to the U.S. SEC's release published in December 2003 under the heading of "the heart of MD&A". The SEC suggests writing in the pattern of cause-and-effect relationships influencing period-over-period operating results or financial condition to address the underlying causes. Moreover, managements should focus on key indicators of a company's performance and financial condition in the form of financial and non-financial measures. The reasons are that it can increase the levels of relevance and reliability of MD&A.

Meiers (2006) also pointed out that the elements of MD&A writing are not different from other effective reports. Writers should try to inform readers of major themes or points. This is to provide necessary foundational information so the additional detail later in the annual reports can be fully understood. Moreover, topic sentences, paragraph breaks and active voice are also recommended. Length sentence changing is another technique that attracts the readers to read the annual reports.

2.4.3 Format and Layout

The Accountability Office of Treasury Board stated in their Guidelines for Annual Reporting in June 2003 and February 2004 that the Annual reports should not exceed twenty pages in length to ensure that reports are reader-friendly and accessible to the public. Presenting too much details about too many topics may serve only to complicate and obscure the message. In addition, reports should employ a very simple structure in order to create documents that are readable, understandable and visually appealing.

An annual report, a medium of corporate communication, plays an important role for investment because it provides valuable information that is necessary for making individual investor's investment decisions. Therefore, list companies need to pay attention to the process of annual report preparations. Presenting a concise, coherent and consistent picture of entities' goal and progress in annual reports can convince potential investors to invest in stocks of listed companies.

CHAPTER 3

RESEARCH METHODOLOGY

In this chapter, the methodology, which consists of data collection and data analysis, is presented.

3.1 Data Collection

The process of data collection includes questionnaire design and questionnaire conduction.

3.1.1 Questionnaire design

In this study, a questionnaire is selected as an instrument for data collection. This questionnaire can be used as a method of extracting perception from Thai individual investors who use annual reports as important information for their stock investments. In addition, the researcher can use questionnaires to collect a large amount of data in a short time. Bexley and Hynes (2003) use the questionnaire to study about improving the understandability of Banks' Annual Reports.

The questionnaire is divided into three parts, with the total of 12 questions: respondents' profile, influential part of annual reports among Thai individual investors, and problems of annual reports.

Part I – General information of the respondents, which includes gender, age, education, place of graduation, education field, vocation and area of working. The respondents refer to Thai individual investors who are always at the Stock Exchange of Thailand in order to buy and sell stocks.

Part II – Influential part of annual reports among Thai individual investors. Based on Courtis (1982), Soheila & Shahrokh (2005), Brown (2003), Most & Chang (1984), Kohut & Segars (1982) and Bexley & Hynes (2003), investors and other annual report users rank each part of annual reports for their investment decisions differently, questions number 8 and number 9 aim to identify the part of annual reports that may or may not play an important role on investment decisions of Thai individual investors. The respondents will also be asked to explain their reasons.

Part III – Problems of annual reports. Critical problems of annual reports that individual investors face when reading annual reports will be found out in four areas, which are wording, relevance and reliability, and format and general points. Finally, additional information that the respondents would like to be included in annual reports will be asked.

3.1.2 Questionnaire conduction

The researcher distributed the questionnaires to Thai individual investors who normally use the annual reports in English version. Based on the statistics of the SEC, there are about 300 investors coming daily to the Stock Exchange of Thailand, therefore, the researcher decided to collect data from 50 respondents which is 16.67% of such daily investors. The process continued until the researcher accumulated 50 valid responses to the questionnaire. The researcher also used the interview method in order to clarify vague answers of some respondents and ask for more information.

The surveys were conducted in December 2006 during 9:00 am to 10:30 am at the Stock Exchange of Thailand on Ratchadapisek Road. The researcher selected this period because it was the time that investors always come to see the stock prices. Since this is an investment center in Thailand, there were more opportunities to meet Thai individual investors in one month. Each respondent took about five minutes to complete the questionnaire.

3.2 Data Analysis

The data gathered from the questionnaire were analyzed and discussed. Percentage and graphs were used to show the profile of the respondents, inclusive of the part of an annual report affecting stock investment decisions, and problems of annual report using among Thai individual investors.

CHAPTER 4

FINDINGS AND DISCUSSION

This chapter presents the findings of the data analysis. Three main sections are included (1) general background of respondents (2) influential part of annual reports among Thai individual investors and (3) problems of annual reports.

4.1 General Background of the Respondents

The general information of the respondents was obtained from the reply of the respondents through questions in Part I of the questionnaire.

Fifty Thai individual investors were selected randomly to fill out the questionnaires. 53.85% of the respondents were male and 46.15% were female.

The respondents' age ranges from twenty-one to fifty years old, 53.85% is thirty-one to forty years old.

