

The SEAMICO logo is located in the top right corner. It consists of the word "SEAMICO" in a white, bold, sans-serif font, with a small orange triangle pointing upwards at the end of the letter "O". The logo is set against a dark blue rectangular background.

SEAMICO

The background of the cover is a collage of various international banknotes, including a Thai Baht note, a US Dollar note, a Euro note, and a Dirham note. The notes are overlaid on a faint world map. The overall color palette is dominated by blues and oranges, with a bokeh effect of light spots in the background.

Annual Report 2010

Seamico Securities Public Company Limited

รายงานประจำปี 2553 ▶ บริษัทหลักทรัพย์ ซีบีไอ จำกัด (มหาชน)



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Message from the Chairman and Executive Chairman

The improving situation in global economy and capital markets in 2010 had hastened the results of our tremendous business development efforts following the joint venture with Krung Thai Bank in the previous year. Net income jumped by four folds to 67.3 million Baht in 2010 compared with 16.9 million Baht in 2009. Our flagship, KT ZMICO Securities Co., Ltd has reported strong results in all business units. The new business areas were all shown good progress particularly Securities Borrowings and Lending, Derivatives Warrants, and International Markets. Given the success of the joint venture with KTB, we were able to return cash back to shareholders via dividends of 536 million Baht or 0.65 Baht per share in 2009 and share reductions of 406.8 million Baht or 0.50 Baht per share in 2010.

After years of our arduous ground works in Lao PDR, the remarkable achievement was shown in 2010. KT ZMICO joined Banque pour le Commerce Exterieur Lao (BCEL), the largest state-owned bank in Lao PDR, to establish BCEL-KT Securities. The securities firm is the first and only Thai stock broker in Lao PDR. BCEL-KT is the financial adviser and underwriter for the initial public offering of EdL-Generation Plc (EdL-Gen), the first stock traded on the newly established Lao Stock Exchange in Vientiane. The IPO raised USD116 million, attracted more than 3,000 new trading accounts of investors from 17 countries, and is well recognized by global communities.

Our international network via Global Alliance Partners has now expanded its reach to Europe with the new member, Killik & Co. of London. Our group has now covered most parts of the world from Thailand, Hong Kong, Vietnam, Japan, Middle East, South Africa, United States, to Europe. We believe this closely-tied connection would pave the way for multi-national deal flows, which serve well with our goal in diversifying our business beyond the Kingdom.

Business cooperation with Krung Thai Bank has also begun yielding satisfactory results as seen from the acceleration in the business referrals among the two firms. The next development area is the wealth management business where KT ZMICO and the bank has been working closely to launch the niche services differentiating from other products offering in the local market at the moment.

We believe Seamico has come into the right direction and the bright future is coming closer to all stakeholders. Social responsibility and good corporate governance remains our key pillar in parallel with our aggressive expansions. We keep on supporting the Bann Sum-Haad School in Buri Ram province in construction its new school building. We have also lent a support to flood victims in Chai-nat province during the widespread flooding in 2010. As the Chairman and the Executive Chairman of Seamico, we would like to thank you all our stakeholders for their supports to the company.



Ekamol Kiriwat
Chairman



Chaipatr Srivisarvacha
Executive Chairman

Report of the Board of Directors' Responsibilities for Financial Statements

Seamico Securities Public Company Limited and its subsidiaries

The Board of Directors is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries, which are reported in conformity with the generally accepted accounting principles of Thailand. These financial statements were prepared based on appropriate accounting policy with consistency, with adequate disclosures provided in the notes to the financial statements.

The Board of Directors has appointed an Audit and Risk Management Committee, which comprises of three Independent Directors, to oversee the sufficiency and credibility of financial reports and evaluating the effectiveness of internal control and internal audit functions. The Committee has expressed its opinions with regard to the stated matters in the Report of Audit and Risk Management Committee, which is presented in the annual report.

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2010 are reasonably reliable.



Ekamol Kiriwat
Chairman



Chaipatr Srivisarvacha
Executive Chairman and Chief Executive Officer

Audit and Risk Management Committee Report

Seamico Securities Public Company Limited

The Board of Directors of Seamico Securities Public Company Limited appointed an Audit & Risk Management Committee, which comprises of 3 independent directors as follows:-

1. Mr.James M. Kelso Chairman
2. Mr.Praphant Asava-aree Member
3. Ms.Phornpun Phornprapa Member

The Committee has the important responsibility to review the Company's financial reports in order to ensure their accuracy and that they comply with accounting standards and the sufficiency of disclosure, to review the appropriateness and effectiveness of the internal control and audit systems, to review the transparency of management and their compliance with the Company's policies and all applicable laws and regulations, as well as to provide advice concerning the appointment of the Company's auditor and the proposed audit fee.

The Audit & Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department and the Company's external auditor to review the quarterly and annual financial statements for 2010 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. In addition, the Chairman of the Company's Audit & Risk Management Committee acted as an advisor to the Audit and Compliance Committee of KT ZMICO.

Based upon the information provided to us, the Audit & Risk Management Committee is unaware of any instance which would lead us to believe that the financial reports have not been prepared in accordance with established accounting standards and fairly presented in all material respects. Furthermore, the Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

For 2011, the Audit & Risk Management Committee has proposed to the Board of Directors that Dr.Suphamit Techamontrikul, Mr.Niti Jungnitnirundr and Mr.Chavala Tienpasertkij of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors for at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



(Mr.James M. Kelso)

(Chairman, Audit & Risk Management Committee)

Financial Highlights

	Million Baht		
	2008 Restated	2009	2010
Total Assets	2,974.10	2,201.42	1,853.23
Paid-up share capital	833.76	833.90	416.95
Total shareholders' equity	2,540.52	2,027.12	1,669.68
Securities business income	863.78	225.49	38.32
Securities business expenses	299.49	50.93	81.88
Net income (loss)	(159.58)	16.93	67.28
Profitability Ratio			
Gross profit margin (%)	65.33	77.41	(113.68)
Net profit margin (%)	(18.30)	4.07	55.65
Return on equity (%)	(5.83)	0.76	3.45
Efficiency Ratio			
Return on total assets (%)	(4.60)	0.67	3.17
Asset Turnover (Times)	0.25	0.09	0.02
Financial Policy Ratio			
Liquid assets to total assets (%)	40.26	32.73	12.03
Earning assets to total assets (%)	67.87	72.53	71.43
Debt to equity (Times)	0.17	0.09	0.11
Payout ratio (%)	384.41	730.30	-
Others Ratio			
Investment in securities to total asset (%)	22.29	27.88	7.41
Net liquid equity (%)	358	N/A*	N/A*
Per Share			
Book value (Baht)	3.11	2.52	2.05
Earning per share (Baht)	(0.19)	0.02	0.08
Dividend per share (Baht)	0.55	0.15	-
Capital reduction (Baht)	-	-	0.50
Par value (Baht)	1.00	1.00	0.50

* Since May 1, 2009, The Company has approved to temporary cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

General Information

Name : Seamico Securities Public Company Limited.

Address : 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500.

Type of Business : Seamico Securities incorporated and resident in Thailand to do business in accordance with the Securities and Exchange Act B.E.2535.

The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act on August 8, 1994 and was listed on the Stock Exchange of Thailand on March 17, 1995.

The Company has developed securities business through KT ZMICO Securities Co., Ltd. (registered the change of its name from "KTB Securities Co., Ltd." on April 1, 2009) with Krung Thai Bank Plc. by transferring its business, operation system, staff and assets to KT ZMICO Securities Co., Ltd. and start operation under the name of KT ZMICO Securities Co., Ltd. since May 4, 2009.

Such business transferred had been approved by the extraordinary shareholders' meeting No.2/2009 on March 20, 2009.

The status of the Company after the transfer of business and margin loan accounts is to continue as a listed securities company which most business will be related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

The Company has temporarily ceased its operation on securities and derivative contracts business since May 1, 2009 which was approved by the Office of the Securities and Exchange Commission No. SEC.Thor. 701/2552.

Registration No : 0107537002460

Home page : www.seamico.com.

Telephone : 66 (0) 2695-5000.

Fax : 66 (0) 2631-1709.

Paid-up shares as of 31st December 2010

Paid-up shares	:	833,895,131 shares
Par value	:	Baht 0.50 each
Type of shares	:	Ordinary share

JURISTIC PERSONS IN WHICH THE COMPANY HOLDS SHARES EQUAL TO OR IN EXCESS OF 10%

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Investment Value	Shareholding
						(million baht)	Percentage
<u>Subsidiary</u>							
Seamico Asset Management Company Limited	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2624-6300 Fax. 0-2624-6330	Mutual Fund Management	Ordinary	18,000,000	18,000,000	130.00	100.00
<u>Associate Company</u>							
KT ZMICO Securities Company Limited	16 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2695-5000 Fax. 0-2631-1709	Securities	Ordinary	222,763,600	110,350,800	1,087.50	49.54
<u>Other</u>							
Thanh Cong Securities Joint Stock Company	3 rd & 5 th Floor - Centec tower, 72-74 Nguyen Thi Minh Khai St., Ward 6, District 3, HCMC, Vietnam	Securities	Ordinary	36,000,000	6,796,500	156.02	18.88
BCEL Krungthai Securities Company Limited (invested by KT ZMICO Securities Company Limited)	7 th Floor, Stock Market Building, Khampaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR	Securities	Ordinary	1,000,000	300,000	33.93	30.00

OTHER REFERENCES

(a) Warrant Registrar

Thailand Securities Depository Company Limited
Capital Market Academy Building
2/7 Moo 4 (North Park Project) Vibhavadi-Rangsit Road, Tung Song Hong, Laksi, Bangkok 10110
Telephone 66 (0) 2596-9000 Fax: 66 (0) 2832-4994-6

(b) Share Registrar

Thailand Securities Depository Company Limited
Capital Market Academy Building
2/7 Moo 4 (North Park Project) Vibhavadi-Rangsit Road, Tung Song Hong, Laksi, Bangkok 10110
Telephone: 66 (0) 2596-9000 Fax: 66 (0) 2832-4994-6

(c) Auditor

- Dr.Suphamit Techamontrikul Certified Public Accountant (Thailand) No. 3356
- Mr.Niti Jungnitnirundr Certified Public Accountant (Thailand) No. 3809
- Mr.Chavala Tienpasertkit Certified Public Accountant (Thailand) No. 4301

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Rajanakarn Bldg., 25th Floor
183 South Sathorn Road, Yannawa Sathorn, Bangkok 10120
Telephone: 66 (0) 2676-5700 Fax: 66 (0) 2676-5757

(d) Legal Advisor

- Weerawong Chinnavat & Peangpanor Ltd.
22nd Floor, Mercury Tower, 540 Ploenchit Road Lumpini, Pathumwan, Bangkok 10330
Telephone: 66 (0) 2264-8000 Fax: 66 (0) 2657-2222
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road Dindaeng, Bangkok 10310
Telephone: 66 (0) 2246-6061 Fax: 66 (0) 2641-8267

Nature of Business

Changes and Development

In 2009, Seamico Securities Public Company Limited (“The Company”) has become a strategic partner with Krung Thai Bank Public Company Limited (“KTB”) by jointly developing securities business under the name KTZMICO Securities Company Limited (“KTZMICO”) (formerly named KTB Securities Company Limited). The Company acquired shares of KTZMICO since September 2008 for 48.81% of paid-up capital at Baht 864 million. In March 31, 2009, the company signed shareholders’ agreement with KTB and signed agreement an acquiring securities business. Certain parts of operating assets and employees, including the refinancing of the account receivable credit balance transfer to KTZMICO. The Company receives Baht 500 million value of asset transfer which received the up front payment in the amount of Baht 300 million on May 4, 2009 and another Baht 200 million will receive within three years based on KTZMICO’s earnings before interest, taxes, depreciation and amortization (“EBITDA”) subject to conditions below

- 1) To receive the payment of Baht 60 million on which EBITDA of the year 2009 is not less than Baht 250 million.
- 2) To receive the payment of Baht 70 million on which EBITDA of the year 2010 is not less than Baht 350 million.
- 3) To receive the payment of Baht 70 million on which EBITDA of the year 2011 is not less than Baht 400 million.

For the operating results of 2009 (May-December), the company received compensation regarding the transfer of assets and its business Baht 58 million in March 2010. KTZMICO’s accumulated EBITDA for Year 2009-2010 around Baht 650 million which the company will receive Baht 72 million for year 2010 within 15 days from the date on which company’ shareholders meeting approve the audited financial statement of the year 2010, and the others Baht 70 million that based on the comparison of 3-year actual EBITDA with 3-year projected EBITDA in the amount of Baht 1,000 million deducted by actual total payment. The total receiving amount shall not be more than Baht 200 million.

The objective and necessity of the securities business transfer are

- 1) To reduce the risk as a Local Independent Broker among the strong competition. The liberalization of the securities business and brokerage fees will start on January 1, 2012.
- 2) To increase source of funds and business support from KTB which is another major shareholders. This will enable the Company to form an appropriate capital structure, release the financial resources and reallocate the capital to other invested assets to generate the higher return, which will improve the return on equity.
- 3) To enhance the customer base and increase the opportunity to access KTB’s customers, which are retail, institutional customers and High Net worth Individuals.

After transferring the securities business, the Company will be operated as a holding company. There will be selling broker license and the membership of the SET (brokerage seat) as the remaining assets. (The Company is approved by the SET to extend the broker license that will be expired in December 2011)

After the Company has transferred staff and operating assets to KTZMICO, the Company has hired KTZMICO to provide back office operations which are Accounting & Finance, Operation Service, Human Resource, Administration, Internal Audit, Business Technology as well as other support approved by the SEC.

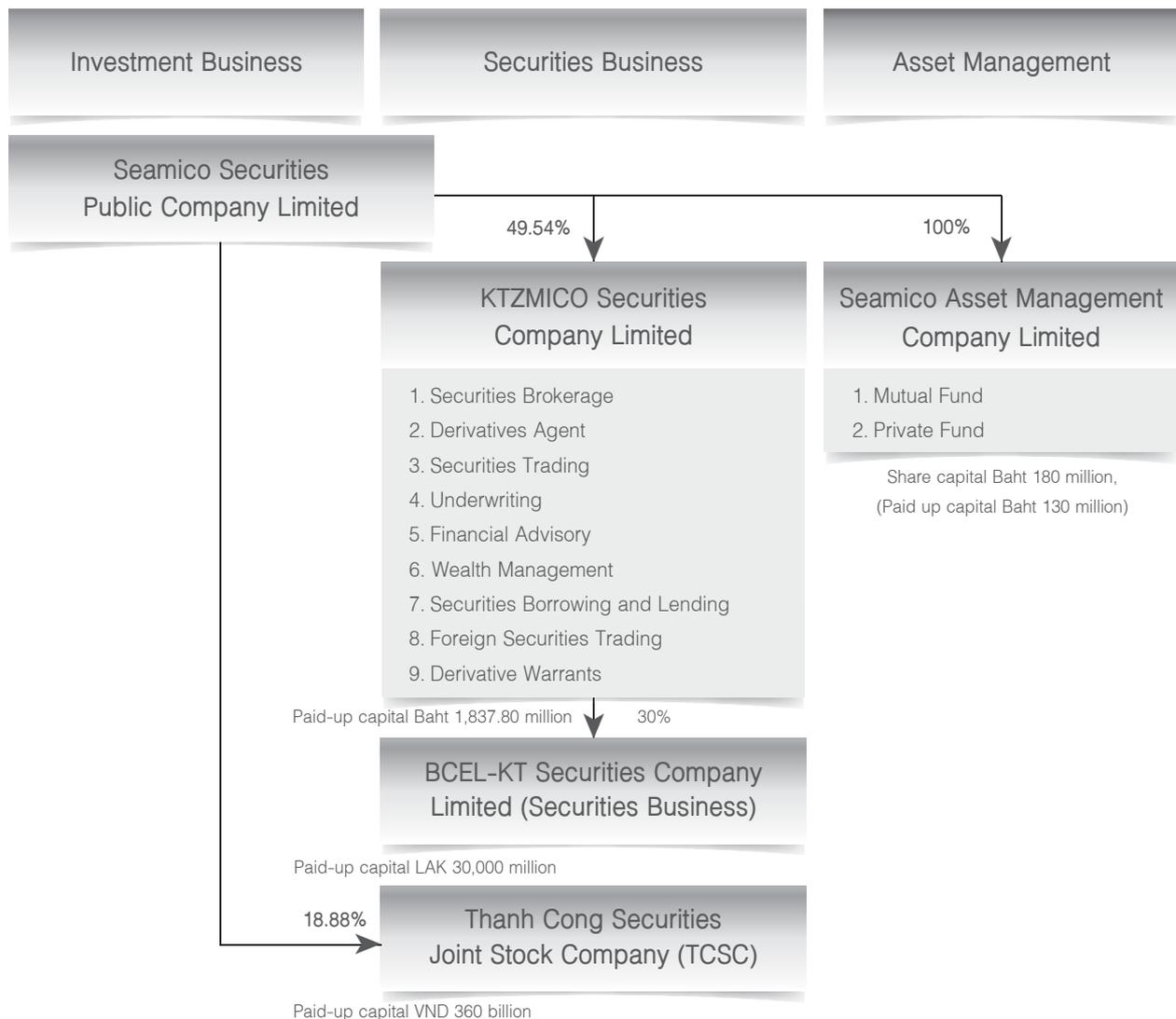
In March 2010, the Company received dividend amount of Baht 41 million and in April 2010, the Company additionally invested in KTZMICO of Baht 150 million. As a result, total investment cost Baht 1,087.5 million with interests 49.54% of total paid up capital Baht 1,837.80 million.

In December 2010, the Company expanded the business in Lao. KTZMICO has jointed with BANQUE POUR LE COMMERCE EXTERIEUR LAO (BCEL), the biggest Bank in Lao, to set up securities business in the BCEL KRUNGTHAI Co Ltd (BCEL-KT). BCEL-KT is the first even securities firm who lead the stock to listing in the first opening day of Lao Securities Exchange (LSX) in January 11, 2011. For the investment in Thanh Cong Securities Joint Stock Company (TCSC) which is a securities company in Vietnam, the Company plans to sell this investment in the first half of 2011.

Business Overview

Business operations of the Company and its Subsidiary and Associate Company are divided into 3 main businesses

- 1) Investment Business under Seamico Securities Public Company Limited
- 2) Securities Business under KTZMICO, Thanh Cong Securities Joint Stock Company (TCSC) and BCEL KRUNGTHAI Securities Company Limited (BCEL-KT)
- 3) Asset Management Business under Seamico Asset Management



Consolidated Revenue Structure

	2008		2009		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Brokerage Fees						
from Securities Business	559.65	66.27	107.13	25.77	-	-
from Derivatives Business	68.57	8.12	13.99	3.36	-	-
Fees and Services Income						
Underwriting	7.12	0.84	0.04	0.01	-	-
Financial Advisory	5.59	0.66	11.90	2.86	4.57	3.78
Asset Management	0.38	0.04	3.13	0.75	8.22	6.80
Others	0.52	0.06	1.56	0.38	-	-
Gain (Loss) on Trading in Securities	40.57	4.80	20.69	4.98	(60.36)	(49.93)
Interest and Dividend Income	74.33	8.80	36.71	8.83	10.41	8.61
Interest on Margin Loan	107.05	12.68	30.34	7.30	-	-
Share of Profit (Loss) in Associate	(27.36)	(3.24)	57.48	13.83	110.51	91.41
Gain on Asset Transferred to Associate	-	-	132.32	31.83	46.25	38.25
Total Securities Business Income	836.42	99.04	415.29	99.89	119.59	98.92
Securities Business Expenses						
Expense on Borrowings	23.91	2.83	4.12	0.99	0.00	0.00
Fees and Services Expenses	33.36	3.95	11.06	2.66	7.21	5.96
Total Securities Business Expenses	57.27	6.78	15.17	3.65	7.21	5.96
Securities Business Income - Net	779.15	92.26	400.11	96.24	112.38	92.96
Provision for Possible Loan Losses (Reversal)	242.22	28.68	35.76	8.60	(0.81)	(0.67)
Securities Business Income after Provision for Possible Loan Losses	536.93	63.58	364.36	87.64	113.20	93.63
Other Income	8.13	0.96	0.44	0.11	1.30	1.08
Net Income	545.06	64.54	364.80	87.75	114.50	94.71
Total Income	844.55	100.00	415.73	100.00	120.89	100.00

Types of Business

The Company and its Subsidiary and Associated Companies operate main businesses as follows

1) Investment Business

Focus on direct investment in Thailand and Indochina to gain targeted investment yield

2) Securities Business

Provide service under securities business license granted by the Ministry of Finance and the SEC operated by KTZMICO since May 1, 2009. This business is serviced through headquarter and branches. As at December 31, 2010, KTZMICO has 19 branches, which 9 branches are in Bangkok and 10 branches are in upcountry. In 2010, Central Pinklao Branch, and Korat Branch were opened in February 2010, and May 2010 respectively.

The Company operates the securities business in Lao under KTZMICO, as its Joint venture BCEL KRUNGTHAI Co Ltd (BCEL-KT), who is the two state-owned enterprises in the first-even initial public offering in the country in January 11, 2011.