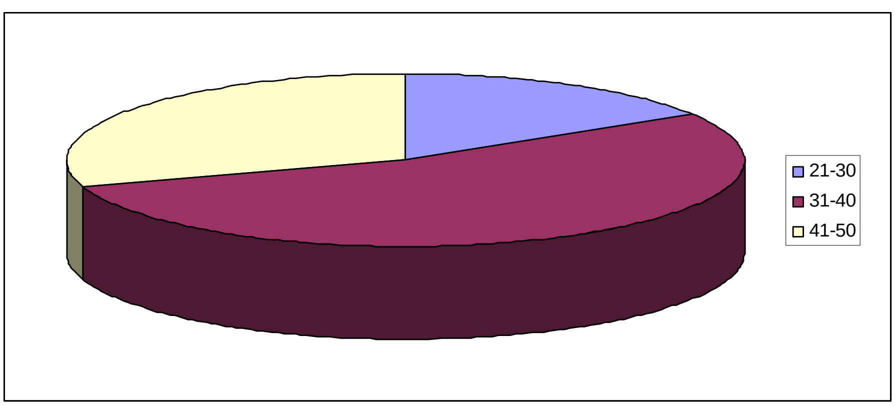

Figure 1: Age of the Respondents

Figure 2 shows that the majority of the respondents were graduated with Master's degrees from the universities in Thailand. This can be implied that Thai individual investors who are interested in stock investments were highly educated.

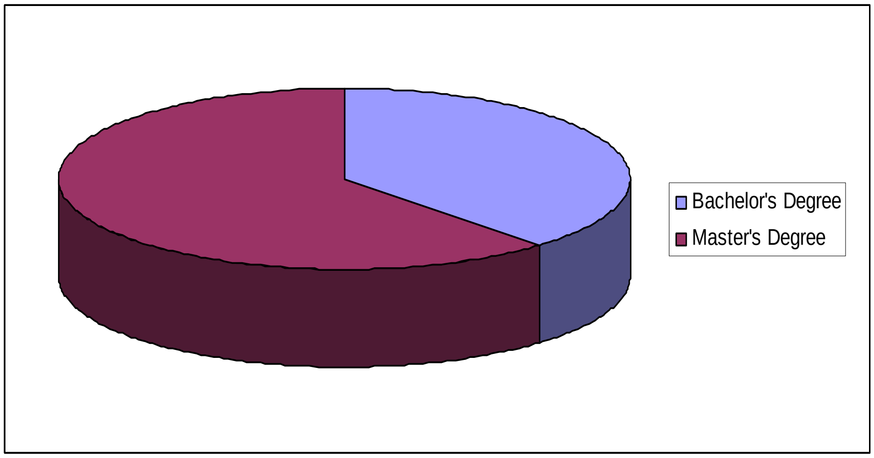

Figure 2: Education Level of the Respondents

Half of the respondents graduated in the fields of finance, accounting and business administration as presented in Figure 3. The respondents interested in stock investments had a degree in accounting and finance fields more than in other fields.

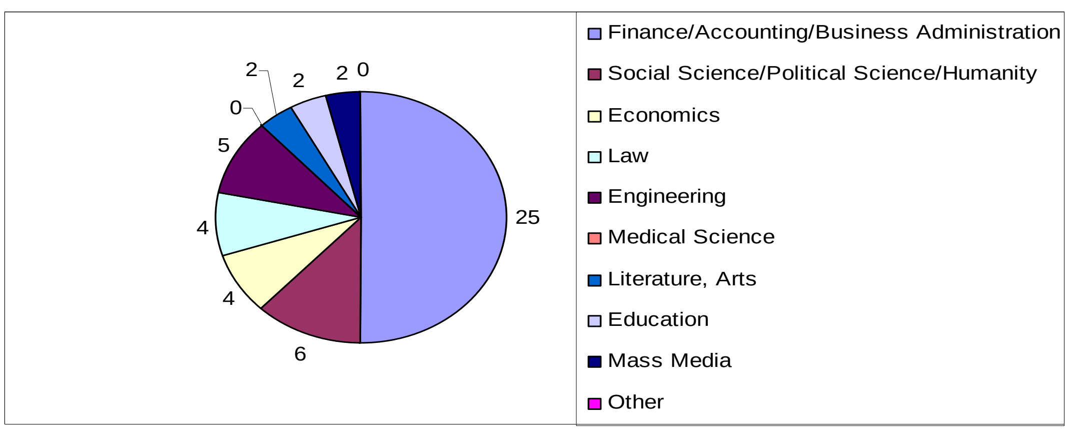

Figure 3: The Respondents' Field of Education

4.2 Influential Parts of Annual Reports among Thai Individual Investors

The data regarding the influential part of annual reports among Thai individual investors were obtained from Part II of the questionnaire (see Appendix 1). The respondents were asked in question number 8 to choose the most important part of annual reports for them to make a stock investment. The data obtained are illustrated in Figure 4.