3) Asset Management Business

The Company operates private funds and mutual funds management under Seamico Asset Management Company Limited. In 2010, the company offered 9 Fixed Income Fund and 1 Foreign Investment Fund. As at December 31, 2010, there were 14 mutual funds with net asset value of Baht 2,896 million.

1. Investment Business

After transferred securities business to its associated company, the Company focuses on direct investment business. Moreover, the Company plans to adjust its shareholdings structure by setting up a new holding company and focusing on business operation as follows

- Operate as a holding company. Its main revenue will be management fees and dividend income from investments.
- Expand business into neighboring countries in order to capture increasing capital flows into Indochina. In 2009, the Company invested in Thanh Cong Securities Joint Stock Company (TCSC) in Vietnam. In December 2010, the company expanded the business in Lao under BCEL-KT, joint venture of KTZMICO and BCEL. KTZMICO holds 30% of share capital (1 million shares, paid-up 30%, par at 100,000 kip) with the initial investment of Baht 33.93 million from paid up capital of Baht 113.10 million. BCEL-KT is the two state-owned enterprises in the first-even initial public offering in the country in January 11, 2011
- Enhance the competitiveness of fund management business through Seamico Asset Management as the fund management business is expected to grow and mutual funds will become an alternative source of saving in the future.

2. Securities Business

Operated by KTZMICO since the securities business transfer in the following categories

- Securities Brokerage

KTZMICO provides a comprehensive range of quality services to local and foreign clients both individual and institutional investors by highly experienced marketing officers and research teams giving investment advises on both fundamental and technical basis.

The types of services provided including:

1. Cash Accounts and Cash Balance Accounts.
2. Cash Accounts - TSFC (Thailand Securities Finance Corporation)
3. Credit Balance Accounts.
4. Internet Accounts, which the company has continuously improved its Internet service and kept up-to-date with the state-of-the-art technology.

KTZMICO provides useful information on its website, www.ktzmico.com, to help clients with their decision-making. KTZMICO has continuously added new services on the website, such as real-time stock quotation and daily research updated on both equities and derivatives markets, including in-depth stock analyses and market summaries. Moreover, the services also include investment advisory and an IPO service. Furthermore, the company develops and link with social network as Facebook, etc.

In 2011, KTZMICO provides the foremost services and plans to develop our trading program “Z Net” to be enabling our clients to trade stock via iPhone, iPad and McIntosh, and also developing trading function on Web Base as an analysis tools such as Stock Simulation Program etc.

KTZMICO has provided loans for securities trading to increase clients' liquidity which resulting in increasing KTZMICO's trading volume. As at December 31, 2010, KTZMICO's outstanding credit balance loan increased from Baht 1,373 million to Baht 2,053 million compare to the previous year. It has been being strongly financed by KTB as a major shareholder.

KTZMICO manages risks by reviewing credit lines according to its policy regarding to loans for securities trading and the guidelines. KTZMICO has a high level of quality control made possible by closely monitoring clients' trading transactions, limiting investment proportions and reviewing whether the clients should be called for more collateral. In case of a default payment, the operations service department will follow up on overdue clients so that payments are made in full.

Market Share

Million Baht	The Company	KTZMICO	
	Jan - Apr 2009	May - Dec 2009	FY 2010
SET & MAI Market Turnover	822,724	3,606,255	7,033,947
SET & MAI Market Turnover (exclude Proprietary Trading)	718,436	3,188,074	6,188,253
Company's Trading Volume	89,536	453,723	569,681
Company's Market Share	5.44%	6.29%	4.60%
Company's Market Share (exclude Proprietary Trading)	3.56%	4.90%	4.60%

Note : Company' trading volume is included proprietary trading volume for January - October 2009, and is excluded proprietary trading for November - December 2009

Market Turnover for year 2010 was Baht 6,188,253 million; trading volume of KTZMICO was Baht 569,681 million, accounting for 4.60% market share.

Securities' trading volume and the percentage of the top 10 clients is shown below

	The Company		KTZMICO			
	Jan - Apr 2009		May - Dec 2009		FY 2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Top 10 Securities Trading Clients	5,815	6.48	35,550	7.29	51,283	9.00

The majority of KTZMICO's clients are local retail investors who trade on cash basis. The proportion of client types is shown in the table below

Clients Proportion	The Company		KTZMICO	
	Jan - Apr 2009	May - Dec 2009	FY 2010	
Retail : Institution	99 : 1	94 : 6	92 : 8	
Local : Foreign	95 : 5	95 : 5	93 : 7	
Cash Account : Credit Balance Account	84 : 16	76 : 24	74 : 26	

Policy on opening new accounts

KTZMICO has established a policy with regarding to opening new accounts based on the "Know Your Client" principle. This involves providing significant and adequate information required from an applicant in terms of investment objective, investment risk knowledge, and experience and investment history. In order to assess whether to approve a credit line, a client's financial status as well as settlement ability is examined in order to prevent or limit any loss that might occur. KTZMICO has delegated staff with the authority to approve loans subjected to a credit line's risk level. KTZMICO has also established a procedure to review credit lines on a regular basis so as to keep track of a client's trading and settlement history and to ensure that client data is kept up to date.

- Derivatives Agent Business

KTZMICO started operating derivatives business in May 2009. KTZMICO provides trade on the following derivative products such as SET50 Index Futures, SET50 Index Options, Single Stock Futures, Gold Futures, including 10 Baht Gold Futures, and Interest Rate Futures which provides trading on August and October 2010 respectively.

Trading volume of KTZMICO was 381,436 contracts, accounting for 4.22% market share.

	The Company		KTZMICO	
	Jan - Apr 2009	May - Dec 2009	FY 2010	
No. of Contracts - TFEX	670,316	2,405,002	4,519,436	
No. of Contracts - Company	39,312	197,156	381,436	
Market Share	2.93%	4.10%	4.22%	
Rank	11	8	7	

“Derivatives Department” is in particular to provide services relating to derivatives. This unit is aimed to train and pass on derivatives knowledge to customers, staffs, and interested investors. It has set up a training plan for a whole year and usually takes part of seminar event organized by TFEX.

- Securities Borrowing and Lending

KTZMICO conducts Securities Borrowing and Lending business to expand investment alternatives for clients during the economic recession. Stock lender can generate return (borrowing fee) from existing shares which they offer for lending at call or term. While stock borrower do short selling in credit balance account by paying borrowing fee to the lender at the rate base on KTZMICO’s announcement.

- Derivative Warrants (DW)

KTZMICO launched 6 Derivative Warrants in December 2010 i.e. TOP18 CA, TOP18PA, PTT18CA, PTT18PA, CPF18CA, and CPF18PA and also launched others 5 Derivative Warrants as TRUE18CA, IRPC18CA, TMB18CA, BAY18CA, and IVL18CA in January 2011.

- Securities Trading

KTZMICO invests and trades in securities with the aim to generate more income and has a policy to invest in high return securities. KTZMICO defines its policy in compliance with the SEC regulations, which cover important policies as follows:

- Policy concerning authorized persons for securities dealing
- Policy on risk management
- Policy on preventing conflicts of interest
- Policy on compliance
- Policy on proper capital allocation to each securities
- Policy on the investment objectives and expected return targets compared with benchmark returns

In 2010, investments in securities were classified into two types:

- 1) Investments in equity securities including listed securities and unit trust to support securities business expansion, and hedging portfolio.
- 2) Investments in debt securities which have optimum returns issuance by Government and Corporate with a credit rating of BBB or higher in the short term period (less than 6 months) as approved by the Executive Committee.

- Underwriting Business

KTZMICO offers a full range of financial advisory services, including the sale of securities products. KTZMICO acts as a financial advisor and subsequently adopts the role of underwriter and joins with financial institutions and other securities firms in offering a variety of securities products, including government bonds, state enterprise bonds, common shares, preferred shares, debentures and convertible debentures. KTZMICO is actively engaged in the underwriting business and has extensive experience in the role of lead and co-underwriter, underwriter and selling agent. In 2010, revenue from underwriting business is shown in the table below.

	The Company	KTZMICO	
	Jan - Apr 2009	May - Dec 2009	FY 2010
No. of clients	1	3	8
Underwriting Value (Million Baht)	2.24	313.50	3,796.86
Fee Charged (Million Baht)	0.05	0.89	25.75

- Financial Advisory Business

KTZMICO offers a number of financial advisory services, including issuing equity instruments through initial public offerings, private placements, convertible debentures, rights issues and debentures with warrants, and new listings on the SET and the MAI. Mergers and acquisition services, firm valuation, source of fund providing, business restructuring and other financial advisory services.

KTZMICO has been a member of M&A International Inc., the world's leading international M&A network with over 40 member firms worldwide, to broaden investment banking business.

In 2010, KTZMICO expands businesses into Indochina such as Lao as its Joint venture BCEL-KT by held 30% of share capital. KTZMICO is the financial advisor to BCEL-KT and underwriter of EDL Generation which is the first-even initial public offering in the country. (BCEL-KT Securities is the one of two financial service providers in stock market, by providing financial advisory, underwriting and brokering service)

Revenue from financial advisory services is shown below.

	The Company	KTZMICO	
	Jan - Apr 2009	May - Dec 2009	FY 2010
Revenue (Million Baht)	2.81	28.34	176.10

- **Wealth Management**

KTZMICO established wealth management service to serve valued customers in terms of wealth creation, wealth accumulation, wealth preservation and wealth distribution according to their financial objectives, status and expected return with an acceptable risk. KTZMICO provides one stop service to fulfill clients' financial goals through variety of financial products such as Equities, Fixed Income, Derivatives and Offshore Investments to ensure a diversified portfolio, with either direct investments or mutual funds. At the beginning, KTZMICO acts as unit trust selling agent, and was also approved by the SEC to be selling agent for omnibus account. KTZMICO becomes an agent covering 18 Asset Management Companies with financial planners who have an experience of more than 16 years. As at December 31, 2010, asset under management equal to Baht 3,371 million. KTZMICO will expand into private banking to continue evolving knowledge from experience in providing consultative planning services for clients with the cooperate from KTB.

- **Foreign Securities Trading**

KTZMICO provides service on foreign securities trading (offshore) expansion with the objectives to seek a better return than investing in the domestic market and to diversify risks. Currently, KTZMICO is equipped with GL Trade which is one of the most highly efficient and flexible technologies trading systems in the global markets. This Direct Market Access (DMA) has it capability to access over 130 financial markets with the super fast execution of up to 4,000 transactions per second. The system provide the real-time market information with covers stocks, debentures, treasuries bonds, structured products, foreign exchange, and commodities within one screen. This is an effort in preparation for the upcoming liberalization. At this stage, KTZMICO would begin offering securities trading in major markets such as the U.S., Hong Kong, and Singapore.

In addition to KTZMICO's efficient trading systems, KTZMICO also ensures the reliability and efficiency in the international settlements by appointing highly reputable global institutions as our agent. This is to assure the clients of KTZMICO settlement capability which is on par with international practice providing high efficiency and security in offshore trading.

In 2010, KTZMICO have many new clients to open offshore account due to the IPO of EDL Generation to Lao Securities Exchange.

3. Asset Management Business

This business operated by Seamico Asset Management Company Limited (ZAM) which emphasize on quality of asset and issuer's credit. Seamico Asset Management Company Limited mostly invests in fixed income considering investment grade with an international vision in line with ZAM's plan and policy.

As at December 31, 2010, Seamico Asset Management Company Limited has total asset size under management of Baht 2,896 million, this increase from Baht 2,601 million at the end of 2009. Seamico Asset Management Company Limited manages several fixed income funds with performance over benchmark. In February 2011, ZAM has launched Foreign Investment Fund - Target Fund as Seamico-China CSI300 10MT, which invest in the db x-trackers CSI300 Index ETF. (ETF in the Stock Exchange of Hong Kong Limited (SEHK))

INDUSTRY OUTLOOK AND COMPETITION

Securities Business

In the year 2010, the Thailand's capital stock grew dramatically in terms of Index and Volume. By the SET index highest closed at 1,040.72 points as at December 7, 2010 which hit a 14-year high. At the end of 2010, the SET Index closed at 1,032.76 points, up 40.60 per cent year on year. The gain made it the second-best performer in Asia after Indonesia. Total trading volume of the SET increased from Baht 4.34 trillion in 2009 to Baht 6.94 trillion in 2010 or increased by 59.92 per cent. The average daily market turnover increased by 60.57 per cent from Baht 17,854 million to Baht 28,669 million.

The continuing economic recovery trend after the deep slump as a result of the US financial crisis in 2008, governments and major central banks reacted faster than in previous crisis. Ultra-low interest rate policies and the injection of emergency liquidity to financial systems were conducted since late 2008. Meanwhile, the near-zero interest rate policy on the US side also drove the allocation of investment funds to high-yielding assets in Asia, including Thai market. Moreover, the solid fundamentals and very cheap valuations compare with regional countries were also the reasons to attract foreign fund.

There were 4 new companies listed on the SET with a total market capitalization of Baht 49,644 million (at IPO value) and 7 new companies listed on the MAI with a total market capitalization of Baht 2,817 million (at IPO value).

Market Statistic

Details	2008	2009	2010
Market Data of SET			
SET Index - end of year (points)	449.96	734.54	1,032.76
Market Capitalization (Million Baht)	3,568,223	5,873,101	8,334,648
Market Turnover (Million Baht)	3,919,874	4,338,479	6,937,890
Market Daily Turnover (Million Baht)	15,870	17,854	28,669
Market P/E (times)	7.01	25.56	15.35
Market P/BV (times)	0.98	1.56	2.04
Dividend Yield (%)	6.57	3.65	2.92
No. of Broker (Companies)	38	38	35
No. of Listed Company in SET (Companies)	475	474	474

Source : The Stock Exchange of Thailand

SET Market Turnover classified by Investors (both Buy and Sell)

(Unit : Million Baht)

Investor	2008		2009		2010	
	Value	%	Value	%	Value	%
Foreign Investors	2,315,581	30	1,717,946	20	2,583,573	19
Local Institutions	559,673	7	589,972	7	1,066,754	8
Local Investors	4,181,138	53	5,225,771	60	8,535,304	61
Proprietary Trading	783,356	10	1,143,269	13	1,690,149	12
Total	7,839,748	100	8,676,958	100	13,875,780	100

Source : The Stock Exchange of Thailand

During 2010, trading volume of foreign investors increased with net buyer of Baht 81,724 million compared to net buyer of Baht 39,231 million in 2009, which was proportion 19% nearly year 2009. And the other investors maintained the same proportion with the last year.

Competition in 2010 still has been strong, each securities company is striving to increase efficiency of its online service and improve the quality of securities analysis and research. Some securities companies has restructured by merging or acquiring business to prepare for a full liberalization by 2012. In 2010, there were 35 brokerage firms, and the top 10 brokers gained 55.43% market share of total market turnover (SET&MAI), which increased from 51.95% market share in 2009. Number of brokers decreased to 33 firms in the beginning of 2011 due to business acquisition.

KTZMICO plans to focus on providing quality and fast services to assist investors in their decision-making, which include creating customer relations to expand its customer base to high margin clients, such as institutional clients and new investors, through network of KTB.

KTZMICO plans to improve the quality and build cross selling of its entire range of products. Moreover, KTZMICO will endeavor to develop related business with the aim to boost its market share as well as prepare for related securities businesses, such as Derivatives Agent, Proprietary Trading, Asset Management, Wealth Management, Securities Borrowing and Lending and Foreign Securities Trading (Offshore). KTZMICO emphasizes business expansion and development to provide full range of service with a proactive marketing plan such as advertising, public relation and business promotion. Moreover, KTZMICO continues providing knowledge for clients by arranging training and seminar at Head Office and Branches.

KTZMICO manages costs to obtain economies of scale. In addition, it continuously develops technology related to its securities trading system and the quality of its fundamental and technical research reports. It aims to keep up with current events and to provide timely advice to its customers enabling them to make the best investment decisions.

Derivatives Agent Business

TFEX's derivatives agent business started on April 28, 2006, started trading Index Option on October 29, 2007, started trading Single Stock Futures on November 24, 2008, started trading Gold Futures on February 2, 2009, started trading Gold Futures Baht 10 on August 2, 2010, and started trading Interest Rate Futures on October 18, 2010. In 2010, TFEX trading volume was 4,519,436 contracts increased from 3,075,318 contracts in 2009 or increased by 46.96%, with an average daily trading volume of 18,676 contracts increased from 12,656 contracts. The top 10 brokers gained a market share of 61.74% of total TFEX market turnover.

TFEX trading volume increased since there were a variety of products and more derivatives agent in 2010, derivatives agent increased from 23 companies in 2006 to 38 companies in this year. This is because gold shop has an active role in gold futures trading; therefore derivatives agent business has a strong competition in the future. Besides, commission fee liberalization of securities brokerage will make derivatives trading more attractive to brokers.

TFEX Market Turnover (No. of Contracts) classified by Investors (both Buy and Sell)

(Unit : No. of Contracts)

Investor	2008		2009		2010	
	Contracts	%	Contracts	%	Contracts	%
Foreign Investors	732,682	17	692,581	11	911,776	10
Local Institutions	1,133,686	26	1,746,976	29	2,955,662	33
Local Investors	2,430,872	57	3,711,079	60	5,171,434	57
Total	4,297,240	100	6,150,636	100	9,038,872	100

Source : Thailand Futures Exchange

In 2011, TFEX Market plans to launch Silver Futures due to its upward price tendency and its relationship with gold prices. Then, Investors in gold can employ similar trading strategies for both precious metals. Furthermore, they extend trading hours for Gold and Silver Futures until 22:30 hours. These extended hours will commence on the same day that Silver Futures trading begins, in June.

Industry Trend in 2011

In 2011, Thailand capital market is expected to be positive. The environment has become more challenging, with the sudden political unrest in the Middle East and North Africa causing an oil price surge. This situation has created inflation risk, which threatens the global recovery trend and creates earnings risk. Going forward, this will trigger fund flow around the world and create greater volatility in the equity market.

Competition among brokerages should be intense in 2011. The sliding scale commission scheme will last until year end 2011. After that, freely negotiated commissions will be applied. Mergers and acquisitions mostly will happen before the commission rate change.

PRODUCT AND SERVICE PROVIDED

1. Source of Fund

The Company's source of fund is from shareholders only. However, KTZMICO is granted loans from KTB, a major shareholder, to support margin loan of Baht 3,000 million and some facilities. KTZMICO appropriately reallocates capital between shareholders and borrowing concerning on capital risk and cost of fund to maximize return to its shareholders.

2. Financing Fund from Persons related to Management or Major Shareholders

The Company has no fund provided by persons related to Management or major shareholders.

3. Net Capital Rule (NCR)

The Company is not required to maintain Net Liquid Capital and NCR since the Company discontinue operating brokerage business. For KTZMICO, it maintained NCR at a level higher than the Regulator's rule, which was not less than Baht 25 million, not less than 7% of the sum of general liabilities and collaterals and also shareholders' equity not less than Baht 100 million. As at December 31, 2010, KTZMICO had Net Liquid Capital of Baht 1,112 million, NCR ratio at 50% and Shareholders' equity Baht 2,062 million.

Risk Factors

Risk from subsidiaries

The Company has invested in two subsidiaries consisting of KT-ZMICO Securities Company Limited providing securities brokerage service and Seamico Asset Management Company Limited providing fund management services. Therefore, there was two principal risk factors of concern are

1. KT-ZMICO Securities Company Limited

The Company has core business in brokerage and investment banking business. Consequently, its core revenues had been influenced by ability to manage strategic business to be achievement. In addition, external factors become essential such as economic fluctuations, political uncertainties, and money market and capital market movements as well as changes in regulation rules.

In 2010, the first year of new brokerage commission structures, the sliding scale method and the liberalization of the securities business and brokerage commission fee in 2012. The Company realize of the impacts. Therefore, the Company has planned the strategies for expanding the transaction types and new investments to maintain our competitiveness and to stabilize the company income in the long term are the following:

- The company has co-invested 30% in BCEL - KT Securities Company Limited, Lao PDR.
- The company has expanded its investment banking business to foreign countries. The company was a distributor and underwriter of EDL - Generation Public Company: EDL - Gen power generation business Lao PDR which has been listed for trading on the Laos Stock Exchange since January 11, 2011.
- The expansion of financial products by issuing Derivatives Warrants - DW, which were listed on the Stock Exchange at the end of 2010.
- In early 2011, the company expects to provide high net worth clients through transactions Private Fund Management which will be one of the company new strategic transactions.

2. Seamico Asset Management Company Limited

As a fund management company, the company derives its core revenues from mutual fund and private fund management. Hence, the main risk factors which will impact on major income contributed by external factors such as market risk, interest rate risk, and foreign exchange risk related to changes in the economic situation and financial markets. Also, these factors may cause the net asset value under fund management will be decrease and adversely affect the company's operating results.

Moreover, with facing an intensifying competition under the government's financial liberalization policy may effect to the positioning of new Asset Management Company. Therefore, the Company plans to expand full coverage of distribution management and to provide new investment fund strategies in order to increase client satisfaction and align with acceptable risk management.

Shareholder Structure and Management

1. Shareholders

1.1 MAJOR SHAREHOLDERS in the shareholders' registration book as at 20th December 2010

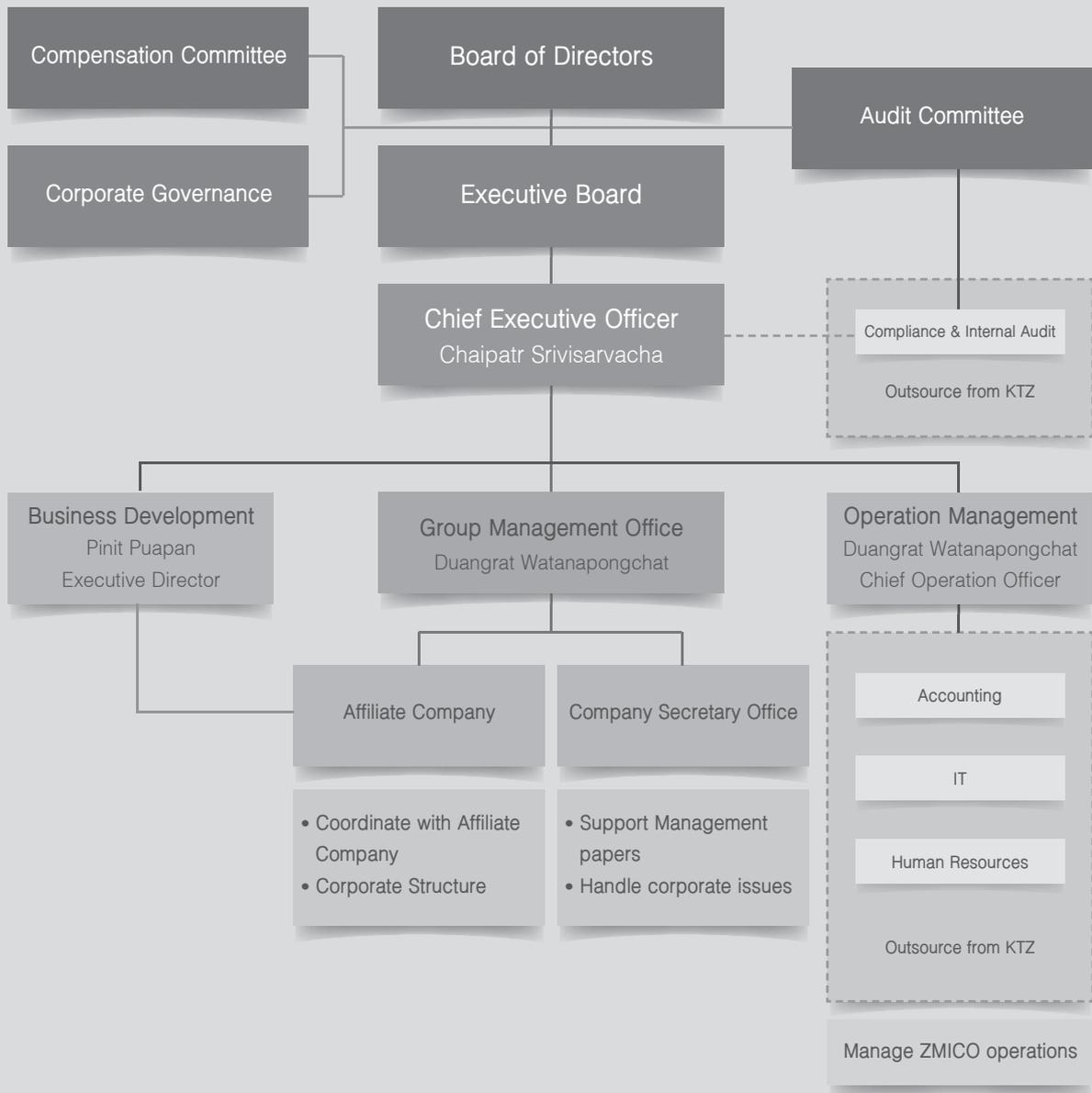
Name	No. of Share Held	% of Paid-up Capital
1. Quam Securities Company Limited A/C Client	148,496,289	17.808
2. Raffles Nominees (Pte) Limited	123,110,500	14.763
3. Amethyst Holdings Limited	73,915,700	8.864
4. Thai NVDR Company Limited	35,451,059	4.251
5. HSBC (Singapore) Nominees Pte Ltd.	25,125,000	3.013
6. Seamico Securities Public Company Limited	20,295,000	2.434
7. Mrs. Pennipa Tuangsithsombat	9,500,033	1.139
8. Mr. Sombat Luesookprasert	6,500,000	0.779
9. State Street Bank and Trust Company for London	6,407,200	0.768
10. Mr. Chanchai Posricharoenkul	6,000,000	0.720
Other	379,094,350	45.461
Total	833,895,131	100.000

1.2 MAJOR SHAREHOLDER GROUP

No major shareholder group has significant influence over the Company's policy and management.

2. Management

Organisation Chart



2.1 Management Structure

2.1.1 Committee of the company

1. Board of Directors
2. Executive Committee
3. Audit and Risk Management Committee
4. Nominating and Compensation Committee
5. Corporate Governance Committee

2.1.2 Committee and responsibilities

1. Board of Directors

1. Mr.Ekamol Kiriwat	Independent Director and Chairman
2. Mr.Chaipatr Srivisarvacha	Authorized Director
3. Mr.Pinit Puapan	Authorized Director
4. Mr.Bernard Pouliot	Director
5. Mr.Robert W. McMillen	Director
6. Mr.Kenneth K.H. Lam	Director
7. Mr.Praphant Asva-aree	Independent Director
8. Mrs.Phornpun Phornprapa	Independent Director
9. Mr.James M. Kelso	Independent Director
10. Mr.Peter J. Emblin	Director
Mrs.Duangrat Watanapongchat	Company Secretary and Secretary to the Board of Directors

Definition of Independent Director of the Company

1. Holding shares not more than 1% of shares with voting rights of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)

Not being an employee, staff member or advisor who receives a regular salary from the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)
3. Not being a relative or by a legal register, a father, mother, spouse, brother, sister or child including the spouse of such child, with director, management, major shareholder, controlling person of the company or the person who is going to be proposed as the management or the controller of the company or subsidiary company.

4. Not being professional advisor or having business relationship with the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest (present and the past 2 years before appointed). Details are as follow:
 - Professional advisor
 - Auditor - not allowed in all cases.
 - Other advisors (ex; legal advisor, financial advisor, appraiser) - not allowed for case(s) with value of transactions > 2 million Baht per year.
 - Business relationship
 - Scope - cover normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
 - Value of transactions - not exceeding 20 million Baht or 3% of Net Tangible Assets, whichever is lower (including transactions undertaken with the same person over the last year).
 - For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with the unanimous resolution may except the transaction which exceeding the above value. In such case, the company has to disclose such transaction in the registration statement, Form 56-1 and annual report. If an ID will be re-appointed for another term, such relationship must also be disclosed in the notice of meetings.
5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's majority shareholders.
6. Being capable of performing duties, giving opinions with independence.
7. An ID who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

Selection of Independent Director

In the selection of an independent director, the Corporate Governance and Nominating Committee shall use the same criteria as in the selection of other directors, but the independent director's qualifications shall not conflict with the above definition.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors shall perform their duties and carry on the business of the Company in accordance with the laws, the Company's objectives and the Articles of Association as well as the resolutions of shareholders' meetings, and shall also be authorized to engage in any activities as prescribed in the Memorandum or those related thereto.

The Board of Directors may assign one or more persons to carry out any activities on behalf of the Board of Directors. No authorization shall entitle the grantee to consider and approve transactions that may cause a conflict of interest between the grantee or any related person or interested person.

Directors Authorization and Limitation thereof

Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan any two of these directors signing together with the Company's seal being affixed.

Scope of Duties and Responsibilities of the Chief Executive Officer

The scope of power, duties and responsibilities of the Chief Executive Officer with regard to day-to-day and administrative activities and transactions of the Company are as follows:

- To control the day-to-day administrative and operating activities of the Company.
- To conduct the operations in accordance with set policies, business plans and budgets with the approval of the Board of Directors and/or Executive Committee.
- To act as the authorized person of the Company to conduct the Company's business in accordance with the Company's objectives, Articles of Association, policies, rules regulations, orders and resolutions of the Board of Directors or the Executive Committee.

Powers to approve or to designate any person to act on his/her behalf, shall not include the power to approve or authorize any transactions (i) which may cause a conflict of interest against the Company or its subsidiary companies; or (ii) in which the interests held by any member or related party of the Executive Committee may be in conflict with the Company or its subsidiary companies in accordance with applicable rules and regulations of the SET. Typically, these transactions need the consideration and approval of the Board of Directors and/or the shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

2. Executive Committee

1. Mr.Chaipatr Srivisarvacha	Chairman of Executive Committee
2. Mr.Pinit Puapan	Member
3. Mr.Peter J. Emblin	Member
4. Mr.Bernard Pouliot	Member
5. Mr.Robert W. McMillen	Member
Mrs.Duangrat Watanapongchat	Secretary to the Executive Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Board of Directors Meeting No. 1/2004 dated 24th February 2004 approved that the Executive Committee has the power, duty and responsibility to manage on a day-to-day basis the Company's administrative activities and transactions and assist the Board of Directors, as follows:

- To implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth.
- To monitor the business performance and operations of the Company according to its bylaws and regulations.
- To authorize business matters under the limit of authority assigned by the Board of Directors.

The Executive Committee does not have the power to approve any transaction (i) which may cause a conflict of interest against the Company or its subsidiary companies; or (ii) in which the interest held by any member or related party of the Executive Committee is in conflict with the Company or its subsidiary companies in accordance with applicable rules and regulations of the SET. Typically, these transactions need the consideration and approval of the Board of Directors and/or a shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

3. Audit and Risk Management Committee

1. Mr.James M. Kelso (CPA)	Chairman of Audit and Risk Management Committee
2. Mr.Praphant Asva-aree (ACP)	Member
3. Mrs.Phornpun Phornprapa (ACP)	Member
Mrs Aree Termwatanapakdee	Secretary to the Audit and Risk Management Committee

Scope of Duties and Responsibilities of the Audit and Risk Management Committee

1. Review the sufficiency, credibility and objectivity of the financial reporting by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit and Risk Management Committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.

2. Review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external auditors and internal auditors.
3. Review and approve audit plans, budgets and manpower of Compliance and Internal Audit Department.
4. Consider and review independent and auditing results of Compliance and Internal Audit Department.
5. Participate on the appointment, dismissal, resignation and evaluation of head of Compliance and Internal Audit Department.
6. Review the adequacy and effectiveness of the risk management control system by coordinating with Risk Management Committee and Risk Management Office
7. Review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws
8. Consider and advise the appointment of the external auditors including the audit fee by considering the creditability, the adequacy of its resources, the firm' s audit engagements, and the experience of its supervisory and professional staff.
9. Consider compliance with all connected transaction disclosures or the conflict of interests disclosures.
10. Take care of any other matters assigned to it by the board of directors, such as reviewing the company' s financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company' s management, all important reports which must be disclosed to the public according to the law. (e. g. Management Discussion and Analysis (MD&A), etc).
11. Report the activities of the Audit and Risk Management Committee in the Company's annual report, which must be signed by the chairman of the Audit and Risk Management Committee. The following information should be included in the report:
 - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
 - Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
 - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.

12. Review Charter of Audit and Risk Management Committee at least once a year.
13. Perform self-assessment at least once a year and report the results to the Board of Directors.
14. Take all necessary actions to insure that the Board of Directors / Executive Management have evaluated, addressed and are monitoring the material risk associated with the Company's operations.

4. Nominating and Compensation Committee

1. Mr.Praphant Asva-aree	Chairman of Nominating and Compensation Committee
2. Mr.Kenneth K.H. Lam	Member
3. Mr.Bernard Pouliot	Member

Scope of Duties and Responsibilities of the Nominating and Compensation Committee

1. To consider, make decision and submit the remuneration of Top management level as specified below for the Office of the Board and/or Shareholders' meeting approval.
 - Board of Directors' Remuneration
 - Senior Management Compensation
 - Senior Management Contracts
 - Overall remuneration increase
2. To consider, comment, and evaluate on the ESOP Schemes for employees and Directors submitted by the Executive Committee ("ExCo"). The final ESOP Schemes must be submitted to Board of Directors and/or Shareholders' meeting for approval.
3. Propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.

5. Corporate Governance Committee

1. Mr.Bernard Pouliot	Chairman of Corporate Governance Committee
2. Mr.Kenneth K.H. Lam	Member
3. Mr.Praphant Asva-aree	Member
Mrs.Aree Termwatanapakdee	Secretary to Corporate Governance Committee

Scope of Duties and Responsibilities of the Corporate Governance and Nominating Committee

1. Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the company's business.
2. Review and evaluate the practical results of Corporate Governance for at least once a year.
3. Report to the Board of Directors on matters related to Corporate Governance and suggest improvements, where appropriate.

4. Propose the director evaluation process to the Board of Directors as well as evaluate and follow up on the improvement as evaluation results.

2.1.3 Attendance Record in 2010

Board of Directors

In 2010, the Board of Directors met 7 times. Details of the attendance are as follows:

Name	Meeting Attended		
	In person	By conference call	Total
1. Mr.Ekamol Kiriwat	7	-	7/7
2. Mr.Chaipatr Srivisarvacha	6	1	7/7
3. Mr.Pinit Puapan	6	1	7/7
4. Mr.Bernard Pouliot	2	1	3/7
5. Mr.Robert W. McMillen	7	-	7/7
6. Mr.Kenneth K.H. Lam	2	5	7/7
7. Mr.Praphant Asva-aree	6	-	6/7
8. Mrs.Phornpun Phornprapa	6	-	6/7
9. Mr.James M. Kelso	5	-	5/7
10. Mr.Peter J. Emblin*	6	-	6/6

* On 26th February 2010, the Board of Directors Meeting No. 1/2010 resolved to appoint Mr.Peter J. Emblin as a Non-authorized Director of the Company. Such appointment was approved by the Securities and Exchange Commission on 11th March 2010 and registered with the registrar, Ministry of Commerce, on 18th March 2010.

Executive Committee

In 2010, the Executive Committee met 4 times. The attendance details, including attendance in person and conference calls are as follows:

Name	Position	No. of Meetings Attended
1. Mr. Chaipatr Srivisarvacha	Chairman of Executive Committee	4/4
2. Mr. Pinit Puapan	Member	4/4
3. Mr. Peter J. Emblin*	Member	2/2
4. Mr. Bernard Pouliot**	Member	1/1
5. Mr. Robert W. McMillen**	Member	1/1

* Mr.Peter J. Emblin has been appointed as a member of the Executive Committee on 11th November 2010.

** Mr.Bernard Pouliot and Mr.Robert W. McMillen have been appointed as the members of Executive Committee on 13th December 2010.

Other committee meetings held in 2010 are as follows:

Committee	No. of Meetings
Audit and Risk Management Committee	4
Nominating and Compensation Committee	1
Corporate Governance Committee	-

2.1.4 Management and Company Secretary

1. Mr.Chaipatr Srivisarvacha	<ul style="list-style-type: none"> - Authorized Director - Vice Chairman - Chairman of the Executive Committee - Chief Executive Officer
2. Mr.Pinit Puapan	<ul style="list-style-type: none"> - Authorized Director - Managing Director
3. Mrs.Duangrat Watanapongchat	<ul style="list-style-type: none"> - Deputy Managing Director - Company Secretary - Secretary to the Board of Directors and Executive Committee
4. Mrs.Banchit Chittanusart	<ul style="list-style-type: none"> - Executive Vice President Finance, Account and Treasury Department KT ZMICO Securities Co., Ltd. (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)

DIRECTORS AND MANAGEMENT PROFILES

Name-Surname	Mr.Ekamol Kiriwat
Position	Independent Director and Chairman
Age	66 Years
Education	MBA (Finance), Harvard Graduate School of Business Administration, U.S.A.
Training	Director Certification Program
% of Shareholding	0%
Experience	
March 2008 - Present	- Independent Director and Chairman, Seamico Securities Plc.
1996 - Present	- Advisor to the Board of Directors, Sahapathana Inter Holding Plc.
2005 - Present	- Chairman, KC Property Plc.
2001 - 2004	- Member of the Parliament
1997 - 2000	- Member of the Court of Directors, Bank of Thailand
1992 - 1995	- Secretary, General Office of the Securities and Exchange Commission
1990 - 1995	- Deputy Governor, Bank of Thailand

Name-Surname	Mr.Bernard Pouliot
Position	<ul style="list-style-type: none"> - Vice Chairman - Member of Executive Committee - Chairman of Corporate Governance Committee - Member of Nominating and Compensation Committee
Age	59 Years
Education	Bachelor Degree, Major - Commerce, University of Quebec (1974)
% of Shareholding	0.29%
Experience	
March 2008 - Present	- Vice Chairman, Seamico Securities Plc.
4 May 2007 - March 2008	- Chairman of the Board of Director, Seamico Securities Plc.
13 December 2010 - Present	- Member of Executive Committee, Seamico Securities Plc.
28 May 2007 - Present	- Chairman of Corporate Governance Committee, Seamico Securities Plc.
Present	- Member of Nominating and Compensation Committee, Seamico Securities Plc.
2001 - 28 May 2007	- Director and Member of Executive Committee, Seamico Securities Plc.
2000 - Present	- Chairman, Quam Limited

Name-Surname	Mr.Chaipatr Srivisarvacha
Position	<ul style="list-style-type: none"> - Authorized Director - Executive Chairman and CEO - Vice Chairman
Age	51 Years
Education	MBA (Finance), Illinois Benadictine College (1984)
Training	Director Certification Program (DCP) (2003)
% of Shareholding	0.06%
Experience	
25 June 2007 - Present	- Executive Chairman and CEO, Seamico Securities Plc.
28 May 2007 - Present	- Vice Chairman, Seamico Securities Plc.
1 May 2009 - Present	- Executive Chairman and CEO, KT ZMICO Securities Co., Ltd.
August 2009 - Present	- Chairman of the Board and Executive Chairman, Thanh Cong Securities Company J.S.C.
2003 - Present	- Independent Director and Audit Committee Member, Brooker Group Plc.
11 November 2010 - Present	- Independent Director, Evolution Capital Plc.
8 September 2010 - Present	- Independent Director and Chairman of Audit Committee, Dhanarak Asset Development Co., Ltd.
14 March 2011 - Present	- Independent Director, Precious Shipping Plc.
31 January 2011 - Present	- Chairman, DAD SPV Co., Ltd.
2004 - April 2009	- Independent Director, G Steel Plc.
3 July 2001 - 18 April 2007	- Independent Director and Audit Committee Member, Thanachart Bank Plc.
1999 - 2003	- Independent Director, Pacific Assets Plc.
1999	- Director and Executive Director, Krung Thai Bank Pcl.

Name-Surname	Mr.Pinit Puapan
Position	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Executive Committee
Age	44 Years
Education	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School (2006) - MSC, Economics, London School of Economics (1990) - BA, Economics & Political Science, Tufts University (1989)
Training	<ul style="list-style-type: none"> - Audit Committee Program (2004) - Director Accreditation Program (DAP) (2004)
% of Shareholding	0%
Experience	
March 2009 - Present	- Authorized Director , Seamico Securities Plc.
3 July 2007 - Present	- Managing Director , Seamico Securities Plc.
28 May 2007 - Present	- Member of the Executive Committee , Seamico Securities Plc.
21 May 2007	- Authorized Director , Seamico Securities Plc.
- 21 October 2008	
28 October 2008 - Present	- Authorized Director and Managing Director , KT ZMICO Securities Co., Ltd.
28 April 2009 - Present	- Director , Seamico Asset Management Co., Ltd.
August 2009 - Present	- Director , Thanh Cong Securities Company J.S.C.
2010 - Present	- Director , BCEL Krungthai Securities Co., Ltd.
2002 - Present	- Director , Thai Dairy Industry Co., Ltd.
2002 - Present	- Independent Director , Charn Issara Development Plc.
2008 - Present	- Director , Ideas 1606 Co., Ltd.