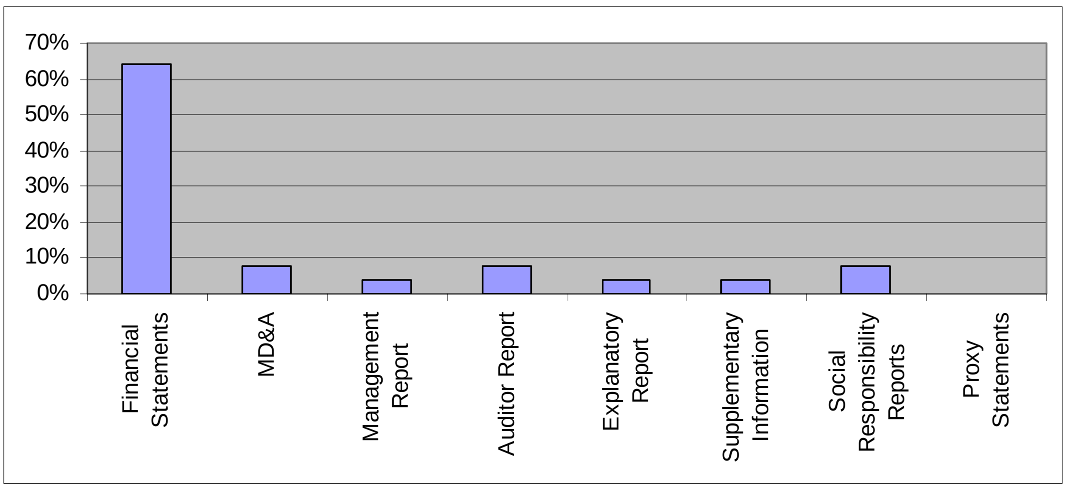

Figure 4: The Most Important Part of Annual Reports

64% reported that the "financial statements" is the most important part of annual reports among Thai individual investors. This is consistent with Siangsuwan (2006) who discovered that both balance sheet and income statement are the most crucial parts in Thai stock analysts and fund managers' viewpoints. Her findings revealed that the individual investors pay more attention to the figures or non-narrative parts than the narrative ones. This is also supported by Bernstein and Wild (1998) who pointed out that the "financial statements" reports financing and investing activities as well as summarizes operating activities for the past accounting years. In addition, the part of "financial statements" consisting of the totally four important statements, are balance sheet, income statement, retained earnings statement, and statement of cash flows. Since all crucial figure information is included in this part of annual reports, it is unavoidable that the investors have to use these figures to calculate and predict companies' profitability. For example, the balance sheet shows amounts of assets, liabilities and shareholders' equities. The income statement presents companies' profits. In addition, the statement of retained earnings provides accounting pictures of companies' equities between the years and the statement of cash flows reflects how companies get and use money. The outputs of the calculations are then being important information for investors to make decisions on stock investments.

In question number 9, the respondents were asked to choose parts of the annual reports they read and do not read. The researcher also provided space for the respondents to give their reasons. The data obtained are illustrated in Figure 5. The frequency of each part selection was used to calculate the percentage.

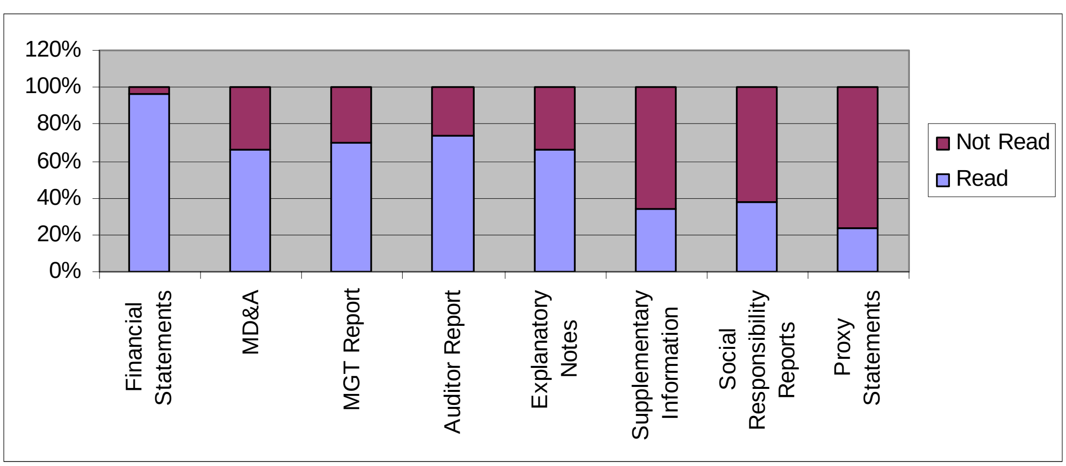

Figure 5: The Part of Annual Reports (Read and Do Not Read)

The findings suggested that the “financial statements” still plays an important role for Thai individual investors in making stock investments. This is because 96% of the respondents read this part. The respondents’ reasons are that the “financial statements” can picture companies’ financial status, liquidities and performances during the operating years. The information also indicated the level of companies’ success and can be used to predict stock values. These results emphasized the importance of each part of the “financial statements”, which is in accordance with many researchers. For example, Brown (2003) stated that the balance sheet is the most important element of annual report because it shows assets, liabilities and shareholders’ equity of firms. In addition, Courtis (1982) and Soheila and Shahrokh (2005) mentioned that the income statement has the most impact on investor decision-makings as it indicates the flow of sales, expenses, and earnings during a period of time.