Name-Surname	Mr.Robert William McMillen
Position	<ul style="list-style-type: none"> - Director - Member of Executive Committee
Age	55 Years
Education	<ul style="list-style-type: none"> - Chartered Accountant, Major - Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major - Accounting, The New South Wales University of Technology (1982)
Training	- Director Accreditation Program (DAP) (2007)
% of Shareholding	0.04%

Experience

29 May 2007 - Present	- Director, Seamico Securities Plc.
13 December 2010 - Present	- Member of Executive Committee, Seamico Securities Plc.
1 June 2006 - 28 May 2007	- Director and Member of Executive Committee, Seamico Securities Plc.
24 August 2005 - 31 May 2006	- Authorized Director and President, Seamico Securities Plc.
1 June 2000 - 23 August 2005	- Authorized Director and Chief Executive Officer, Seamico Securities Plc.
1997 - 31 May 2000	- Authorized Director and Managing Director, Seamico Securities Plc.
1 October 2003 - Present	- Authorized Director and Member of Executive Committee, Brooker Group Plc.
8 August 2003	- Authorized Director and Chairman of Executive Committee,
- 30 September 2003	Brooker Group Plc.
1998 - 7 August 2003	- Non-Authorized Director and Member of Executive Committee, Brooker Group Plc.
February 2006 - Present	- Chairman and Authorized Director, McMillen Advantage Capital Limited
June 2006 - Present	- Chairman and Authorized Director, MAC Capital Advisors Limited
November 2007 - Present	- Chairman and Authorized Director, MAC Capital Limited
June 2006 - Present	- Vice Chairman and Authorized Director, MAC Sharaf Securities (U.A.E.) LLC.
August 2004 - Present	- Authorized Director, Quam Asset management (BVI) Limited
March 2005 - Present	- Authorized Director, Quam Funds (SPC) Limited
January 2007 - Present	- Authorized Director, Quam Funds Plus (SPC) Limited
September 2008 - Present	- Authorized Director, Quam Multi-Strategy Funds (SPC) Limited
13 July 2009 - Present	- Non-Authorized Director, Fashion Studio Company Limited
August 2010 - Present	- Director, Quam Ventures (BVI) Limited
August 2010 - Present	- Director and Vice Chairman, Global Alliance Partners Limited
2003 - 17 May 2008	- Non-Authorized Director, Burda-Rizzoli (Thailand) Company Limited

Name-Surname	Mr.Kenneth Kin Hing Lam
Position	- Director - Member of Nominating and Compensation Committee - Member of Corporate Governance Committee
Age	57 Years
Education	Master Degree, Major - Business Administration, Chinese University of Hong Kong (1983)
% of Shareholding	0.61%

Experience

1998 - Present	- Director, Seamico Securities Plc.
1998 - December 2010	- Member of Executive Committee, Seamico Securities Plc.
28 May 2007 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
Present	- Member of Nominating and Compensation Committee, Seamico Securities Plc.
2000 - Present	- Deputy Chairman, Quam Limited

Present	- Managing Director, Quam Securities Company Limited
Present	- Authorized Director, Quam Asset Management Limited
Present	- Independent Non-Executive Director, Hon Kwok Land Investment Co., Ltd.
1994 - 2009	- Authorized Director, Quam Capital Limited

Name-Surname	Mr.Praphant Asava-aree
Position	- Independent Director - Member of Audit and Risk Management Committee - Chairman of Nominating and Compensation Committee - Member of Corporate Governance Committee
Age	54 Years
Education	- Political Science, Ramkhamhaeng University (2003) - Mini MBA, Thammasat University (1999)
Training	- Director Certification Program (DCP) (2008) - Audit Committee Program (ACP) (2007) - Orchestrating Winning Performance - The global business program for individuals and teams, IMD International, Lausanne, Switzerland (2010) - Public Director Institute (PDI) (2010)
% of Shareholding	0%
Experience	
2007 - Present	- Independent Director, Seamico Securities Plc.
2007 - Present	- Member of Audit and Risk Management Committee, Seamico Securities Plc.
2007 - Present	- Chairman of Nominating and Compensation Committee, Seamico Securities Plc.
2007 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
2007 - Present	- President and CEO, Eastern Water Resources Development and Management Plc.
2007 - Present	- Director, Universal Utilities Co., Ltd.
2009 - Present	- Director, Thai Listed Companies Association
2009 - February 2011	- Independent Director, KT ZMICO Securities Co., Ltd.
2009 - January 2011	- Director, Thai San Miguel Liquor Co., Ltd.

Name-Surname	Mrs.Phornpun Phornprapa
Position	- Independent Director - Member of Audit and Risk Management Committee
Age	58 Years
Education	Mary Mount College, U.S.A.
Training	Audit Committee Program (2008)
% of Shareholding	0.02%

Experience

21 May 2007 - Present	- Independent Director, Seamico Securities Plc.
28 May 2007 - Present	- Audit and Risk Management Committee, Seamico Securities Plc.
1977 - Present	- Director, Siam Motors Co., Ltd.
1979 - Present	- Managing Director, Thaworn Holding Co., Ltd.
1979 - Present	- Managing Director, Thaworn Estate Co., Ltd.
1980 - Present	- Managing Director, Siam Country Club and Resort Co., Ltd.
1981 - Present	- Vice President, Universal Mining Co., Ltd.
1982 - Present	- Vice President, Siam Leasing Co., Ltd.

Name-Surname

Mr.James Michael Kelso

Position

- Independent Director
- Chairman of Audit and Risk Management Committee

Age

56 Years

Education

- New York University, Graduate School of Business Administration, Master of Business Administration
- Colgate University, Bachelor of Arts (Major History)
- Certified Public Accountant (CPA) (RET)

% of Shareholding

0%

Experience

25 July 2007 - Present	- Independent Director, Seamico Securities Plc.
	- Chairman of Audit and Risk Management Committee, Seamico Securities Plc.
Present	- Audit Committee Advisor, KT ZMICO Securities Co., Ltd.
2003 - Present	- Chief Executive Officer and Director, IPG Financial Services Pte. Ltd.

Name-Surname

Mr.Peter John Emblin

Position

- Director
- Member of Executive Committee

Age

52 Years

Education

- B.Bus., Fellow of the Financial Services Institute of Australasia

% of Shareholding

0%

Experience

18 March 2010 - Present	- Director, Seamico Securities Plc.
11 November 2010 - Present	- Member of Executive Committee, Seamico Securities Plc.
November 2008 - Present	- Investment Analyst, Thai Strategic Capital Management Co., Ltd.

Name-Surname	Mrs.Duangrat Watanapongchat
Position	<ul style="list-style-type: none"> - Deputy Managing Director - Company Secretary - Secretary to the Board of Directors - Secretary to the Executive Committee
Age	53 Years
Education	<ul style="list-style-type: none"> - Master of Science, Accounting, Thammasat University (1983) - Bachelor of Law, Sukhothai Thammathirat Open University (1995)
Training	<ul style="list-style-type: none"> - Directors Certification Program (2002) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.05%
Experience	
19 April 2007 - Present	- Deputy Managing Director, Company Secretary, Secretary to the Board of Directors, Secretary to the Executive Committee, Seamico Securities Plc.
May 2009 - Present	- Chief Operation Officer, Secretary to the Board of Directors KT ZMICO Securities Co., Ltd.
2009 - Present	- Director, Thanh Cong Securities Company J.S.C.
December 2006	
- 13 December 2007	- Authorized Director, Seamico Derivatives Co., Ltd.
25 April 2002 -18 April 2007	- Authorized Director, Member of Executive Committee and Deputy Managing Director, Seamico Securities Plc.
1 June 2000 - 2002	- Deputy Managing Director, Seamico Securities Plc.
1994 - 31 May 2000	- Authorized Director and Deputy Managing Director, Seamico Securities Plc.

Name-Surname	Mrs.Banchit Chittanusart
Position	Executive Vice President - Finance, Account and Treasury Department
Age	49 Years
Education	- Master Degree of Accounting, Thammasat University (1990)
Training	<ul style="list-style-type: none"> - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0%

Experience

- April 2009 - Present - Executive Vice President - Financial Control and Treasury Department, KT ZMICO Securities Co., Ltd.
- October 2008 - March 2009 - Director, KTB Securities Co., Ltd.
- April 2004 - September 2008 - Executive Vice President - Finance, Account and Treasury Department, Seamico Securities Plc.
- February 1998 - March 2004 - Senior Director of Finance and Accounting Department, Government Pension Fund

Details of Subsidiary and Associate Company's Directors

Company Name	Seamico Asset Management Company Limited
Location	287 Liberty Square 8th Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Private Fund Management
Date of Establishment	28 th June 2006

Director	Position
1. Mrs.Siripen Sitasuwan	Chairman, Independent Director
2. Mr.Lertsak Polanun	Authorised Director
3. Miss Sumalee Tangsajjanuraks	Authorised Director
4. Mr.Pinit Puapan	Director
5. Mrs.Banchit Chittanusart	Director
6. Mr.Praves Suttirat	Independent Director

Company Name	KT ZMICO Securities Company Limited
Location	287 Liberty Square 16 th Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Securities
Date of Establishment	30 th May 2000

Director	Position
1. Mr.Kraithip Krairiksh	Chairman of the Board
2. Mr.Chaipatr Srivisarvacha	Authorised Director, Executive Chairman
3. Mr.Assanee Subvanich	Authorised Director
4. Mr.Pinit Puapan	Authorised Director
5. Ms.Sompis Charoenkiatikul	Authorised Director
6. Mr.Chao Arunyawat	Authorised Director
7. Mr.Teerapol Pussadet	Director, Audit Committee Chairman
8. Mr.Vinit Samritpricha	Director, Audit Committee Member
9. Dr.Ekniti Nitithanprapas	Director
10. Mr.Prasith Wasupath	Director

2.2 DIRECTOR SELECTION

The nominating directors shall be considered by the Nominating Committee. The Nominating Committee shall evaluate the suitability of each candidate based on criteria and suitable qualifications that the committee has set up and shall propose the said person to a meeting of the Board of Directors and/or shareholders for consideration in accordance with the Company's Articles of Association.

Director qualifications as specified by the Principles of Corporate Governance of the Company and Securities and Exchange Act

The Company's director must have full qualifications and must not have any prohibited characteristics for being a member of a management team in accordance with Section 103 of the Securities and Exchange Act B.E. 2535 and any notifications announced in accordance with the same Section.

The Board of Directors shall strictly comply with the codes of conduct of the director in compliance with the law for the benefits of the stakeholders with honesty and with no interest in the business either directly or indirectly, as well as prevent conflict of interest.

At least half of the directors shall be residents of the Kingdom.

The Criteria and procedure to elect directors in the shareholders meeting in accordance with the Company's Articles of Association shall be as follows:

- a) Each shareholder shall have one vote for each share held;
- b) Each shareholder shall exercise all votes applicable under (a) in voting for one or more persons to be a director provided that a vote shall not be divisible;
- c) Candidates who have the most votes shall be elected to the Board of Directors according to the number of directors required; in case votes for two or more candidates are equal, the Chairman shall have the deciding vote.

Therefore, all shareholders have the right to select a director by attending shareholders' meetings and voting in accordance with the Company's Articles of Association.

The Company has realized the importance of Good Corporate Governance and realized that the growth and success of the Company are derived from the support of all groups of stakeholders. The Company would like to ensure that all shareholders are treated equally concerning the rights and benefits they deserve. Therefore, the shareholders can propose additional agenda items and nominate the candidates for being the Company's director through the Company's website before AGM.

2.3 REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2010

2.3.1 Monetary Remuneration

Directors

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus**
1. Mr.Ekamol Kiriwat	<ul style="list-style-type: none"> Independent Director Chairman of the Board of Directors 	1,340,000	800,000
2. Mr.Chaipatr Srivisarvacha*	<ul style="list-style-type: none"> Authorized Director Vice Chairman Chairman of Executive Committee Chief Executive Officer 	-	-
3. Mr.Pinit Puapan*	<ul style="list-style-type: none"> Authorized Director Managing Director Member of Executive Committee 	-	-
4. Mr.Bernard Pouliot	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors Member of Executive Committee (Appointed on 13th December 2010) Chairman of Corporate Governance Member of Nominating and Compensation Committee 	280,000	118,898
5. Mr.Robert W. McMillen	<ul style="list-style-type: none"> Director Member of Executive Committee (Appointed on 13th December 2010) 	255,000	100,000
6. Mr.Kenneth K.H. Lam	<ul style="list-style-type: none"> Director Member of Executive Committee (Resigned on 13th December 2010) Member of Corporate Governance Member of Nominating and Compensation Committee 	310,000	241,732
7. Mr.Praphant Asva-aree	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee Chairman of Nominating and Compensation Committee Member of Corporate Governance Committee 	395,000	255,906
8. Mrs.Phornpun Phornprapa	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee 	340,000	232,283
9. Mr.James M. Kelso	<ul style="list-style-type: none"> Independent Director Chairman of Audit and Risk Management Committee 	410,000	251,181
10. Mr.Peter J. Emblin***	<ul style="list-style-type: none"> Director Member of Executive Committee (Appointed on 11th November 2010) 	205,000	-

Note

* Two authorized directors are not entitled to directors' remuneration.

** Bonus of 2009 performance paid in 2010

*** Registered with the Ministry of Commerce as a director on 18th March 2010

Directors (Authorized) and Management

Type of Remuneration	Remuneration (Baht)
Salary and Bonus	16,570,800

2.3.2 Other Remuneration

For 2010, the Company contributed Baht 312,400 for the management to the Company's provident fund.

The Change in Directors and Management's Securities Holding

Director / Management	No. of Shares Held		Change Increase / (Decrease)
	31 Dec. 09	31 Dec. 10	
Mr.Ekamol Kiriwat	0	0	0
Mr.Chaipatr Srivisarvacha	541,000	541,000	0
Mr.Pinit Puapan	0	0	0
Mr.Bernard Pouliot	2,399,100	2,399,100	0
Mr.Robert W. McMillen	237,500	324,000	86,500
Mr.Kenneth K.H. Lam	5,115,200	5,115,200	0
Mr.Praphant Asva-aree	0	0	0
Mrs.Phornpun Phornprapa	182,100	182,100	0
Mr.James M. Kelso	0	0	0
Mr.Peter J. Emblin	0	0	0
Mr.Duangrat Watanapongchat	454,667	454,667	0
Mrs.Banchit Chittanusart	0	0	0

2.4 CORPORATE GOVERNANCE 2010

The Company has realized the importance of Good Corporate Governance and compliance with the SET principles.

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). In 2010, the Company has "Excellent Grade" rating for the AGM 2010 assessment by Securities and Exchange Commission (SEC) and has "Very Good Grade" rating for Good Governance 2010 assessment by IOD.

Presently, the Company has developed several parts on the practicing guideline such as allowing the minority shareholder to forward their suggestion before AGM and also faster dissemination AGM's resolution after AGM to conform to the OECD's recommendation. The essentials of the Company's corporate governance practices are as follows:

1. Shareholders' Rights

The rights to obtain information

All shareholders shall obtain notice and details of meetings together with the Board of Directors' opinion on such matters not less than 14 days prior to the meeting date, and also obtain a notice of attending AGM with details provided on our website not less than 30 day prior the meeting date, and the company will publicize the AGM's minutes on its website within 14 days after the meeting date to ensure that shareholders have timely and sufficient information regarding the issues to be decided at meetings.

Voting rights

All shareholders have the right to attend shareholders' meetings and vote in accordance with the articles of association of the Company. Besides this, the Company also provides a proxy form for shareholders who cannot attend meetings to appoint an independent director as a grantee in which the shareholder can specify their vote for each matter on the meeting's agenda.

The rights to express opinions and ask questions

The Company arranges meetings of shareholders by supporting sufficient information and the shareholders have opportunities to express their opinions and ask questions.

The rights to be treated equally

All shareholders shall be treated equally concerning the rights and benefits they deserve.

2. The equitable treatment of shareholders

The Company arranges meetings of shareholders by supporting sufficient information and the shareholders have opportunities to express their opinions and ask questions. In 2010, the Company has website to request the shareholders to propose additional agenda items and nominate qualified directors before AGM meeting. The company also provides a proxy form for shareholders who can not attend meetings to appoint an independent director as a grantee

For the minutes of meetings to elect the Company's directors, each candidate is introduced one by one, and shareholders vote for each person.

The minutes of the shareholders' meetings shall be disclosed on the Company's website and presented at the next meeting to be certified.

Apart from this, the Policies regarding the Keeping of Confidential information and the prevention of using of inside information has been implemented, the directors and the executive are required to report their shareholding of the company to board of director regularly.

3. The rights of stakeholders

The Company realizes that the growth and success of the Company are derived from the support of all groups of stakeholders. The Company, therefore, as a general practice serves all major groups of stakeholders, as follows:

3.1 Shareholders

Accurate and timely disclosure of all material matters are made through appropriate channels, such as the Regular Set Information Management System (RSIMS), the Company's website, newspapers, press releases, letters, etc.

3.2 Clients

"Customer satisfaction" is a major concern of the Company. To this end, a focus is made on the development of services and the creation of additional approval license of financial and investment instruments. A code of ethics is implemented; any claim or suggestion from clients is put into action immediately.

3.3 Employees

Employees are a key success factor. Appropriate remuneration competitive to other companies in the same industry is provided and reviewed regularly. The Company provides orientation program and company's manual for new employees concerning the Company's policies, benefits and welfare, such as rules and discipline, leave obligation, group medical & hospitalization insurance scheme, group life & accident insurance plan and provident fund. The Company is focus on the capability of its employees by providing in-house training and external seminars to increase their knowledge, ability and efficiency to enable them to cope with dynamic changes in rules, products and technology. On the side of employee activities, the Company encourages brainstorming, and creating and sharing opinions, such as the energy saving project, the development in working system, the derivatives product, the financial advisory program and etc.

The Company also promotes activities to harmonize and sustain good relationship among the employees such as the Annual Spirit Ceremony, recreation activities, sports days focusing on awareness of health and hygiene.

3.4 Governance office, Government, Public Corporate

The Company adheres to rules and regulations of the finance sector, the SET and the SEC and giving them co-operation when needed.

The Company also adheres to the rules and regulations of other government organizations, such as the Revenue Department, Bank of Thailand, Ministry of Finance and Ministry of Commerce.



For others, the Company also gives support, such as Thai Institute of Directors Association (IOD), the Company's directors have joined seminars and training conducted by the Institute and the company also gave cooperation to ASCO.

3.5 Society, Community, Environment

The Company is fully aware of its social responsibility and participates in social services in occasions. Regarding the environmental preservation, the Company continues to support all activities that are environmental friendly and preserves the natural resources.

3.6 Creditors, Suppliers, Competitors

The Company recognizes its responsibility to outside organizations and agents that it deals with, such as creditors, suppliers and competitors. The Company strives to treat them fairly and equitably in any negotiations, based on good business practices, and does not take advantage of its competitors.

4. Information Disclosure and Transparency

Disclosure policy

The Board of Directors implements and directs the Company's policies as well as monitors and supervises its operations to maximize economic value and long-term shareholders' wealth. The Company also takes good care of all stakeholders and treats them fairly.

Sufficient information shall be disclosed to all concerned persons and shall comply with the laws and regulations of all regulating units.

In addition, the Company has the strong intention to follow the principles of Good Corporate Governance as IOD's recommendation, in order to improve the standard and efficiency.

Directors' reporting

The Board of Directors is responsible for the accuracy, completeness and transparency of the Company's financial reports and non-financial reports that are disclosed to shareholders and investors.

The Board of Directors has appointed an Audit and Risk Management Committee to review the sufficiency, credibility and objectivity of financial reporting and to review the adequacy and effectiveness of internal control and compliance with the Company's policies and laws, as well as to consider and advise on the appointment of external auditors, including audit fees.

The Board of Directors is of the opinion that the Company has prepared financial reports in accordance with normally accepted accounting standards. Sufficient information is disclosed, and no transaction is found that might materially affect the reports. The internal audit and control system is appropriate and effective, and applicable laws and regulations have been complied with.

Remuneration of directors and management

Director Remuneration : All director remuneration is presented clearly, transparently, and the amount is appropriate with each one's responsibility. The total amount does not exceed the approved figure set by the shareholders' meeting.

Management Remuneration : The remuneration of management is set according to the regulations and policies of the Board of Directors and is approved by the Company's Compensation Committee based on the Company's performance, return on equity and personnel recruited from the industry.

Remuneration : See details in "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

Board of Directors meetings

According to the Company's articles of association, the Board of Directors' meetings are to be held at least once every three months with the schedule of meetings delivered to all directors in advance. However, meetings may also be held when appropriate. The Company's secretary will inform all board members of the date, time and venue of the meeting and send documents of the meeting to all directors in advance.

During each meeting, the directors may raise any additional matter for consideration, and each director may also freely present his or her opinion. The minutes of meetings shall be presented to the Board of Directors to be certified and kept for future reference. Reports of securities holding in the Company and the directors' attendance records have been presented to Board of Director meetings since 2001.

The attendance record of Directors for 2010 as shown in "ATTENDANCE RECORD IN 2010"

Investor relations

The Board of Directors works to ensure transparency in the disclosure of timely and accurate material information regarding financial information or any significant information, which might affect the Company's share price.

The channels for disseminating information are through the Regular Set Information Management System (RSIMS), the Company's website, Press Releases, and etc.

Apart from this, any investor can check the Company's information via phone or Company's website about Investor Relationship or recommendation of analyst. The details are as follows;

Seamico Securities Public Company Limited
16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500
Telephone: (66-2) 695-5000 Fax: (66-2) 631-1709 <http://www.seamico.com>

5. The Directors Responsibilities

Leadership and vision

The Board of Directors consists of directors who have adequate education, capability and experience to benefit the Company.

The Board of Directors participates in developing the vision, strategy, goals and plans of the Company. The Board of Directors monitors the members of management by:

- Explicitly segregating duties between each committee and management.
- Establishing an Audit and Risk Management Committee composed solely of independent directors and outside directors to oversee the Company's financial reports and internal controls.
- Establishing a Compliance and Internal Audit to report directly to the Audit Committee.
- Setting up an authorization level appropriate for internal control and risk management.

The Company will set up the Directors' handbook for new directors to introduce the Company's business, services, structure, and management team.

Directors will continuously receive information by attending seminars arranged by the SET or SEC in order to update and keep abreast with business development, thus leading the Company in the right path.

Conflict of interest

The Company guards against conflicts of interest, as follows:

- Determines prices and conditions equivalent to the fair value applied to other parties.
- Seriously complies with SET and SEC regulations.
- Discloses connected transactions in Financial Statements, Annual Reports and Forms for Annual Information (Form 56-1) for shareholders.
- Implements written compliance policies to ensure that management or related parties do not benefit from inside information regulated by Compliance and Internal Audit.

Code of ethics

The Board of Directors performs their duties in accordance with the law, the Company's objectives and Articles of Association, as well as by resolutions of the shareholders' meeting.

The code of ethics is stated in the compliance manual provided to management and employees for acknowledgement and agreement to practice from the time they join the Company. The penalty for failing to comply with the code of ethics is also specified in the manual.

- The balance of power for non-executive directors

The Board structure of the Company has been determined by the following:

The Composition of the Board of Directors

Executive Directors	2	persons
Non-Executive Directors	8	persons
Consisting of:		
Independent Directors	4	persons
Outside Directors	4	persons

- The Appointment of Audit and Risk Management Committee

To be as transparent as possible, the Company appointed a specific committee, the Audit Committee, to oversee financial reports, the internal control system and corporate governance to comply with the Company's policy. The Audit and Risk Management Committee receives information directly from the Compliance and Internal Audit Department. Meetings are held at least once every three months or on any urgent occasion.

- Aggregation or segregation of positions

The Chairman has no relationship with the management. The Chairman is not the same person as the Chief Executive Officer in order to segregate duties for directing the Company's policies and day-to-day management.

- Committees

Various committees have been established, such as:

- Executive Committee
- Audit and Risk Management Committee
- Nominating and Compensation Committee
- Corporate Governance Committee

These assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of the Audit Committee and Compensation Committee is composed of independent directors in order to maintain independence and transparency.

- Control system and internal audit

Details of the Company's control system and internal audit system are summarized, as follows:

In relation to operational controls:

The Company emphasizes internal control and audit systems in the organizational level by discriminate searching revenue department from operation and control department. The Company has documented the scope of responsibilities for each by function comprising operation, audit and authorization to ensure a proper check and balance system and regular financial reports to relevant management.

In relation to internal audits

The Company has established a Compliance and Internal Audit Department. Its main duty is to consider and review the implementation of the Company's policy, financial transactions and compliance to relevant laws and regulations and Anti-Money Laundering Control Act. The Company has also contracted an outside audit firm to conduct independent reviews and assessments of the IT security control environment as defined by the SEC. All significant issues have been duly rectified and reported to the Audit & Risk Management Committee. In order to have an independent management, the Company's Board of Directors assigned a senior vice president of the Compliance and Internal Audit Department as the secretary of the Audit & Risk Management Committee. In addition, the Compliance and Internal Audit Department hold meetings to report its findings directly to the Audit and Risk Management Committee without the participation of management.

In relation to risk management

The Company established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to obtain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system in order to be efficient. This was accomplished by co-ordination with executives in all business functions to identify, measure and assess risks as well as review and monitor the results of risk identification and report the related risk information to the Risk Management and Audit & Risk Management committees. There will be a revision of the policies, procedures and measures in regard to risk management every two years. The Compliance and Internal Audit department monitors and audits all business activities for strict adherence to the Company's risk management policy and reports discrepancies in practices to the Audit and Risk Management Committee.

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). The Company is determined to apply corporate governance as its guiding principle in conducting business for efficient management and sustainable business growth. In 2006, the Company has implemented the Principle of Corporate Governance and published them as a handbook to directors and all staff to ensure that all policies are strictly adhered. The essentials of the Company's corporate governance practices are as follows:

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1 Philosophy of Work of the Company

Seamico Securities Public Company Limited relies on 4 principles of Good Corporate Governance, namely: Responsibility & Accountability, Honesty & Integrity, Transparency, and Creation of long-term value to all persons sharing in joint-benefits (stakeholders). To achieve the Good Corporate Governance, 3 necessary factors must exist - Professionalism, Good Internal Control System, Transparency and Fiduciary Duties towards the stakeholders, which comprises of Shareholders, Customers and Employees

2. Policies Concerning the Board of Directors

The Board of Directors shall strictly comply with the codes of conduct of the director in compliance with the law for the benefits of the stakeholders with honesty with no interest in the business either directly or indirectly as well as preventing conflict of interest.

3. Structure of Board of Directors

The Board of Directors comprises of Executive and Non-Executive Directors, appropriately appointed and balanced, to appointed sub-committees to take charge of particular matters in supervising and refining works, for example,

- The Executive Committee
- The Audit & Risk Management Committee
- The Corporate Governance Committee
- The Nominating and Compensation Committee



The Nominating Committee shall be responsible to nominate the qualified persons in various fields to be director replacing retired directors by rotation or for any other reason, and propose to the Board of Directors and/or the Meeting of the Shareholders, for resolution of such appointment. At every annual general meeting, at least one-third of the directors shall retire, and a retiring director is eligible for re-election. The term of a sub-committee shall be in compliance with the office term of the director of the Company and the specific duties and responsibilities of the said sub-committee.

The Company gives appropriate remuneration to the Board of Directors of the Company comparable to the industry standard. Also, the information on remuneration shall be clearly disclosed in the annual report.

4. Duties and responsibilities of the Board of Directors

The Board of Directors has duty to determine the vision, mission and business policy to comply with the corporate governance principles of the Company and good practices of the directors in accordance with the guidelines of the SET and SEC by appointment of a suitable person to be the Management who can carry out his work independently from any shareholder and has the skills in the business management and administration.

The Board of Director pays attention to manage conflict of interest with care, fairness and transparency; with full disclosure of information. In the case where any director has interest over the matter, such director shall not attend the meeting or cast a vote on that matter.

The Board of Directors has set up an independent Compliance and Internal Audit Department and a Risk Management Office. The Audit & Risk Management Committee is also entrusted to evaluate the efficiency of the internal control and risk management system by reporting the same regularly to the Board of Directors.

The Board of Directors is aware of its duty to ensure the benefits of the shareholders, both major and minor ones, in accordance with their rights and equitability, as well as receiving correct, complete, transparent information and news

5. Work Performance of the Board of Directors

The Board of Directors shall convene meeting at least 4 times a year. The consideration of agenda shall rely on the fair benefits of the shareholders and interested persons. The convention of the sub-committee shall be obliged to hold meetings as per the duty entrusted to it.

The Board of Directors shall report the operational results together with a report of the auditors and the Audit & Risk Management Committee in the annual report and shall prepare the disclosure of information under the laws.

The Board of Directors shall hold a Shareholders' Meeting as the General Meeting within 4 months after the yearend, which the Board of Directors may at any time call the Extraordinary Meeting of Shareholders. The Company shall deliver the notice of shareholders and agenda of the meeting with the clear opinion of the Board of Directors in each agenda at least 14 days prior to the date of the Meeting.

6. Duties and Responsibilities of the Management

The Executive Management shall have responsibilities assigned to it by the Board of Directors with the determination to be the most efficient in conducting its duties with honesty and in compliance with the vision, mission and corporate value as determined by the Board of Directors, and shall report the operational results regularly to the Board of Directors.

7. Policy on the Conflict of Interest

The Company provides a Compliance Manual which specify the ethics for the Company, the executives and the employees, the principles of which all employees shall sign with acknowledgement and strictly follow as the guidelines for transparent and fair treatment of the related persons in every group, such as:

The Board of Directors has appropriately considered a conflict of interest, related items or connected items as well as has disclosed information on the items likely to have a conflict of interest to the public.

The company has a policy to supervise the use of internal information of every departments, regulates to clarify the trading of securities by directors and employees.

8. Policy on the Internal Control and Risk Management System

The Company has a policy to provide an internal control system that is efficient enough for the acceptable risk level by determining the measures and internal control procedures in line with the work environment and encourage a balance between the flexibility in performing work and the sufficiency of efficient internal control as well as uphold the Risk Management Policy as directed by The Board of Directors. Executives and employees are responsible for assessing, monitoring, and promoting the efficient risk management system and structure.

9. Policy on the Accounting and Financial Transactions

The company provides accounting and financial reports that are correct, timely and accountable. There shall be complete documentations, which sufficiently support distribution of appropriate and timely information. The accounting and financial reports are prepared based on appropriate and consistent accounting policies, and in line with the generally accepted accounting principles, including the sufficient disclosure of significant information.

10. Policy on the Trading of Securities

The Board of Directors and Executive Management shall have the duty to report their securities holding in compliance with the rules and regulations of the Securities Exchange of Thailand and the Securities and Exchange Commission. The Company also prohibits the relevant persons who have known or may know any internal information from trading in related shares if the relevant information has not been disclosed to the public, including prohibiting the directors, Management Department and employees from participating in the preparation or having known the significant internal information in selling or purchasing of the Company shares at certain times. The individuals found violating the restrictions shall be subjected to disciplinary action and/or the law, as the case may be.

11. Policy on the Social Responsibility

The Company has social responsibility and contributes to social development by allocating certain amount of the annual budget to support social activities such as Education, Public Benefits, or relief works for victims of natural disasters.

2.5 SUPERVISION ON USING INSIDE INFORMATION

The Company has formulated policies and measures as specified in its Compliance Manual, as well as other Company procedures and other relevant rules to prevent the Company, its management and employees from using inside information arising from their duties for their own interests.

The various preventive policies and measures relating to inside information are as follows:

1. In reference to the Company's organization, each department is clearly divided according to its particular function. Also, a securities entry system is applied by departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:

- 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
 - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities from the end of accounting period until the next day after the announcement of financial statements to the public. Also, they have to report changes in securities holding during Company Board meetings or disclose and certify that there is no conflict of interest when they consider the transaction so as to promote transparency and fairness.
 - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.
 - 2.4 In order to monitor the Company, management and all officers subscribe to securities in which the Company is the underwriter during the specified period to promote fairness.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, those persons are not allowed to trade securities in predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

In May 2009, the Company transferred its securities and derivative businesses, including with its assets and major staffs to KT ZMICO according to plan to develop securities business between the Company and Krungthai Bank Plc. The Company obtained permission from Securities and Exchange Commission Office (SEC) and the Stock Exchange of Thailand (SET) to temporary cease its securities and derivative businesses. From doing so, the company re-organize the company's organization structure according to new structure as stated in item 2 in order to have proper and efficient business management. As a result, the Good Corporate Governance, Internal control and the Measurement on the prevention of using of inside information as stated in item 2.4 and 2.5 were adjusted accordingly. Under the new structure, the company still maintained the major & principal as the company's continuously done till present.



The Compliance and Internal Audit department will report directly to the Audit Committee and shall exert its influence to ensure that the above policies and measures are carried out. In case the management or employees act in violation of the applicable policies and measures, they shall be subject to disciplinary action.

2.6 INTERNAL CONTROL AND RISK MANAGEMENT

For 2010, the Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, and the Company's external auditor including concerning management officers to review the quarterly and annual financial statements for 2010 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. In addition, the Chairman of the Company's Audit & Risk Management Committee acted as an advisor to the Audit and Compliance Committee of KT ZMICO.

Based upon the information provided to us, the Audit and Risk Management Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

The Board of Directors is of the opinion that there is sufficiency and satisfaction in internal control system which could obtained reasonable assurance that the separate and consolidated financial statement of the company included the financial information stated in Annual Report for the year ended December 31, 2010 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

3. Dividend Policy

The dividend payment will be considered on the basis of the Company's profitability and liquidity and approval from the shareholders' meeting.

The Board of Directors will determine dividend policy of subsidiaries.

Corporate Social Responsibilities

Through out years, Seamico Securities Plc. has not only focused on the business success, but we also realize the importance of our responsibilities to the social community.

In 2009, the company and KT ZMICO Securities have joined the Population and Community Development Association (PDA) to develop the provincial communities. We have chosen “Sumhad” village in the Ban-yang district, Lamplimat, Buriram province to be our development target.

The project, which is a 3-year project, aims at developing and strengthening the long-term sustainable community through job creations within the area. This would provide means for a living for the locals without having to migrate for other jobs outside the community. The development project also urges for comprehensive improvements in quality of life in all aspects including social, environment, health, and education. The development agenda will be derived from the community’s own demand through the Village Community Development Committee. We and the PDA then act as mentors in educating and training the villagers to elevate the required knowledge and skills for the committee operations.

Apart from the quality of life improvements, we also aim to create a strong foundation to the youths in the community for a sustainable community development in the longer term. We provide financial support to construct the new building for Barn Sumhad School. With our goal in improving the education in parallel with the sport skills to the youth, we award the scholarships for the school athletes. The scholarships are also extended to the Prathom 6 graduated for further education in Matthayom level in the near-by area.





In 2010, we still keep track of development “Sumhad” village in the Ban-yang district, Lamplimat, Buriram province. The construction of a new school building will be completed near ready. In the same year, the company and KT ZMICO Securities donated equipment 20 sets of computers to Barn Sumhad School for the computer room. We provide teaching computer knowledge to the teachers and students in order to develop their skills since we expect that the technology will be an important role in learning, thinking and create more opportunities widely.



In addition, the company has other projects such as donation to help victims of the floods crisis in 2010 as part of the company with Krung Thai Bank and its alliances and to help alleviate the suffering community Thammamun Chainat Province etc.

Related Parties and Connected Transactions

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approvals of related party transactions were in compliance with rule and regulations of The SEC and SET. As at 31 December 2010, the Company did not change policies or increase in related parties contracts.

1. Purchase / Sale of goods and/or services

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
1) Quam Securities Co., Ltd. (Formerly named APC Securities Co., Ltd.) A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr.Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Share trading value	8.56	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	- Agreed by contract
	- Brokerage fee	0.02	-	-		
	- Securities business payable	8.76	-	-		
	- Securities business receivable	4.44	-	-		
2) Quam Securities Nominees (Singapore) Pte. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr.Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Share trading value	1,292.17	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	
	- Brokerage fee	2.38	-	-		
	- Collateral payable	0.005	-	-		
	- Securities business receivable	1.66	-	-		

1. Purchase / Sale of goods and/or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
3) Quam Asset Management Limited A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr.Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Share trading value	43.33	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	
	- Brokerage fee	0.11	-	-		
4) Quam Limited (Formerly named APC Group) Related by way of common Director, Mr.Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Other liabilities	-	0.04	0.01	- Actual expense incurred	
	- Office rental	-	0.24	1.13	- Fee at the rate HKD 22,941 per month, which is a normal rate charged to other customers	
5) Mac Sharaf Securities (U.A.E) LLC Related by way of common director, Mr.Robert W. McMillen	- Other expenses	0.21	-	-	- Actual expense incurred	
6) G Steel Public Company Limited Related by way of common director, Mr.Chaipatr Srivisarvacha	- Financial advisory fee income	0.50	-	-	- At the rate determined under the contract	
7) Seamico Asset Management Co., Ltd. (Seamico's current subsidiary)	- Share trading value	2.08	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	
	- Brokerage fee	0.005	-	-		
	- Accrued private fund management expenses	0.06	0.01	-	- At the rate of 0.4 per cent of net asset value of the fund as under the contract	
	- Private fund management expense	0.56	0.18	0.06		
	- Other income	0.30	0.10	-		- At the rate of Baht 25,000 per month
	- Other receivable	0.05	0.002	-		- Actual expense incurred
- Fee from sell agent	0.04	0.14	-	- Commission charged at 0.15 percent of NAV management, which is a normal rate charged to other customers.	- The income was between January to April 2009. From May 1, 2009 the agreement was transferred to KT Zmico Securities Co., Ltd.	

1. Purchase / Sale of goods and/or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
8) Seamico Derivatives Co., Ltd. (Seamico's subsidiary)	- Other receivable	1.00	-	-	- Actual expense incurred	Seamico Derivatives Co., Ltd. registered company dissolution on 13 December 2007 and refund its capital to shareholders already
9) KT Zmico Securities Co., Ltd. (Formerly named KTB Securities Co., Ltd.) Related by way of common director, Mr.Chaipatr Srivisarvacha and Mr.Pinit Puapan	- Other receivable - Outsourcing - Rental	0.15	0.25	0.24	- Actual expense incurred	
		-	1.20	1.80	- At the rate of Baht 150,000 per month	
		-	0.40	0.59	- At the rate of Baht 49,503 per month	
10) Brooker Group Plc. Related by way of common director with Seamico Mr.Robert W.McMillen and Mr.Chaipatr Srivisarvacha is independent director	- Brokerage fee expense	0.73	-	-	- At the rate determined under the contract at 15 - 30 per cent	
11) Burda (Thailand) Co., Ltd. Related by way of common director, Mr.Robert W. McMillen	- Advisory fee income - Accrued advisory fee	0.21	-	-	- At the rate agreed by the contract (Baht 0.23 million per annum)	- Mr.Robert W.McMillen resigned from Burda (Thailand) Co., Ltd. director since 17 May 2008
		0.09	-	-	- At the rate agreed by the contract	

1. Purchase / Sale of goods and/or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
12) Thanh Cong Securities Company J.S.C. Related by way of common director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Other receivable	-	1.23	-	- At the rate agreed by the contract	The Company has holding of 18.88 per cent in their equity.
13) Mr.Robert W. McMillen Director	- Share trading value	0.16	0.10	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	
	- Brokerage fee	0.0004	0.0002	-		
	- Collateral payable	0.02	-	-		
14) Mr.Bernard Pouliot Vice Chairman	- Share trading value	6.17	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charged to other customers.	
	- Brokerage fee	0.02	-	-		
	- Collateral payable	0.03	-	-		
15) Mrs.Duangrat Watanapongchat Deputy Managing Director	- Share trading value	2.45	0.27	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.006	0.0007	-		
	- Collateral payable	0.13	-	-		
16) Mr.Somchai Kanjanapetcharat Deputy Managing Director	- Share trading value	0.002	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage Fee	0.000005	-	-		

1. Purchase / Sale of goods and/or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
17) Mrs.Banchit Chittanusart Executive Vice President	- Share trading value	11.68	6.04	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.03	0.02	-		
18) Mr.Nuttawat Boonsong Mrs.Duangrat Watanapongchat's brother	- Share trading value	11.08	0.81	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	Formerly named Panudech Boonsong
	- Brokerage fee	0.03	0.002	-		
	- Collateral payable	0.37	-	-		
19) Mr.Decha Watanapongchat Mrs.Duangrat Watanapongchat's spouse	- Share trading value	9.53	1.22	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.01	0.002	-		
	- Collateral payable	1.08	-	-		
	- TFEX fee	-	0.02	-		
20) Mr.Thamkrit Watanapongchat Mrs.Duangrat Watanapongchat's son	- Collateral payable	0.24	-	-	- TFEX fee of Baht450 per contract, which is normal rate charged to other customers.	
	- TFEX fee	0.02	0.003	-		
21) Ms.Jarupa Arunyawat Mr.Chao Arunyawat's spouse	- Share trading value	8.53	-	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	Mr.Chao Arunyawat resigned from the Company's director since February 27, 2010.
	- Brokerage fee	0.02	-	-		
	- Collateral payable	1.02	-	-		

1. Purchase / Sale of goods and/or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
22) Ms.Samorntip Arunyawat Mr.Chao Arunyawat's sister	- Share trading value	5.71	0.27	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.01	0.0004	-		
	- Collateral	0.72	-	-		
	- Securities business payable	0.006	-	-		
23) Mr.Parit Arunyawat Mr.Chao Arunyawat's son	- Share trading value	21.28	8.87	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.05	0.02	-		
	- Securities business payable	0.40	-	-		
	- Collateral	0.32	-	-		
24) Ms.Yaovaluk Arunyawat Mr.Chao Arunyawat's sister	- Share trading value	11.29	1.62	-	- Fee was determined 0.25 per cent from cash account and 0.15 - 0.20 per cent of volume trade via internet, which is a normal rate charge to other customers.	
	- Brokerage fee	0.03	0.008	-		
	- Securities business receivable	0.10	-	-		
	- Securities business payable	0.27	-	-		
	- Collateral	0.25	-	-		

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
1) Seamico Asset Management Co., Ltd. (Seamico's current subsidiary)	- Investment in common shares	52.43	51.17	31.01	- Investment portion 100 per cent	
	- Increase investment in common shares	-	20.00	10.00	- Total 8 million shares at the price Baht 1.25 per share	
	- Investment in mutual fund	40.00	25.63	-	- Total 2 million shares at the price Baht 10 per share and 1,952,514.8391 shares at the price Baht 10.2432 per share	
	- Investment in Government bond	22.38	-	-	- At market price	
	- Investment value in mutual fund at year end	35.14	43.55	51.39	- At NAV of the fund	
	- Withdrawal mutual fund managed by subsidiary	50.64	25.63	-	- At net asset value 5 million units at the price Baht 10.1279 per unit	
	- Investment in private fund managed by subsidiary	140.00	-	-	- At investment cost, Baht 140 million.	
	- Withdrawal private fund managed by subsidiary	-	135.00	26.55	- At NAV of the fund	
	- Investment value in private fund at year end	156.95	24.62	-	- At NAV of the fund	
	- Purchase of equipment	0.05	-	-	- At book value of assets on selling date	
2) Srivisarvacha Foundation Related by way of common director Mr.Chaipatr Srivisarvacha	- Sale of Government bond	7.31	-	-	- At market price	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
3) KT Zmico Securities Co.,Ltd. (Formerly name KTB Securities Co., Ltd.) Related by way of common director Mr.Chaipart Srivisarvacha and Mr.Pinit Puapan	- Investment in common shares - Accrued income from associated company	437.51	937.51	1,087.50	- Investment portion at 49.54 per cent - At the Pro-rated EBITDA	
4) Thanh Cong Securities Company J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Investment in common shares	-	156.02	80.54	- Total 6,796,500 shares at price VND 11,500 per share	The Company has holding of 18.88 per cent in their equity.