Another part of annual reports that individual investors usually read is the auditor’s reports. As mentioned in Chapter 2, auditors are outside people who are responsible for giving opinions, based on their examinations, on the “financial statements” prepared by listed companies. The findings implied that each type of auditors’ opinions can impact the way Thai individual investors make investment decisions. For example, in case that auditors express adverse opinions on company’s “financial statements”, it means that the financial statements do not present fairly a company’s financial performance and position. This condition can be caused by many negative factors. For instance, the companies do not have a good internal accounting system or probably there is a fraud in the companies. If auditors discover these severe problems during their examinations, disclaimer of opinions will be presented in their auditors' reports. This kind of the auditor's opinion makes Thai individual investors distrust a company. Consequently, they may stop investing in it. In contrast, in case that an auditor's opinion toward companies is clean or unqualified, it shows that the "financial statements" present fairly, in all material aspects. This kind of opinion encourages Thai individual investors to invest in the companies. These findings can then be summarized that Thai individual investors wanted auditors' opinions to support and confirm their decision investments.

4.3 Problems of Annual Reports

The problems of annual reports that individual investors always faced were obtained from the reply of the respondents in Part III of the questionnaire.

The respondents were asked to mark problems of annual report using in question number 10. The researcher separated the problems into four sections which are (1) wording/sentence structure, (2) relevance and reliability, (3) format and (4) general. The data obtained are illustrated from Figure 6 to Figure 9. The frequency of the important level was then converted to the percentage.

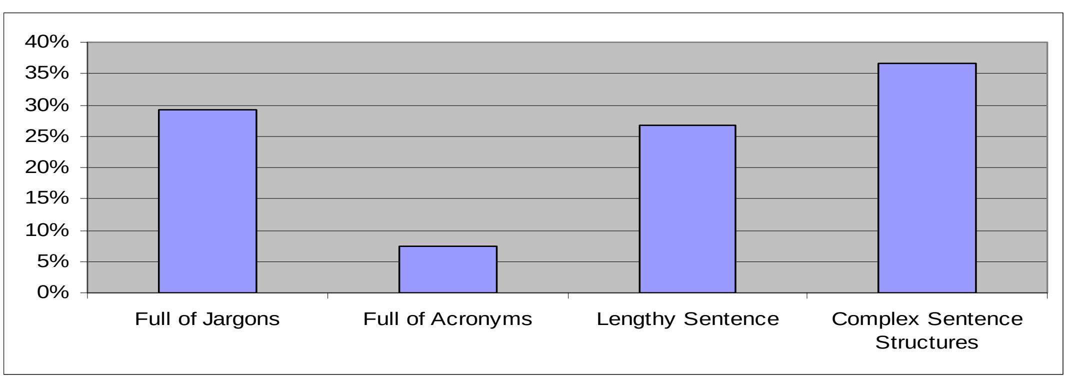

Figure 6: Problems of Annual Reports (Wording/Sentence Structure)

In Figure 6, 36.58% of the respondents reported that sentences containing relative clauses and modifiers are the main problems in the section of wording/sentence structure. From the interviews, ten respondents explained it was because the Thai individual investors were unable to understand complex sentences consisting of a lot of relative clauses and modifiers. Below is an example of such sentences extracted from an auditor's report.

> "We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the generally accepted auditing standards, including compliance with Accounting Standards and other mandatory financial reporting requirements in Thailand, a view which is consistent with our understanding of the company's and the consolidated entity' financial position, and of their performance as represented by the results of their operations and cash flows."

Example of an Auditor's Report

From the above extract, there are five clauses in only one sentence. After reading the report, Thai investors may not understand clearly what information the auditor want to communicate with them because there are too many clauses. Consequently, the information may be useless for stock investments.

Another example of complex sentences, extracted from TPI Polene Public Co., Ltd.'s 2004 annual report in the part of "explanatory notes", is presented below.

> "Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of future losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payment on behalf of an associate."

Example of an Explanatory Notes

From the above extract, complex sentences are used in order to explain the meaning of "associates". However, the statements contain too many details in one sentence. Hence, it is very difficult for Thai individual investors to comprehend the information.

A lot of Jargons in accounting and financial terminologies (29.27%), which is a problem that the investors face, ranked second in the part of wording/sentence structure. The result implies that technical terms are also obstacles for Thai individual investors' understanding. For instance, the term "extraordinary items" in the income statement means situations that do not happen regularly and make a big loss to companies such as a flood, a fire and robbery. A management team wants to communicate that a profit for the past accounting period is reduced because of such an extraordinary situation, not bad management. If investors could not understand the meaning of words used in the filed, they cannot understand the messages clearly.

In short, if investors could not catch the main content in each sentence or the meaning of the words used, they will not understand the information precisely. This is consistent with Dubrin (1996), a specialist in human resources, mentioned that a person can comprehend messages easier if he/she can decode the words being sent.