3. Lending

- No transaction

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2008	2009	2010		
1) Thanh Cong Securities Company J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Agreement to provide advisory services - Annual advisory fee	-	9.44	4.57	- Fee in accordance with the contract total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month.	The Company has holding of 18.88 per cent in their equity.

Audit Committee's opinion with regard to related parties and connected transaction as of 31st December 2010

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods and/or services	The transactions are reasonable at market rate or fair value.
2. Purchase / Sale of assets and investment	The transactions are reasonable at market rate or fair value. This is for business expansion in order to launch new products.
3. Lending	- No transaction -
4. Management contracts or agreements to provide assistance	The transactions are determined to be reasonable to develop and expand its international business.

Policy and Related Parties and Connected Transactions in the Future

The Company's policy relating to connected transactions is to follow the guidelines in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission. Any connected transactions shall be considered in terms of transparency, fairness and benefit to the company.

The Company has approval to temporary discontinue its Securities trading business. The types of connected transactions are mostly investment in subsidiary and associated companies which related to normal business activities. The groups of related parties are disclosed in the "Related Parties and Connected Transactions" table above.

Management Discussion and Analysis

1. Overall operating results in the year ended December 31, 2010

Seamico Securities Public Company Limited (“The Company”) has restructured its business by transfer securities business to KT ZMICO Securities Company Limited (“KT ZMICO”) which is its associated company since May 1, 2009 and temporary discontinue its Securities trading business and Derivatives trading business from that time. This resulted the Company and subsidiary has net profit of Baht 67 million for the year ended December 31, 2010 compared with the net income of Baht 17 million recorded last year. Since 2009, the Company operated securities business only first four months from January to April 2009 from May to December 2009 all securities trading business and derivatives trading business were operated by KT ZMICO Securities Company Limited. This affected the Company realized share of profit of associated company for eight months in 2009 but realized share of profit of associated company under equity method of Baht 111 million for fully year of 2010 and realized gain on transfer of assets and its business to associated company of Baht 46 million. At the same time, the Company had operating expenses of Baht 87 million which some expenses arose from personnel expenses and directors and managements’ remuneration. The Company and subsidiary recorded taxable income of Baht 39 million since increase of deferred tax rate from 25 per cent to 30 per cent and tax effect of the difference from non deductible income and expense between accounting standard and tax standard. These affected the Company generated net profit in year 2010 of Baht 67 million.

In 2010, KT ZMICO had a market share of 4.6 per cent in the Stock Exchange of Thailand with a trading volume ranked 6th. For Derivative market, the market share of derivatives business of KT ZMICO was 4.2 per cent with the trading volume ranked 7th.

Major 2010 Impact

After the securities business transfer, the Company’s operating results depend on the operating results of KT ZMICO Securities Co., Ltd. The main income in the Company’s financial statement came from share of profit of associated company under equity method which is in equivalent to 49.54 per cent of issued and paid-up share capital of such associated company. Moreover, the other incomes came from interest and dividend income from investments in debt and equity securities for cash management in order to continue the Company’s liquidity.

The Securities Industry and the Thai Market

During the year of 2010, the SET market has recovered starting from the third quarter.

- The SET Index rose by 40.60 per cent or from 734.54 points at the end of 2009 to 1,032.76 points at the end of 2010.
- The combined market capitalisation of the SET and MAI increased from Baht 5,912 billion in 2009 to Baht 8,390 billion in 2010, or an increase of 41.91 per cent.
- The overall average daily trading volume of the market increased from Baht 18.23 billion in 2009 to Baht 29.07 billion in 2010, or an increase of 59.47 per cent.

Expanded Customer Base

- The client of KT ZMICO Securities Co., Ltd. increased by 20 per cent from the previous year. Furthermore, it expanded new businesses such as offshore securities trading and issuing derivative warrants for investors in 2010.
- In 2010, Seamico Asset Management, the subsidiary, launched 10 mutual funds, with approved fund size of Baht 11,000 million. As at 31 December 2010, there were 14 funds under management with total net asset value of Baht 2,896.09 million.

Corporate and Investment Activities

- In April 2010, the Company additionally invested Baht 150 million in KT ZMICO's ordinary shares, therefore, the Company holds 49.54 per cent interest in KT ZMICO.
- In May 2010, the Board of Directors Meeting No.3/2010 approved the resolution to sell all shares in Thanh Cong Securities Company J.S.C. (TCSC), which is a securities company in Vietnam to KT ZMICO at the price of Baht 147.66 million. At December 31, 2010, the Company has allowance for loss on impairment for TCSC of Baht 75.48 million. However, the Company has not sold the share yet and at the end of 2010 the per cent interest in TCSC is still at 18.88%.

Local and International Awards and Recognitions

- In 2010, The Company won an "Excellent and should be Example" rating for the AGM 2010 assessed by the Thai Investors Association.
- In 2010, The Company earned a "Very Good" rating for the Corporate Governance 2010 assessed by the Thai Institute of Director (IOD).

Balance Sheet

- As at December 31, 2010, shareholders' equity was Baht 1,670 million which decreased from Baht 2,027 million as at December 31, 2009. This was a result of the reduction of authorized and issued and paid-up share capital of the Company of Baht 407 million for returning capital to shareholders and buy of treasury stock of Baht 22 million. While, the Company generated net profit in 2010 of Baht 67 million and revaluation surplus in available-for-sale securities increased by Baht 5 million.
- The Company has approved to temporary discontinue its Securities trading business and Derivative trading business from the Office of the Securities and Exchange Commission (SEC), effective from May 1, 2009 to December 31, 2011. Therefore, the Company is not required to maintain its net liquid capital as define by the SEC.
- The Company remains free of external debts.

2. Operating Results

During 2010, the Company and its subsidiary recorded the total income of Baht 121 million, a decrease of 71 per cent from the previous year. This was because the Company transferred securities business and account receivables (margin accounts) to KT ZMICO which is its associated company and the Company has temporary ceased to operate its Securities trading business and Derivative trading business since May 1, 2009.

(Million Baht)

	2009		2010	
	Amount	%	Amount	%
Brokerage fees from securities business	107.13	25.77	-	-
Brokerage fees from derivatives business	13.99	3.36	-	-
Fee and service income	16.64	4.00	12.78	10.57
Gains (loss) on trading in securities	20.69	4.98	(60.36)	(49.93)
Interest and dividend income	36.71	8.83	10.41	8.61
Interest on margin loans	30.34	7.30	-	-
Share profit of associated company	57.48	13.83	110.51	91.41
Gain on transfer of assets and its business to associated company	132.31	31.83	46.25	38.26
Other income	0.44	0.10	1.30	1.08
Total income	415.73	100.00	120.89	100.00

(1) Income

1.1) Fee and Service Income

The Company and its subsidiary earned fee and service income in 2010 of Baht 13 million which decreased from Baht 17 million last year or a dropped of 23 per cent. During 2010, fee and service income came from private fund and mutual fund management of Baht 8 million and financial advisory fee of Baht 4 million.

1.2) Gain on Trading in Securities

During 2010, the Company realized loss on securities trading of Baht 60 million which resulted from;

-	Gain on equity securities trading	Bah	3	million
-	Gain on debt securities trading	Baht	1	million
-	Gain on investment in Private fund	Baht	1	million
-	Set up impairment loss on investment*	Baht	65	million

* In 2010, the Company realized impairment loss on investment in Thanh Cong Securities Company J.S.C. ("TCSC"), the securities company in Vietnam, of Baht 75 million and reversal impairment loss on other investments of Baht 10 million.

After the business transfer, the major investments of the Company are debt securities for liquidity management.

1.3) Interest and dividend income

In 2010, the Company had interest income from deposits at bank and financial institutions and investment in debt of Baht 10 million.

1.4) Share of profit of associated company

In 2010, the Company recognized share of profit of associated company (KT ZMICO) under equity method of Baht 111 million.

1.5) Gain on transfer of assets and business to associated company

On May 1, 2009, the Company transferred its business to KT ZMICO with the payment of Baht 500 million received from KT ZMICO. On May 4, 2009 the Company received up front payment of Baht 300 million. The remaining payment of Baht 200 million will be received within 3 years based on the operating results of KT ZMICO.

At the date of assets transfer to KT ZMICO, the Company recognized gain on transfer of assets and business to KT ZMICO in separate financial statements of Baht 185 million. However, the Company recognized such gain on transfer of assets and business to KT ZMICO as income in the consolidated financial statement of Baht 94 million according to the shareholding percentage of the third parties in KT ZMICO at 50.55 per cent. The remaining amount of Baht 91 million was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated balance sheet.

The Company will realize such “unrealized gain on transfer of assets to the associated company” as income when the Company has lower percentage of shareholding in KT ZMICO or when KT ZMICO sells such transferred assets to the third parties. During 2009, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets to the associated company” as gain on transfer of assets and business to associated company in consolidated financial statements of Baht 9 million.

In the fourth quarter of 2009, the separate financial statements additionally recorded gain on transfer of assets and business to associated company of Baht 58 million and recorded an accrued income at the same amount as part of the remaining of Baht 200 million payments which the Company will receive from KT ZMICO. However, the Company recognized such gain on transfer of assets and business to associated company as income of Baht 29 million in the consolidated financial statement according to the shareholding percentage of the third parties in KT ZMICO at 50.55 per cent. The remaining amount to Baht 29 million was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated balance sheet.

During 2010, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets to the associated company” as gain on transfer of assets and business to associated company in consolidated financial statements of Baht 10 million.

In the fourth quarter of 2010, the separate financial statements additionally recorded gain on transfer of assets and business to associated company of Baht 72 million and recorded an accrued income at the same amount as part of the remaining of Baht 200 million payments which the Company will receive from KT ZMICO. However, the Company recognized such gain on transfer of assets and business to associated company as income of

Baht 36 million in the consolidated financial statement according to the shareholding percentage of the third parties in KT ZMICO at 50.55 per cent. The remaining amount to Baht 36 million was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated balance sheet.

At 2010, the total unrealized gain on transfer of assets to the associated company was Baht 137 million which is summarized in the table below.

(Million Baht)

	Gain on transfer of assets		Unrealized gain on transfer of assets (Liabilities)
	Separate (income)	Consolidated (income)	
Record at the date transfer assets	185	94	91
KT ZMICO sold the transferred assets to third party during 2009		9	(9)
Record in 2009	58	29	29
Total in 2009	243	132	
KT ZMICO sold the transferred assets to third party during 2010		10	(10)
Record in 2010	72	36	36
Total in 2010	72	46	137

(2) Securities Business Expenses

The Company had total expenses of Baht 93 million, a decrease of Baht 317 million or 77 per cent from previous year.

(Million Baht)

	2009		2010	
	Amount	%	Amount	%
Expense on borrowings	4.12	1.01	-	-
Fees and services expenses	11.05	2.70	7.21	7.75
Bad debts and doubtful debts	35.76	8.73	(0.81)	(0.87)
Operating expenses	358.62	87.56	86.56	93.12
Total expenses	409.55	100.00	92.96	100.00

2.1) Fee and Service Expenses

In 2010, Fees and Service expenses were Baht 7 million which mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.2) Bad debts and doubtful debts

During 2010, the Company received money from account receivables (Margin accounts) affected from financial crisis at the end of year 2008. Thus, Bad debts and doubtful debts decreased from the previous year, 2009.

(3) Operating Expenses

Major portion of operating expenses were personnel expenses, premises and equipment expenses and director and managements' remuneration which accounted for 28 per cent, 14 per cent and 32 per cent of total operating expenses, respectively. However, these expenses decreased by 76 per cent from previous year which was in line with the temporary cease of securities and derivatives business trading since May 1, 2009.

According to the business transfer to KT ZMICO, in 2010, the Company paid the retention bonus to employees who transferred to work at KT ZMICO of Baht 21.6 million. At the end of 2010, such retention bonus was fully paid.

(4) Profit Margin

The net profit margin for 2010 and 2009 were 56 per cent and 4 per cent respectively. This resulted from the large amount of share of profit and realized gain from transfer of assets and business to KT ZMICO.

(5) Return on Equity

Return on equity was 3.45 per cent in 2010 which increased from 0.76 per cent in 2009.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position**1. Assets****1.1 Combination of Assets**

As at December 31, 2010, the Company and its subsidiary had total assets of Baht 1,853 million, 80 per cent of which was current assets and 20 percent was non-current assets.

Major changes to assets were as follows:

- Cash and Cash Equivalent

Cash and cash equivalents as at December 31, 2010 were Baht 167 million, a decrease of Baht 96 million, or 37 per cent from year 2009 (See details in 2.1 Cash Flow).

- Investment in Securities

As at December 31, 2010, the Company has set up allowance for loss on impairment for ordinary shares of Thanh Cong Securities Company J.S.C. ("TCSC") of Baht 75 million which the original cost was Baht 156 million. This affected the book value of TCSC equalled to Baht 81 million. Additional, the Company redeemed the whole investments in listed securities through private fund managed by Seamico Asset Management and sold the total of investment in debt securities in order to return capital to the Company's shareholders.

- Investment in associate company

In April 2010, the Company additionally invested in 18 million ordinary shares of KT ZMICO or an amounting to Baht 150 million, totally equivalent to 110.35 million shares, with total amount of Baht 1,087.5 million. The Company has 49.54 per cent interest in KT ZMICO.

- Securities Business Receivables

Securities business receivables as at December 31, 2010 decreased by 91 per cent from December 31, 2009 because the Company received money of Baht 14 million from account receivable (margin account) affected from financial crisis at the end of year 2008. Therefore, the outstanding of securities business receivable of the Company as at December 31, 2010 consisted of receivables under litigation of Baht 131 million and receivables during follow up for payment of Baht 156 million. However, The Company has already reserved full amount of provision for doubtful accounts per the SEC guideline.

- Building improvements and equipment - net

Building improvement and equipment - net as at December 31, 2010 decreased by 27 per cent from year 2009 because of depreciation.

- Assets classified as held for sale - net

In September 2009, the Company received the land with total area of 26 Rai and 93 square war at Amphur Talang , Phuket from debtor in bill of exchange that had matured but unable to be redeemed by the issuer to settle its debt amounting to Baht 157 million. At present, the Company is in process to find the potential buyers. As at December 31, 2010, the land was appraised at Baht 220 million by an independent appraisal.

1.2 Quality of Assets

In the Financial statement, the Company recorded a revaluation adjustment of assets according to accounting standards and the SEC's rule. The major assets can be summarised as follows:

- Investment

As at December 31, 2010, the Company had total investments of Baht 137 million (original cost Baht 225 million), or 7 per cent of total assets. Investments comprised as follows.

(Million Baht)

Classification	Cost/ Amortised cost	Fair value
Short-term investments		
<u>Trading securities</u>		
Equity securities - Listed securities	6.37	4.73
Add Revaluation adjustments	(1.64)	-
Total trading securities - net	4.73	4.73
<u>Available-for-sale securities</u>		
Equity securities - Unit trust	40.65	51.38
Total	40.65	51.38
Add Revaluation adjustments	10.73	-
Total available-for-sale - net	51.38	51.38
Total short-term investments - net	56.11	56.11
Long-term investments		
<u>General investments</u>		
Ordinary shares	178.30	81.03
Preferred shares	0.13	0.13
Total	178.43	81.16
Less Allowance for loss on impairment	(97.27)	-
Total long-term investments - net	81.16	81.16
Total investments in debt and equity securities - net	137.27	137.27

As at December 31, 2010, the Company decreased proportion of investment in debt securities by 100 per cent. The remaining proportions of investment as at December 31, 2010 are as follows;

Investment in listed securities	4	per cent
Investment in unit trust	37	per cent
Investment in other securities	59	per cent

- Securities Business Receivables and Accrued Interest Receivables

The Company had total securities receivables and accrued interest receivables as at December 31, 2010 of Baht 287 million with allowance for doubtful debt of Baht 286 million, or 99.53 per cent of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

As at December 31, 2010, receivables of Baht 131 million were in the legal proceeding, which the amount of Baht 120 million arose from margin accounts at the end of year 2008 and the amount of Baht 11 million were old cases of legal proceeding that the company has won legal judgement. Also, another group of margin loans at the amount of Baht 156 million are in process to negotiate for debt payment.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at December 31, 2010 totalled Baht 167 million or a decrease from December 31, 2009 by Baht 96 million. The summary of cash-in flow and cash-out flow from various activities are shown in the following table.

Activities	Million Baht
Cash provided by Operating Activities	357
Cash used in Investing Activities	(30)
Cash used in Financing Activities	(423)
Net decrease in Cash and Cash Equivalent	(96)

The Company has used cash in the activities below to generate more income and facilitate liquidation.

- Operating Activities

During 2010, cash from operating activities increased by Baht 357 million which came from the following transactions.

A decrease of trading securities by Baht 395 million, a net decrease of securities and derivatives business receivables and payables by Baht 15 million, a decrease of other assets by Baht 27 million, an increase of accrued expenses and other liabilities by Baht 13 million, a decrease of operating profit by Baht 93 million and a decrease of accrued retention bonus by Baht 34 million.

- Investing Activities

During 2010, net cash used in investing activities decreased by Baht 30 million which came from the following transactions.

The amount of Baht 150 million was used for purchasing shares of associate company, KT ZMICO. On the other hand, the Company received cash from dividend (from an associated company) of Baht 41 million, selling assets and securities business to KT ZMICO of Baht 58 million, and selling other long term investment of Baht 22 million.

- Financing Activities

During 2010, a decrease of cash by Baht 423 million came from below transactions.

Cash paid from capital reduction of Baht 401 million and treasury stock of Baht 22 million.

2.2 Significant Liquidity Ratios

The Company had enough liquidity as indicated by the liquidity ratios in the table below.

	Dec 31, 2009	Dec 31, 2010
Liquid Assets to Total Assets Ratio (%)	33	12
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

Since May 1, 2009, The Company has approved to temporary cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

3. Investment Expenses

Investment

See topic “Investment in Securities” under Financial Position 1. Assets and “Investing Activities” under Liquidity 2.1 Cash Flow.

4. Sources of Capital

4.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2010 and December 31, 2009 was 0.11 times and 0.09 times, respectively.

4.2 Shareholders' equity

As at December 31, 2010, shareholders' equity totalled Baht 1,670 million, a decrease of Baht 357 million, or 18 per cent from December 31, 2009. This was the result of cash payment for capital reduction of Baht 407 million and treasury stock of Baht 22 million. While, the Company generated a net profit for the year 2010 of Baht 67 million and revaluation surplus in available-for-sale securities increased by Baht 5 million.

4.3 Liabilities

The Company has no outstanding loan, as the result there is no future contingent liability.

Report and Financial Statements

Seamico Securities Public Company Limited and Its Subsidiary

Year ended December 31, 2010

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SEAMICO SECURITIES PUBLIC COMPANY LIMITED

We have audited the consolidated balance sheets of Seamico Securities Public Company Limited and its subsidiary and separate balance sheets of Seamico Securities Public Company Limited as at December 31, 2010 and 2009, and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying our opinion, as discussed in Note 1 to the financial statements, in year 2009 the Company was transferred its business and margin loan accounts to an associated securities company. The Company is approved by the Office of the Securities and Exchange Commission to temporarily cease the operation in securities business.