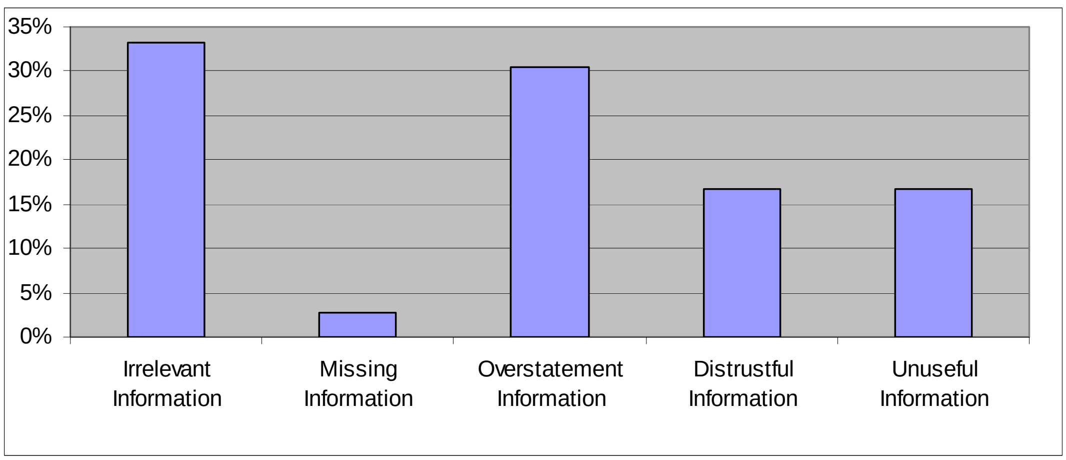

Figure 7: Problems of Annual Reports (Relevance and Reliability)

In Figure 7, the findings showed that 33.32% of the respondents thought that some information presented in annual reports does not affect Thai individual investors' investment decisions because they thought that information was not related to decision-making. For example, one respondent, who is a financial analyst of the Bank of Thailand, thought that auditors' reports were irrelevant information. He presented an interesting idea that the auditors' reports did not provide information about operating abilities and returns on investments of listed companies. This means that his stock investment decision does not depend on the auditors' reports.

Based on the findings, some Thai individual investors felt that information shown in the part of management's discussion and analysis (MD&A) is exaggerated. The examples are presented in Table 5.

> "As owners of the risks, the Company's directors, executives, employees and units have the duty to take responsibility, proceed, evaluate, follow up and support the establishment of an efficient risk-management procedure."
>
> "The Company's Board of Directors has forged a close relationship with its customers and investors by disclosing accurate, complete and transparent information about its background and financial reports, as well as significant information, that affects its stock prices through the Stock Exchange of Thailand and its web site."

Examples of Management's Discussion and Analysis

The first paragraph of the above example is extracted from Land & House Public Company Limited (LH)'s 2005 annual report (Page 41). After reading the statement, investors may feel that LH tries to use attractive language which encourages image of the company. This sentence communicates that management team is highly responsible for the risk protection which can happen any times.

The last paragraph of the above example is also extracted from LH's 2005 annual report (Page 42). This is an example of marketing language. LH's management uses the part of MD&A as a marketing tool to communicate between LH and expected investors. This example is in line with Hynes (2004) who mentioned that the MD&A can support credibility of companies if they are well prepared. Although the marketing language can draw attention from individual investors, it can also distrust them if they are exaggerated.

However, the Securities and Exchange Commission (SEC) pointed out that the information in the MD&A part is very important because a numerical presentation and brief accompanying footnotes alone may be insufficient for investors to justify the quality of earnings. Moreover, the SEC mentioned that one of the goals of MD&A was to make the financial statements more useful. The findings show that there are apparent contradictions between investors and the SEC's opinions regarding the usefulness of MD&A.

16.67% of the respondents did not trust the annual reports, especially in the part of auditors' reports. From an interview, one female respondent graduated in financing from a university in the U.S. pointed out that Thai individual investors do not believe auditors' opinions. This is because there are many cases in Thailand that auditors give clean opinions to financial statements of listed companies. But afterwards, there are frauds and the companies are declared bankrupt. These events make investors feel uncertain about auditors. However, the opinion towards the auditors' reports may be different between Thai individual investors and foreign ones. Some investors may think that qualities of auditors' work do not meet auditing standards or there may be something wrong with auditors' moral. Namely, auditors are not independent persons. They may be bribed by listed companies or they may have close relationships with the management staff of listed companies. As a result, although auditors' opinions against listed companies are clean, listed companies cannot draw attention from expected individual investors.

Only 2.78% of the respondents thought that annual reports miss important information. The findings imply that annual reports already provide all necessary information to investors.

In conclusion, some parts of the annual reports such as auditors' report are not useful for decision-making. In addition, some information is not verifiable and unreliable. This is because the management team tries to attract expected investors by using marketing language to draw investors' interest, especially in the part of "management's discussion and analysis".