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
February 24, 2011

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2010	2009	2010	2009
ASSETS					
Cash and cash equivalents	4	166,798,655	263,465,979	147,228,783	223,796,597
Investments in debt and equity securities - net	5.1	137,265,277	613,645,734	137,265,277	613,645,734
Investments in subsidiary and associated companies - net	6	1,185,067,357	967,375,679	1,118,512,429	988,676,307
Securities business receivables and accrued interest receivables - net	7	1,349,154	15,585,302	1,349,154	15,585,302
Building improvements and equipment - net	9	2,613,143	3,582,804	329,160	366,460
Intangible assets - net	10	10,078,207	10,916,687	3,341,810	3,320,555
Deferred tax assets - net	11	110,727,835	73,881,071	69,643,751	46,037,870
Assets classified as held for sale - net	12	160,315,680	160,315,680	160,315,680	160,315,680
Other assets	13	79,014,163	92,648,785	73,730,303	88,492,669
TOTAL ASSETS		<u>1,853,229,471</u>	<u>2,201,417,721</u>	<u>1,711,716,347</u>	<u>2,140,237,174</u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2010 AND 2009

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Accrued expenses		9,287,499	8,143,244	7,396,966	7,060,396
Accrued retention bonus	33.4	-	33,964,240	-	33,964,240
Unrealized gain on sale of assets to associated company	6	136,946,949	111,372,806	-	-
Other liabilities	16	37,313,165	20,817,214	36,337,165	18,433,395
Total liabilities		<u>183,547,613</u>	<u>174,297,504</u>	<u>43,734,131</u>	<u>59,458,031</u>
SHAREHOLDERS' EQUITY					
Share capital	17				
Authorized share capital					
833,895,131 ordinary shares of Baht 0.5 each		<u>416,947,565</u>		<u>416,947,565</u>	
1,083,833,521 ordinary shares of Baht 1 each			<u>1,083,833,521</u>		<u>1,083,833,521</u>
Issued and paid-up share capital					
833,895,131 ordinary shares of Baht 0.5 each		416,947,565		416,947,565	
833,895,131 ordinary shares of Baht 1 each			833,895,131		833,895,131
Premium on share capital	22	1,116,138,100	1,116,138,100	1,116,138,100	1,116,138,100
Premium on share capital - treasury stock	18	15,518,880	15,518,880	15,518,880	15,518,880

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2010 AND 2009

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
Revaluation surplus in investments	5.5	6,009,786	1,923,074	7,514,824	2,171,750
Foreign exchange adjustment		(89,172)	-	-	-
Retained earnings (deficit)					
Appropriated					
Statutory reserve	23	108,383,352	108,383,352	108,383,352	108,383,352
Treasury stock	24	31,824,872	20,059,923	31,824,872	20,059,923
Unappropriated (deficit)		6,773,347	(48,738,320)	3,479,495	4,671,930
<u>Less</u> Treasury stock	18	<u>(31,824,872)</u>	<u>(20,059,923)</u>	<u>(31,824,872)</u>	<u>(20,059,923)</u>
Total shareholders' equity		<u>1,669,681,858</u>	<u>2,027,120,217</u>	<u>1,667,982,216</u>	<u>2,080,779,143</u>
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		<u>1,853,229,471</u>	<u>2,201,417,721</u>	<u>1,711,716,347</u>	<u>2,140,237,174</u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2010	2009	2010	2009
REVENUES					
Brokerage fees from securities business		-	107,131,253	-	107,131,253
Brokerage fees from derivatives business		-	13,986,064	-	13,986,064
Fees and services income	25	12,782,753	16,637,280	4,566,200	13,826,101
Gain (loss) on trading in securities and derivatives	5.2	(60,358,621)	20,686,707	(60,358,621)	21,151,313
Interest and dividend income		10,410,524	36,707,981	51,538,997	36,127,932
Interest on margin loans		-	30,342,297	-	30,342,297
Share of profit of associated company accounted for under equity method	6	110,513,412	57,482,566	-	-
Gain on transfer of assets and its business to associated company	6	46,245,053	132,315,064	71,819,196	243,687,870
Other income		1,300,282	443,062	1,047,365	543,061
Total revenues		<u>120,893,403</u>	<u>415,732,274</u>	<u>68,613,137</u>	<u>466,795,891</u>
EXPENSES					
Expense on borrowings		26	4,116,720	18	4,116,720
Fees and services expense	26	7,210,392	11,057,140	1,145,244	8,512,701
Bad debts and doubtful accounts (reversal)		(814,783)	35,755,000	(814,783)	35,755,000
Loss on impairment of subsidiary		-	-	30,163,728	21,255,616
Operating expenses					
Personnel expenses		24,593,937	179,845,094	11,277,337	170,059,238
Premises and equipment expenses		11,919,023	51,659,222	4,778,383	47,186,502
Taxes and duties		235,323	3,152,177	213,445	3,108,602
Directors and managements' remuneration	27	27,672,800	49,880,288	22,105,800	46,680,288
Consulting fee		7,439,722	21,306,748	5,471,273	19,838,268
Communication and information expenses		1,580,192	21,940,623	36,632	21,371,498
Other expenses	28	13,123,640	30,834,770	9,766,148	28,372,120
Total operating expenses		<u>86,564,637</u>	<u>358,618,922</u>	<u>53,649,018</u>	<u>336,616,516</u>
Total expenses		<u>92,960,272</u>	<u>409,547,782</u>	<u>84,143,225</u>	<u>406,256,553</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

		BAHT			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
Notes		2010	2009	2010	2009
	INCOME (LOSS) BEFORE INCOME TAX	27,933,131	6,184,492	(15,530,088)	60,539,338
	INCOME TAX - INCOME (EXPENSE)	39,343,485	10,750,490	26,102,602	(17,092,711)
	NET INCOME	<u>67,276,616</u>	<u>16,934,982</u>	<u>10,572,514</u>	<u>43,446,627</u>
	BASIC EARNINGS PER SHARE	31 BAHT 0.082	0.021	0.013	0.053

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

CONSOLIDATED FINANCIAL STATEMENTS										
Notes	Issued and paid-up share capital	Premium on share capital	Premium on share capital - Treasury stock	Revaluation surplus (deficit) in investments	Foreign exchange adjustment	Appropriated retained earnings		Unappropriated retained earnings (deficit)	Treasury stock	Total shareholders' equity
						Statutory reserve	Treasury stock			
Balance as at January 1, 2009	833,758,869	1,116,138,100	15,518,880	(4,123,363)	-	108,383,352	19,396,580	470,839,524	(19,396,580)	2,540,515,362
Decrease in revaluation deficit in investments	-	-	-	6,046,437	-	-	-	-	-	6,046,437
Net income	-	-	-	-	-	-	-	16,934,982	-	16,934,982
Increase in share capital	17 and 19.2 136,262	-	-	-	-	-	-	-	-	136,262
Treasury stock	18 -	-	-	-	-	-	-	-	(663,343)	(663,343)
Appropriation of treasury stock	24 -	-	-	-	-	-	663,343	(663,343)	-	-
Dividends	20 -	-	-	-	-	-	-	(412,180,460)	-	(412,180,460)
Interim dividends	20 -	-	-	-	-	-	-	(123,669,023)	-	(123,669,023)
Ending balance as at December 31, 2009	<u>833,895,131</u>	<u>1,116,138,100</u>	<u>15,518,880</u>	<u>1,923,074</u>	<u>-</u>	<u>108,383,352</u>	<u>20,059,923</u>	<u>(48,738,320)</u>	<u>(20,059,923)</u>	<u>2,027,120,217</u>
Balance as at January 1, 2010	833,895,131	1,116,138,100	15,518,880	1,923,074	-	108,383,352	20,059,923	(48,738,320)	(20,059,923)	2,027,120,217
Increase in revaluation surplus in investments	-	-	-	4,086,712	-	-	-	-	-	4,086,712
Reduction of issued and paid-up share capital	17 (416,947,566)	-	-	-	-	-	(10,147,500)	10,147,500	10,147,500	(406,800,066)
Foreign exchange adjustment	-	-	-	-	(89,172)	-	-	-	-	(89,172)
Net income	-	-	-	-	-	-	-	67,276,616	-	67,276,616
Treasury stock	18 -	-	-	-	-	-	-	-	(21,912,449)	(21,912,449)
Appropriation of treasury stock	24 -	-	-	-	-	-	21,912,449	(21,912,449)	-	-
Ending balance as at December 31, 2010	<u>416,947,565</u>	<u>1,116,138,100</u>	<u>15,518,880</u>	<u>6,009,786</u>	<u>(89,172)</u>	<u>108,383,352</u>	<u>31,824,872</u>	<u>6,773,347</u>	<u>(31,824,872)</u>	<u>1,669,681,858</u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

Notes	SEPARATE FINANCIAL STATEMENTS								Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Premium on share capital	Revaluation surplus (deficit) in investments	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings (deficit)	Treasury stock	Treasury stock	
				- Treasury stock					
Balance as at January 1, 2009	833,758,869	1,116,138,100	15,518,880	(3,670,622)	108,383,352	19,396,580	497,738,129	(19,396,580)	2,567,866,708
Decrease in revaluation deficit in investments	-	-	-	5,842,372	-	-	-	-	5,842,372
Net income	-	-	-	-	-	-	43,446,627	-	43,446,627
Increase in share capital	17 and 19.2 136,262	-	-	-	-	-	-	-	136,262
Treasury stock	18 -	-	-	-	-	-	-	(663,343)	(663,343)
Appropriation of treasury stock	24 -	-	-	-	-	663,343	(663,343)	-	-
Dividends	20 -	-	-	-	-	-	(412,180,460)	-	(412,180,460)
Interim dividends	20 -	-	-	-	-	-	(123,669,023)	-	(123,669,023)
Ending balance as at December 31, 2009	<u>833,895,131</u>	<u>1,116,138,100</u>	<u>15,518,880</u>	<u>2,171,750</u>	<u>108,383,352</u>	<u>20,059,923</u>	<u>4,671,930</u>	<u>(20,059,923)</u>	<u>2,080,779,143</u>
Balance as at January 1, 2010	833,895,131	1,116,138,100	15,518,880	2,171,750	108,383,352	20,059,923	4,671,930	(20,059,923)	2,080,779,143
Increase in revaluation surplus in investments	-	-	-	5,343,074	-	-	-	-	5,343,074
Reduction of issued and paid-up share capital	17 (416,947,566)	-	-	-	-	(10,147,500)	10,147,500	10,147,500	(406,800,066)
Net income	-	-	-	-	-	-	10,572,514	-	10,572,514
Treasury stock	18 -	-	-	-	-	-	-	(21,912,449)	(21,912,449)
Appropriation of treasury stock	24 -	-	-	-	-	21,912,449	(21,912,449)	-	-
Ending balance as at December 31, 2010	<u>416,947,565</u>	<u>1,116,138,100</u>	<u>15,518,880</u>	<u>7,514,824</u>	<u>108,383,352</u>	<u>31,824,872</u>	<u>3,479,495</u>	<u>(31,824,872)</u>	<u>1,667,982,216</u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	67,276,616	16,934,982	10,572,514	43,446,627
Adjustments to reconcile net income to net cash from operating activities				
Gain attributable to minority interest	-	29,265	-	-
Gain on sale of investment in subsidiary	-	(11,046)	-	(475,652)
Depreciation and amortization	3,273,262	16,853,781	144,932	14,251,181
Bad debt and doubtful account (reversal)	(814,783)	35,755,000	(814,783)	35,755,000
Allowance for investment banking receivables	-	550,550	-	550,550
Gain on transfer of asset as debt collateral	-	(996,423)	-	(996,423)
Unrealized loss (gain) on trading securities	2,944,724	(4,024,170)	2,944,724	(4,024,170)
Loss on impairment of investments in securities (reversal)	65,472,212	(11,034,500)	65,472,212	(11,034,500)
Loss on impairment of investments in subsidiary	-	-	30,163,728	21,255,616
Gain from sale of available-for-sale securities	(1,327,587)	(650,104)	(1,327,587)	(650,104)
Loss on write-off general investments	-	9,180,750	-	9,180,750
Share of profit of associated company accounted for under equity method	(110,513,412)	(57,482,566)	-	-
Reversal of loss on impairment of property foreclosed	-	(154,350)	-	(154,350)
Loss on disposal of equipment and intangible assets	-	3,342,528	-	3,342,528
Gain on transfer of equipments and intangible assets to associated company	(9,940,449)	(52,502,059)	-	(85,798,641)
Gain on transfer of business to associate company	(36,304,604)	(79,813,005)	(71,819,196)	(157,889,229)
Interest income from receivable with asset transferred as collateral	-	(18,781,629)	-	(18,781,629)
Accrued retention bonus	(33,964,240)	33,964,240	(33,964,240)	33,964,240
Dividend from associated company	-	-	(41,476,050)	-
Deferred tax expense (income)	(39,343,485)	(10,750,490)	(26,102,602)	17,092,711
Loss from operating before changes in operating assets and liabilities	(93,241,746)	(119,589,246)	(66,206,348)	(100,965,495)
(Increase) decrease in operating assets				
Trading securities	394,656,758	72,648,332	394,656,758	72,648,332
Receivable from Clearing House	-	171,101,586	-	171,101,586
Securities business receivables and accrued interest receivables	15,050,931	60,154,889	15,050,931	60,154,889
Other assets	27,273,014	3,651,367	28,400,758	5,104,322

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Securities business payables	-	(360,242,272)	-	(360,242,272)
Accrued expenses	1,144,255	(49,964,649)	336,570	(50,861,694)
Other liabilities	12,574,425	5,322,668	12,559,744	3,738,209
Net cash provided by (used in) operating activities	<u>357,457,637</u>	<u>(216,917,325)</u>	<u>384,798,413</u>	<u>(199,322,123)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for purchase of investments	-	(181,646,368)	-	(181,646,368)
Proceeds from disposal of investments	22,474,145	38,601,237	22,474,145	38,601,237
Proceeds from disposal of subsidiary	-	1,475,652	-	1,475,652
Cash paid for purchase of investment in associated company	(149,999,850)	(500,000,000)	(149,999,850)	(500,000,000)
Cash paid for purchase of investment in subsidiary	-	-	(10,000,000)	(20,000,000)
Cash paid for acquisition of equipment	(841,639)	(2,776,135)	(104,320)	(2,208,610)
Proceeds from disposal of equipment and intangible assets	-	18,698	-	18,698
Proceeds from transfer of equipment and intangible assets to associated company	-	143,219,094	-	143,219,094
Proceeds from transfer of other assets to associated company	-	57,072,481	-	57,072,481
Proceeds from dividend of associated company	41,476,050	-	41,476,050	-
Proceeds from transfer of business to associated company	58,180,804	99,708,425	58,180,804	99,708,425
Cash paid for acquisition of intangible assets	(2,045,982)	(3,717,750)	(24,567)	-
Net cash used in investing activities	<u>(30,756,472)</u>	<u>(348,044,666)</u>	<u>(37,997,738)</u>	<u>(363,759,391)</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2010	2009	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend payment	-	(535,849,483)	-	(535,849,483)
Cash received from increase in share capital	-	136,262	-	136,262
Cash paid for reduction of share capital	(401,456,040)	-	(401,456,040)	-
Cash paid for treasury stock	(21,912,449)	(663,343)	(21,912,449)	(663,343)
Cash received from transfer of credit balance accounts	-	834,407,168	-	834,407,168
Cash paid for assets transferred for debt settlement under conditions	-	(2,764,221)	-	(2,764,221)
Cash paid to minority interest from the liquidation of a subsidiary	-	(1,475,652)	-	-
Net cash provided by (used in) financing activities	<u>(423,368,489)</u>	<u>293,790,731</u>	<u>(423,368,489)</u>	<u>295,266,383</u>
Net decrease in cash and cash equivalents	(96,667,324)	(271,171,260)	(76,567,814)	(267,815,131)
Cash and cash equivalents as at January 1,	<u>263,465,979</u>	<u>534,637,239</u>	<u>223,796,597</u>	<u>491,611,728</u>
Cash and cash equivalents as at December 31,	<u><u>166,798,655</u></u>	<u><u>263,465,979</u></u>	<u><u>147,228,783</u></u>	<u><u>223,796,597</u></u>
Supplementary cash flow information				
Cash paid during the years for:				
Interest expenses	60,217	10,371,294	60,209	10,371,294
Corporate income tax	323,483	370,327	60,624	257,533
Non-cash items				
Decrease in payable for equipment	(15,000)	(5,116)	-	(20,116)
Increase (decrease) in payable for intangible assets	(1,407,500)	1,407,500	-	-
Transfer work in process to intangible assets	-	3,526,611	-	2,811,611
Transfer investment to other receivable	-	138,531,038	-	138,531,038
Increase in revaluation surplus in investments	4,086,712	6,046,437	5,343,074	5,842,372
Decrease in treasury stock from reduction of share capital	10,147,500	-	10,147,500	-
Payable from reduction of share capital	5,344,026	-	5,344,026	-

Notes to the financial statements form an integral part of these financial statements

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

Seamico Securities Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 16th Floor (Room 1601), 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

The Company was granted 7 licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. On-line Securities Trading
6. Derivatives Trading
7. Securities Borrowing and Lending

Seamico Asset Management Co., Ltd., a subsidiary, operates its business in Thailand and has been granted permission to manage mutual fund, private fund and provident fund.

As at December 31, 2010 and 2009, the Company has one head office. Total number of personnel of the Company and subsidiary are 30 and 25 persons, respectively, and the Company only total number of personnel are 5 persons.

As described in Note 6, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. as a joint venture vehicle.

During the year 2008, the Company invested in KT ZMICO Securities Co., Ltd.’s ordinary shares. As at December 31, 2008, the Company hold the investment in equivalent to 48.81% of issued and paid-up share capital, resulting to that KT ZMICO Securities Co., Ltd. has become the Company’s associate. During the year 2009, the Company additionally invested in such company. As at December 31, 2009, the company holds the investment in equivalent to 49.45% of issued and paid-up share capital. In addition, in the second quarter of year 2010, the Company additionally invested in such company. As at December 31, 2010, the Company hold the investment in equivalent to 49.54% of issued and paid-up share capital of such associated company (see Note 6).

On March 20, 2009, the extraordinary shareholders’ meeting No.2/2009 passed a resolution to approve the transfer of business and margin loan accounts to KT ZMICO Securities Co., Ltd. Subsequently, on March 31, 2009, the Company entered into the Shareholders Agreement with Krung Thai Bank Plc. and also entered into the Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. Such transfer had been completed on May 1, 2009. The status of the Company after the transfer of its business and margin loan accounts, the Company has temporarily ceased its operation on securities and derivative contracts business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission No. SEC.Thor. 701/2552. However, the Company continues as a listed securities company which most business are related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 These financial statements have been prepared in accordance with the accounting standards and practices generally accepted in Thailand and in accordance with the Notifications of the Office of the Securities and Exchange Commission (“SEC”). No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

In 2007, Thai Accounting Standards No. 1 (Revised 2007) “Presentation of Financial Statements” and No. 7 (Revised 2007) “Cash Flow Statements” were announced by the Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2008. The revised standards have no material impact on the financial statements of the Company. However, the consolidated and separate financial statements for the years ended December 31, 2010 and 2009 are still presented in accordance with the above Notification of the Office of the Securities and Exchange Commission.

On December 15, 2010, the Office of Securities and Exchange Commission issued the Notification No. SorTor/Kor/Nor. 53/2553 regarding “The Form of Financial Statements for Securities Companies” to be effective of the financial statements for the accounting period since January 1, 2011 onwards.

- 2.2 Disclosure regarding accounting standards issued but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

- a) TAS, TFRS and TFRI which are effective on January 1, 2011:

TAS

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

TFRS

TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

TFRI

TFRI 15	Agreements for the Construction of Real Estate
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The management of the Company and its subsidiary will adopt the above TAS, TFRS and TFRI relevant to the Company in the preparation of Company's financial statements when they become effective. The Company's management has assessed the effects of these standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied. This excludes TAS 19 "Employee Benefits" for which management is still evaluating the first-year impact to the financial statements, and has yet to reach a conclusion.

b) TAS which are effective on January 1, 2013:

TAS

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The management of the Company and its subsidiary anticipates that the Company and its subsidiary will adopt the above TAS relevant to the Company in the preparation of financial statements of the Company and its subsidiary when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied. However, the Company and its subsidiary have elected to early adopt TAS 12 "Income Tax".

- 2.3 The consolidated financial statements for the years ended December 31, 2010 and 2009 included the accounts of the Company and Seamico Asset Management Co., Ltd., which the Company has a holding of 100% in its equity.

The outstanding balances and transactions between the Company and its subsidiary, the investment in its subsidiary, and the shareholders' equity of its subsidiary have been eliminated from the consolidated financial statements.

The consolidated financial statements for the years ended December 31, 2010 and 2009 included interest in associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

The accounting period and significant accounting policies used for the financial statements of subsidiary and associated companies are the same as those of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except those disclosed in the significant accounting policies.

Significant accounting policies adopted by the Company and its subsidiary are summarized below:

3.1 Revenue and expense recognition

Brokerage fees

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

Fees and service income

Fees are recognized as income on an accrual basis and service income is recognized on the basis of percentage of completion, as specified in the service agreement.

Interest on margin loans

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

In the following cases, collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
- 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless this is clear evidence and a high degree of certainty that full repayment will be received
- 4) Problem financial institution loans
- 5) Other receivables from which interest payment is overdue for 3 months or more

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

Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognized as income or expenses on the transaction dates.

Interest and dividend on investments in securities

Interest on investments is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

Expenses

Expenses are recognized on an accrual basis.

3.2 Interest on borrowing

Interest on borrowing is recognized as expense on an accrual basis.

3.3 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. As at the balance sheet date, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with no more than 3 months remaining to maturity and without commitments, call note receivables and term note receivables maturing within 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

3.5 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gain or loss arising from change in value of securities is included in the statements of income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are determined at fair value. The change in value of securities is recorded as separate item in shareholders' equity until securities are sold, then, the change shall be included in the statements of income.