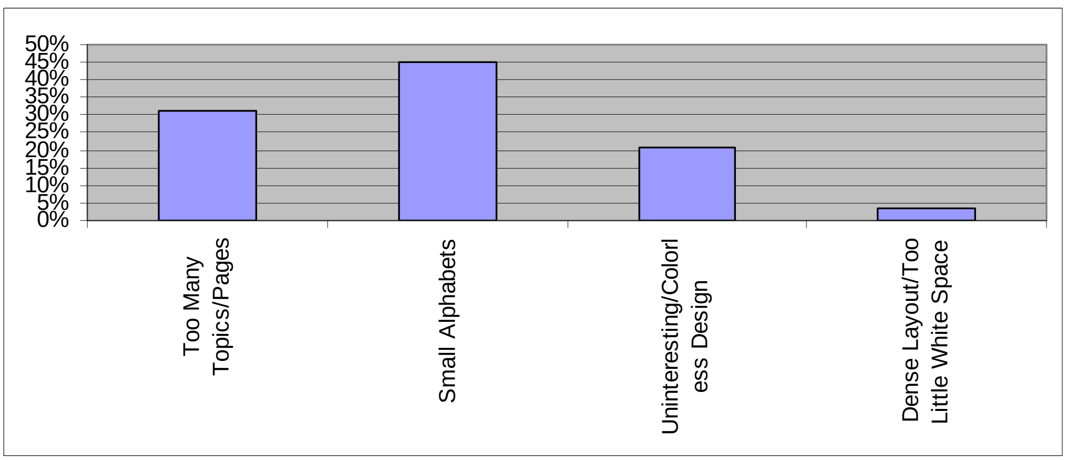

Figure 8: Problems of Annual Reports (Format)

44.83% of the respondents think that small alphabets are problems that they faced when reading annual reports. This implies that annual reports are not reader-friendly. Moreover, 31.03% of the respondents expressed their opinions that annual reports contain too many topics and pages. This problem is in conformity with the Accountability Office of Treasury Board (AOTB) (2003) which comments that presenting too many details about too many topics may complicate and obscure the messages.

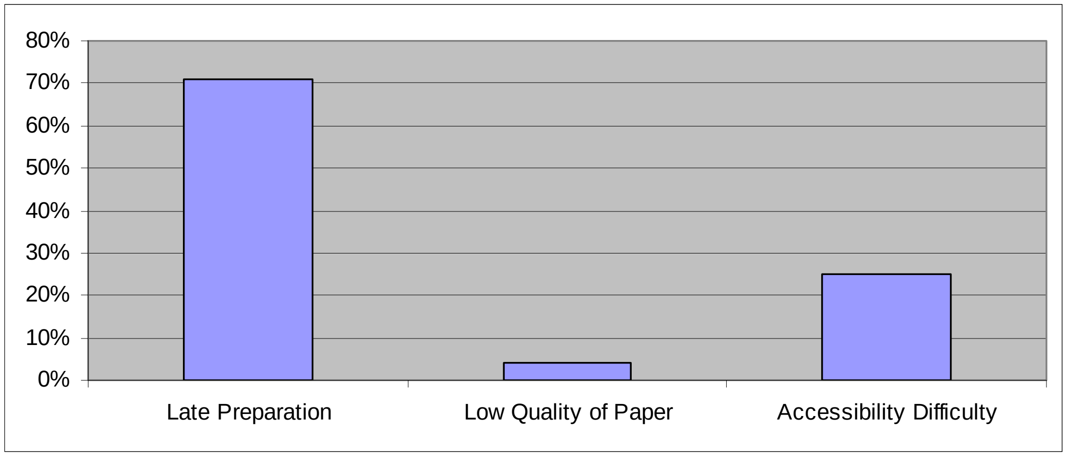

Figure 9: Problems of Annual Reports (General Points)

In general, late preparations and submissions of annual reports to the Securities and Exchange Commission (SEC) are important problems for listed companies at the rate of 70.83 % of the respondents. This problem obstructed Thai individual investors to get important information for making investments in time. 25% of the respondents thought that the annual reports are also not accessible to the public. The AOTB mentioned that if investors cannot access to annual reports easily, important information presented will be completely useless.

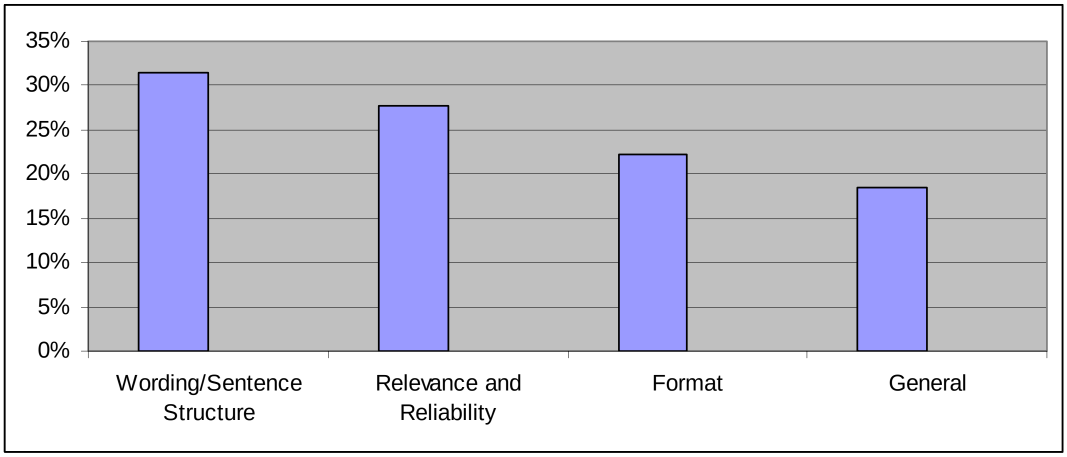

Figure 10: Summary of Annual Report Problems

Figure 10 presents the summary of the four sections of annual report problems. The findings showed that most Thai individual investors have problems with wording/sentence structure used in annual report writings. Next, relevance and reliability of information presented in annual reports should not be disregarded because Thai individual investors might not invest in the listed companies whose annual reports they distrusted.

In question number 11, the respondents were asked to choose additional information that they would like to be included in the annual reports. The data obtained are illustrated in Figure 11. The frequency of the additional information was then converted to the percentage.

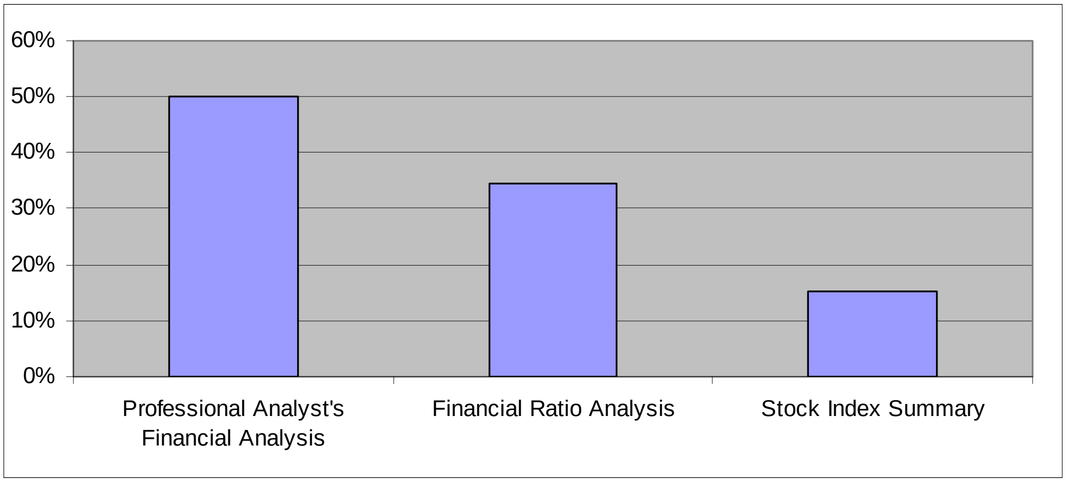

Figure 11: Additional Information Required by Individual Investors

Fifty percent of the respondents answered that they would like professional analysts' financial analysis to be included in annual reports. Financial ratio analyses rank second at 34.62% and 15.38% of the respondents replied that they need stock index summaries. One respondent suggested that in-depth qualitative analysis, which is one of very complicated financial analyses) is also required. The findings imply that Thai individual investors cannot understand parts of the annual reports by themselves or they are uncertain about the results analyzed by themselves. Hence, they would like opinions of professional analysts to support their investment decisions.

In conclusion, "financial statements" is the most important part of annual reports which provides numeric information that Thai individual investors can use for further analysis such as important financial ratios. Although other parts of annual reports, containing narrative information, may not play any important roles in Thai individual investor's stock investment decisions, these parts were read as supporting investing information. In reading them, Thai individual investors face various problems, especially regarding complex sentence structures containing a lot of relative clauses and modifiers.

CHAPTER 5

CONCLUSION

5.1 Conclusion

Investment in stock is a way to get more money under competitive economic climate for Thai individual investors. Before investing, however, the investors need to seek important information of listed companies such as financial status, profitability and management's future plans. This information can be found in annual reports which listed companies have to submit their reports within the limited time according to the regulations specified by the Securities and Exchange Commission (SEC). In this study, the researcher examined the most important part of the annual report affecting Thai individual investors in making investment decisions and problems about annual reports among Thai individual investors' viewpoints.

According to the profile, the highest proportions of the respondents were female employees, who possessed master degrees in Thailand. Their ages were between thirty-one to forty years old. Based on the researcher's interviews, all respondents used the annual reports in English version as an important document before making investment decisions.

The findings showed that "financial Statements" is the most important part of annual reports among Thai individual investors and is the part that the majority of investors read. They thought that the figures presented in this part could indicate financial status, profitability of managements and stock value in the future.

Annual reports contain both narrative and non-narrative parts. As mentioned earlier, the “Financial Statements” as the non-narrative part was the most important part in Thai individual investors’ points of view. However, the investors also read the narrative parts, such as auditor reports and management reports, as supporting information in order to become confident in investments.

In reading annual reports, Thai individual investors faced many problems. Namely, complex sentences, containing a lot of relative clauses and modifiers, mislead individual investors about information presented in annual reports. As a result, they spent more time reading them. In addition, some investors thought that the information was not relevant to their decision makings. For example, auditors’ reports did not provide any accounting data and financial information. The respondents rarely thought that annual reports lacked important information because necessary information for stock investments were already presented in the part of “financial statements”. Moreover, the information in the part of management’s discussion and analysis was overstated because marketing language was used to attract investors’ interest. The exaggerate statement could weaken investors’ confidence in annual reports.

5.2 Limitations of the Study

This study has some limitations that can be improved for further research.

1. The researcher took about three weeks looking for target respondents for this study at the Stock Exchange of Thailand where Thai individual investors gather to invest in stocks, most of respondents graduated in finance and accounting with master’s degrees

from universities in Thailand. Thus, the respondents might not be representative of all Thai individual investors. This was because Thai individual investors graduated in other fields may have different opinions toward annual reports. Future researches may consider obtaining more respondents in several fields and levels of graduation so that the study will have reliable results from different sources of the respondents.

2. Most of the respondents spent time with questionnaire but some of them completed the questionnaire very quickly as they were in a hurry to enter the investing hall. Some narrative data were not clear enough to be analyzed, as a result, the researcher had to collect more data. Telephone numbers or emails of the respondents are needed to request more information.

5.3 Suggestions for Further Studies

To the present study, the researcher recommends the following further studies.

1. Based on the findings, some parts of the annual reports were hardly read by Thai individual investors such as “supplementary information”, “social responsibility reports”, and “proxy statements”. However, the SEC still needs these parts to be included in the annual reports. Therefore, it is interesting to study viewpoints of Thai individual investors, the SEC and the management of listed companies toward the importance of these parts.

2. Further study on the most important part of “Financial Statements” should be explored. Based on the findings of this study, the “financial statements” is the most important part of annual reports. However, as mentioned in Chapter 2, the “financial

statements” containing four parts are (1) balance sheet, (2) income statement, (3) statement of retained earnings and (4) statement of cash flow. Therefore, it is interesting to investigate the most influential part in “financial statements” itself, which Thai individual investors pay attention to before making stock investment decisions.

3. In this study, the findings also reveal that Thai individual investors did not have confidence in some parts of the annual reports such as management’s discussion and analysis and auditor reports. Hence, it is valuable to investigate the level of confidence of investors on annual reports.

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APPENDIX

APPENDIX 1

Questionnaire

This questionnaire is designed for a graduate research project entitled "The Importance of Annual Report Parts and Understandability of Thai Individual Investors". Your corporation in completing this questionnaire is very much appreciated.

Part I Profile of the respondent

Please mark (√) on the answer that is most applicable to you.

1. Gender

( ) Male ( ) Female

2. Age

( ) Less than 20 ( ) 20 – 30

( ) 31 – 40 ( ) 41 – 50

( ) 51 – 60 ( ) More than 60

3. Education

( ) Less than Bachelor's degree ( ) Bachelor's degree

( ) Master's degree ( ) Doctor's degree

4. Place of Graduation

( ) Thailand

( ) Abroad (please specify country) ______________________

5. Field of Education

( ) Finance/Accounting/Business Administration

( ) Social Science/Political Science/Humanity

( ) Economics ( ) Law

( ) Engineering ( ) Medical Science

( ) Literature, Arts ( ) Other (please specify) ________

6. Vocation

( ) Student ( ) Employee

( ) Civil Servant ( ) Pension, Retired

( ) Business Owner ( ) Housewife/Househusband

( ) Other (please specify) ______________________

7. Specialization (please specify)

____

____

Part II Influential Part of Annual Reports among Thai Individual Investors

8. Which part of an annual report is <u>the most important</u> to you for making a stock investment and why?

(Please choose only one answer)

( ) Financial Statements

( ) Management's Discussion and Analysis (MD&A)

( ) Management Report

( ) Auditor Report

( ) Explanatory Notes

( ) Supplementary Information

( ) Social Responsibility Reports

( ) Proxy Statements

Reasons ____

____

____

9. The followings are important parts of annual reports. Please mark (√) on each item and provide reasons.

Important Parts	Read	Not Read	Reasons
Financial Statements			
Management's Discussion and Analysis (MD&A)			
Management Report			
Auditor Report			
Explanatory Notes			
Supplementary Information			
Social Responsibility Reports			
Proxy Statements			

Part III Problems of Annual Reports

10. What problems do you face when reading annual reports for making investment decisions? (You can choose more than one answer)

Wording/Sentence Structure

( ) Full of jargons (containing a lot of accounting and financial terms)

( ) Full of acronyms (using abbreviations in stead of full words: MD&A, P/L, B/S)

( ) Long sentences (more than 3 lines)

( ) Complex sentence structures (containing relative clauses, modifiers)

Relevance and Reliability

( ) Irrelevant information for decision making

( ) Missing important information (please specify) ______________________________

____

( ) Overstatement information (management's discussion and analysis)

( ) Distrustful information (auditor reports)

( ) Unuseful/raw information (that needs to be analyzed before making decision such as financial ration analysis)

Format

( ) Too many topics/pages

( ) Small alphabets

( ) Uninteresting/colorless design

( ) Dense layout/too little white space

General

( ) Late preparation and submission to the SEC

( ) Low quality of paper

( ) Accessibility difficulty (i.e., hard copy, soft copy)

( ) Other (Please specify) ______________________________________

____

____

11. What additional information you would like to be included in annual reports?

( ) Professional analyst's financial analysis

( ) Financial ratio analysis (i.e., liquidity ratio, profitability ratio, risk ratio)

( ) Stock index summary

( ) Other (Please specify) ______________________________________

____

____

***Note*: If you have any questions regarding questionnaire, please contact Ms. Khanitha at 081 618-3256.**

APPENDIX 2

Abbreviations

LH	Land and House Public Company Limited
SEC	The Securities and Exchange Commission
AOTB	The Accountability Office of Treasury Board

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   - ( ) Other (please specify) ______________________
7. Specialization (please specify)

   ____

   ____

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VITAE

VITAE

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