Investments in debt securities due within one year and expected to be held to maturity are determined at amortized cost.

The premium/discount on debt securities is amortized using the effective rate method with the amortized amount presented as an adjustment to interest income.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost, net of allowance for impairment (if any).

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in determining earnings when the carrying amount exceeds its recoverable value.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from its net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

3.6 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are accounted for under the cost method in the separate financial statement net of allowances for impairment (if any).

Investments in associated companies are accounted for under the equity method in the consolidated financial statements.

3.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the announcement of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

3.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise 3 categories which are receivables from securities and derivatives businesses of cash accounts, loan for securities purchases and other receivables. Receivables from securities and derivatives businesses of cash accounts are the receivables that were derived from cash settlements within 3 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

The allowance for doubtful accounts on securities and derivatives business receivables is based on management’s review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission’s Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral.

Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. The Company has provided an allowance for doubtful debts based on a review of debtor’s repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as loss are to satisfy the following criteria:
 - 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
 - 2) Loan balances which the Company has forgiven

- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
- 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as loss will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balances.

3.9 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by reference to its cost on a straight-line basis over the following estimated useful lives:

Building improvement	5 years
Office equipment	3 - 5 years
Vehicles	5 years

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. Repair and maintenance costs are recognized as an expense when incurred.

Impairment

Assets are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceed its recoverable amount, an impairment loss is recognized in statements of income immediately.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of building improvement and equipment. These are included in the statements of income.

3.10 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable property and golf membership which is stated at the lower price of cost amount or fair value after deducting cost of sale. Loss from impairment will be recorded as expense in the statement of income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of income at the date of disposal.

3.11 Intangible assets

Intangible assets which definite useful life are stated at cost less accumulated amortization.

Amortization is charged to the statement of income on a straight-line basis over its estimated useful life as follows.

Computer software	5 years
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Intangible assets with indefinite useful life consist of deferred license fees which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

3.12 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties, such as the net payable balances of cash accounts.

3.13 Long-term lease

1) Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of income over the lease term.

2) Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as finance lease. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of income.

3.14 Provision for liabilities

The Company and its subsidiary recognize provision as liabilities in the financial statements when the amount of the liability can be reliable estimated and it is current commitment that is likely that loss of resources which are of economic benefit to the Company will result from settlement of such commitments.

3.15 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

3.16 Income tax

The Company and its subsidiary have early adopted Thai Accounting Standard No.12 “Income Taxes”.

Income tax expenses is based on the taxable profit multiplied by the tax rate that has been enacted at the balance sheet date and adjusted by the effect of deferred income tax accounting.

Deferred income tax is provided on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, using the tax rates enacted or substantively enacted at the balance sheet date. Deferred tax asset is recognized to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

3.17 Earnings per share

Basic earnings per share are determined by dividing net income for the year by the weighted average number of ordinary shares held by outside parties outstanding during the year.

The Company and its subsidiary do not have any common share equivalents which would have a dilutive effect on earnings per share.

3.18 Foreign currency transaction

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gain and loss resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

3.19 Risk management and prevention

The Company and its subsidiary have not speculated in or engaged in trading of any off-balance sheet financial derivatives instruments.

Financial instruments carried in the balance sheet include cash and cash equivalents, investments in debt and equity securities and securities business receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.20 Related parties

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

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

3.21 Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash on hand	143,198	144,096	133,198	139,096
Current, savings and fixed deposits	73,978,157	55,245,413	69,380,282	45,504,031
Promissory notes with maturity				
less than 3 months	115,000,000	250,000,000	100,000,000	220,000,000
<u>Less</u> Cash deposits held for customers*	<u>(22,322,700)</u>	<u>(41,923,530)</u>	<u>(22,284,697)</u>	<u>(41,846,530)</u>
Total cash and cash equivalents	<u>166,798,655</u>	<u>263,465,979</u>	<u>147,228,783</u>	<u>223,796,597</u>

(*According to the announcement of the SEC, deposit accounts for the customers are not required to present as assets and liabilities in the financial statements.)

As at December 31, 2010 and 2009, the Company had deposits at financial institutions and promissory notes in the consolidate balance sheets in amounting to Baht 22.32 million and Baht 41.92 million, respectively, and the separate balance sheets in amounting to Baht 22.28 million and Baht 41.85 million, respectively, which the Company must return to the customers at call.

As at December 31, 2010 and 2009, the deposits for securities trading which were transferred from KT ZMICO Securities Co., Ltd. since October 1, 2009 were remained securities trading of Baht 12.70 million and Baht 32.51 million, respectively (securities cash customer and credit balance of 735 accounts and 3,414 accounts, respectively) and were remained derivative business trading of Baht 1.26 million and Baht 1.34 million, respectively (derivatives business receivables of 310 accounts and 324 accounts, respectively). However, when customers have opened account agreements for securities trading at KT ZMICO Securities Co., Ltd., cash deposits of these customers account will be returned to KT ZMICO Securities Co., Ltd. (see Note 6).

5. INVESTMENTS IN DEBT AND EQUITY SECURITIES - NET

5.1 As at December 31, 2010 and 2009, the Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2010		As at December 31, 2009	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
Short-term investments				
<u>Trading securities</u>				
Equity securities - Listed securities	6,375,368	4,726,566	16,715,353	15,147,778
Debt securities - Bill of exchange	-	-	193,145,402	194,607,064
Debt securities - Promissory notes	-	-	79,632,843	79,859,847
Debt securities - Corporate bonds	-	-	111,538,528	112,713,359
Total	6,375,368	4,726,566	401,032,126	402,328,048
<u>Add (Less)</u> Revaluation adjustments	(1,648,802)	-	1,295,922	-
Total trading securities - net	4,726,566	4,726,566	402,328,048	402,328,048
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	-	-	17,940,000	7,930,000
Equity securities - Unit trust	40,650,105	51,385,567	40,650,105	43,548,105
Total	40,650,105	51,385,567	58,590,105	51,478,105
<u>Add</u> Revaluation adjustments	10,735,462	-	2,898,000	-
<u>Less</u> Allowance for loss on impairment	-	-	(10,010,000)	-
Total available-for-sale securities - net	51,385,567	51,385,567	51,478,105	51,478,105
Total short-term investments - net	56,112,133	56,112,133	453,806,153	453,806,153
Long-term investments				
<u>Available-for-sale securities</u>				
Debt securities - Corporate bonds	-	-	3,206,558	3,204,225
<u>Less</u> Revaluation adjustments	-	-	(2,333)	-
Total available-for-sale securities - net	-	-	3,204,225	3,204,225
<u>General investments</u>				
Ordinary shares	178,298,668	81,028,144	178,298,668	156,575,359
Preference shares	125,000	125,000	125,000	125,000
Total	178,423,668	81,153,144	178,423,668	156,700,359
<u>Less</u> Allowance for loss on impairment	(97,270,524)	-	(21,788,312)	-
Total general investments - net	81,153,144	81,153,144	156,635,356	156,700,359
Total long-term investments - net	81,153,144	81,153,144	159,839,581	159,904,584
Total investments in debt and equity securities - net	137,265,277	137,265,277	613,645,734	613,710,737

During the year 2008, the Company has entered into a memorandum with Thanh Cong Securities Company J.S.C. (“TCSC”), the securities company in Vietnam, to invest in 25% of existing TCSC’s shares with the option for additional investment in aggregate for up to 49% of total authorized share capital. Subsequently, on March 3, 2009, the Company entered into the Shareholders’ Agreement with other shareholders of TCSC and also entered into the Share Purchase Agreement with TCSC. The Company purchased TCSC’s shares by 18.88% of the total issued shares of TCSC on April 24, 2009 amounting to Baht 156 million which is classified as general investment.

On October 29, 2009, the Board of Directors Meeting No. 7/2009 approved to sell all investment of 18.88% in Thanh Cong Securities Company J.S.C., a securities company in Vietnam, to KT ZMICO Securities Company Limited, associated company. The Board of Directors approved to sell all investment at the price of Baht 161.24 million (cost of Baht 156 million) and authorized the management discretionary proceeding for the completion of the sale of investment. As at December 31, 2009, the Company has not sold such investment.

On May 12, 2010, the Board of Directors Meeting No. 3/2010 newly approved to sell all investments in TCSC to KT ZMICO Securities Company Limited, associated company. The Board of Directors approved to sell all investments at the price of Baht 147.66 million and authorized the management discretionary proceeding for the completion of the sale of investment. As at December 31, 2010, the Company has not sold such investment. However, the Company recorded an allowance for loss on impairment in amount of Baht 75.48 million.

5.2 Gain (loss) on trading in securities and derivatives

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on trading securities	(2,944,724)	4,024,170	(2,944,724)	4,024,170
Gain on sale of trading securities	6,730,728	14,152,137	6,730,728	14,152,137
Gain on sale of available-for-sale securities	1,327,587	650,104	1,327,587	650,104
Reversal (loss) on impairment of general investments	(75,482,212)	9,669,500	(75,482,212)	9,669,500
Loss on write-off general investments	-	(9,180,750)	-	(9,180,750)
Loss on impairment of available-for-sale securities	10,010,000	1,365,000	10,010,000	1,365,000
Loss on sale of derivatives contracts	-	(4,500)	-	(4,500)
Gain on sale of investment in subsidiary	-	11,046	-	475,652
Total	<u>(60,358,621)</u>	<u>20,686,707</u>	<u>(60,358,621)</u>	<u>21,151,313</u>

5.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Interest income	2,171,402	5,079,217	2,171,402	5,079,217
Dividend	1,507,224	275,017	42,983,274	275,017
Total	<u>3,678,626</u>	<u>5,354,234</u>	<u>45,154,676</u>	<u>5,354,234</u>

5.4 Cost/amortized cost of debt securities presented according to their maturities

Unit: Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2010			As at December 31, 2009		
	Mature within		Total	Mature within		Total
1 year	2 - 5 years	1 year		2 - 5 years		
Short-term investments						
Trading securities						
Bill of exchange	-	-	-	193,145,402	-	193,145,402
Promissory notes	-	-	-	79,632,843	-	79,632,843
Corporate bonds	-	-	-	111,538,528	-	111,538,528
Add (Less) Revaluation adjustments	-	-	-	2,863,497	-	2,863,497
Total - net	-	-	-	<u>387,180,270</u>	-	<u>387,180,270</u>
Long-term investments						
Available-for-sale securities						
Corporate bonds	-	-	-	3,206,558	-	3,206,558
Less Revaluation adjustments	-	-	-	(2,333)	-	(2,333)
Total - net	-	-	-	<u>3,204,225</u>	-	<u>3,204,225</u>
Total debt securities - net	-	-	-	<u>390,384,495</u>	-	<u>390,384,495</u>

5.5 Revaluation surplus (deficit) in investments in securities recognized in the shareholders' equity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Beginning balance of the year	1,923,074	(4,123,363)	2,171,750	(3,670,622)
Changes during the year				
- from deferred tax adjustment	(2,496,721)	(1,947,458)	(2,496,721)	(1,947,458)
- from revaluation	7,837,462	8,268,783	7,837,462	8,268,783
- from sale	2,333	(478,953)	2,333	(478,953)
- from share of profit (loss) in associated companies	(1,256,362)	204,065	-	-
Ending balance of the year	<u>6,009,786</u>	<u>1,923,074</u>	<u>7,514,824</u>	<u>2,171,750</u>

5.6 As at December 31, 2010 and 2009, the Company has general investments in companies that have financial position and performance problems as follows:

	As at December 31, 2010			As at December 31, 2009		
	Cost/ Book value	Fair value	Allowance for loss on impairment	Cost/ Book value	Fair value	Allowance for loss on impairment
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	21,789,274	869	21,788,405	21,789,274	962	21,788,312
	<u>21,789,274</u>	<u>869</u>	<u>21,788,405</u>	<u>21,789,274</u>	<u>962</u>	<u>21,788,312</u>

6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

The Company's investments in its subsidiary and associate, which are companies registered under Thai laws and operating in Thailand, as at December 31, 2010 and 2009, are summarized below:

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at December 31, 2010	As at December 31, 2009						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,538	49.54	49.45	1,087.5	937.5	1,185.1	967.4
Total							1,087.5	937.5	1,185.1	967.4

SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at December 31, 2010	As at December 31, 2009						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Seamico Asset Management Co., Ltd.	Mutual and private fund management	Ordinary share	130	120	100	100	130	120	31.0	51.2
Less Allowance for impairment							(99.0)	(68.8)	-	-
							31.0	51.2	31.0	51.2
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,538	49.54	49.45	1,087.5	937.5	1,185.1	967.4
Total – net							1,118.5	988.7	1,216.1	1,018.6

Summarized financial information in respect of the associated company is set out below:

	As at December 31, 2010 Million Baht	As at December 31, 2009 Million Baht
Total assets	4,470.91	3,386.54
Total liabilities	2,407.34	1,759.47
Net assets	2,063.57	1,627.07
	For the year ended December 31, 2010 Million Baht	For the year ended December 31, 2009 Million Baht
Total revenue	1,646.83	1,040.01
Net income for the years	223.09	116.07
Share of profits of associated company accounted for under equity method	110.51	57.48
Dividend from associated company	41.48	-

During the year 2008, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. as a joint venture vehicle. According to such plan, the Company will acquire up to 50% of issued and paid-up share capital of KT ZMICO Securities Co., Ltd.

During the year 2008, the Company has invested in KT ZMICO Securities Co., Ltd.'s ordinary shares, equivalent to 48.81% of issued and paid-up share capital according to such partnership plan, resulting to that KT ZMICO Securities Co., Ltd. has become the Company's associate.

On December 16, 2008, KT ZMICO Securities Co., Ltd. has offered to acquire the Company's business, according to the partnership plan, which includes the purchase of operating assets, which are information technology system, equipment and deposits, including the transfer of the customer accounts and the Company's employees (the "Business"). In return, the Company will receive up to Baht 500 million from KT ZMICO Securities Co., Ltd. over 3 years. In addition, the Company will also receive additional amount from the refinancing of selected margin loan accounts to KT ZMICO Securities Co., Ltd. approximately Baht 700 million. The amount of the transferred loans maybe changed depending on the outstanding balance of such loans at the transferring date. The transfer of business and margin loan accounts has been approved by the extraordinary shareholders' meeting of the Company No.2/2009 on March 20, 2009.

On March 20, 2009, the Board of Directors' meeting No.4/2009 has approved the additional investment in KT ZMICO Securities Co., Ltd.'s ordinary shares of 50 million shares at the par value of Baht 10 each, totalling Baht 500 million. The total shares held by the Company will be 92,169,000 shares or the total investment value of Baht 937.51 million, equivalent to 49.45% of issued and paid-up share capital. The Company paid such share capital in full on April 27, 2009.

Subsequently, on March 31, 2009, the Company entered into the Shareholders Agreement with Krung Thai Bank Plc. and also entered into the Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. Such transfer has been completed on May 1, 2009. The status of the Company after the transfer of business and margin loan accounts is to continue as a listed securities company which most business will be related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

On May 1, 2009, the Company has transferred its business to KT ZMICO Securities Co., Ltd. and received returns from such business in the amount of Baht 500 million. On May 4, 2009, the Company received cash of Baht 300 million. The remaining Baht 200 million will be received within 3 years based on the results of operations (earnings before interest, tax, depreciation and amortization (“EBITDA”)) of KT ZMICO Securities Co., Ltd. The Company will receive cash proportionately with the actual cumulative EBITDA for 3 years of KT ZMICO Securities Co., Ltd. comparing to the base cumulative 3 years EBITDA set forth of Baht 1,000 million. However, the total settlement would not exceed Baht 200 million depends on the future operating results of KT ZMICO Securities Co., Ltd. for the year 2009 to 2011 and will be receive within 3 years (commencing from 2009) subject to the conditions as agreed between the Company and KT ZMICO Securities Co., Ltd. as follows:

- 1) The Company will receive Baht 60 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2009 providing that EBITDA of the year 2009 is not less than Baht 250 million (excluding (i) the extraordinary item related to employee benefit and severance payment resulting from the integration of the businesses and (ii) any additional bad debt account resulting from the depreciation of the value of securities which were acquired before September 15, 2008). In case where EBITDA of the year 2009 is less than Baht 250 million, such receipt shall be deferred to the year 2010 and be made together with the 2010 receipt. If the business transfer does not occur at the beginning of the year, the 2009 receipt and EBITDA prescribed for the year 2009 shall be pro-rated based on the remaining period from the date on which the business is transferred.
- 2) The Company will receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2010 providing that EBITDA of the year 2010 is not less than Baht 350 million. In the case that EBITDA of the year 2010 is less than Baht 350 million, the 2010 receipt shall be deferred to year 2011 and be made together with the 2011 receipt. In the case that the 2009 payment has not been made, the 2009 receipt and 2010 receipt will be made within 15 days from the date on which the Company’s shareholders meeting approve the audited financial statement of year 2010 providing that the aggregate amount of the EBITDA of years 2009 and 2010 is not less than Baht 600 million. Otherwise, both receipt shall be deferred to the year 2011 and be made together with the 2011 receipt.
- 3) The Company will be receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of year 2011 providing that EBITDA of year 2011 is not less than Baht 400 million. In case where EBITDA of year 2011 is less than Baht 400 million, the 2011 receipt shall be made subject to the following paragraph.

In the case where there is an outstanding payment at the end of year 2011, the outstanding amount shall be paid within 15 days from the date on which the Company’s shareholder meeting approve the audited financial statement of year 2011 and the amount of payment will be adjusted on a pro-rata basis based on the comparison of (a) the actual EBITDA from 2009 to 2011 with (b) the estimated 3-year-period EBITDA in the amount of Baht 1,000 million providing that such adjusted outstanding payment shall be deducted by the amount that has already been made and the payment shall not be more than Baht 200 million.

On May 4, 2009, the Company transferred margin loan accounts with the value on the transferring date of Baht 834 million to KT ZMICO Securities Co., Ltd. The Company received returns on the transferring date of Baht 687 million. The remaining returns of Baht 147 million were received in June 2009 by Baht 125 million and in July 2009 by Baht 22 million. Such receivables had already signed the open account agreements with KT ZMICO Securities Co., Ltd. (see Note 7).

On August 17, 2009, the Board of Director of KT ZMICO Securities Co., Ltd. meeting had a resolution to approve the decrease of retained deficit of Baht 353,524,000 by decreasing the associated company's authorized and paid-up capital from Baht 1,864,000,000 to Baht 1,537,800,000 and the par value of share from Baht 10 per share to Baht 8.25 per share, and transferring the premium on share capital of Baht 27,324,000 to compensate the retained deficit. Additionally, the meeting had a resolution to approve the amendment of the associated company's Memorandum of Association to reflect the decrease of the associated company's authorized and paid up capital. Consequently, such resolutions have been approved by the extraordinary shareholders' meeting of associated company No. 3/2009 on September 7, 2009. The associated company had registered with the Ministry of Commerce on November 2, 2009.

On January 5, 2010, the Company entered into First Amendment Agreement to Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. to change the receive conditions for the remaining of Baht 200 million specified in Asset Transfer Agreement dated March 31, 2009 as follows:

If the transfer business and assets does not occur at the beginning of the year 2009, the targeted EBITDA of Baht 250 million for the year 2009 shall be pro-rated based on the remaining period from the date on which the business and assets are transferred (the "Pro-rate 2009 EBITDA"). In this case, the 2009 receive shall be calculated as follows:

- a) In the case where actual EBITDA is less than Pro-rated 2009 EBITDA, the 2009 actual EBITDA shall be deferred and made together with the 2010 receive;
- b) In the case where actual EBITDA is equal or more than the Pro-rated 2009 EBITDA, the 2009 receive shall be paid on the Pro-rated based on the comparison of i.) the actual EBITDA and ii.) the targeted EBITDA for the year 2009 which is determined amount of Baht 250 million. However, the received amount shall not be more than Baht 60 million.

For the cash received from transferring the business amount of Baht 300 million resulting gain on transfer of assets of Baht 185.51 million in the separate financial statements for the year ended December 31, 2009. The Company recognized such gain on transfer of assets and its business to associated as income in the consolidated statement of income by Baht 93.78 million according to the shareholding percentage of the third parties in the associated company of 50.55%. The remaining amount was presented as "unrealized gain on transfer of assets and its business to the associated company" in the consolidated balance sheet of Baht 91.73 million. The Company will realize such "unrealized gain on transfer of assets and its business to the associated company" as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculation depreciation or sells such transferred assets to the third parties. In addition, for the year ended December 31, 2009, the associated company calculated depreciation and sold part of transferred assets to the third parties, therefore, the Company recorded "unrealized gain on transfer of assets and its business to the associated company" as gain on transfer of assets and its business to associated in the consolidated statements of income by Baht 9.13 million. The Company recorded unrealized gain on such transferred assets and its business to the associated company which occurred from the part of transferred its business amount of Baht 82.60 million.

The separate financial statements for the year ended December 31, 2009, the Company recorded additional gain on transfer of assets and its business to associated company of Baht 58.18 million and recorded an accrued income from associate company at the same amount as at December 31, 2009 as part of the remaining Baht 200 million which the Company will receive from the associated company, due to the associated company is able to generate EBITDA for the year ended December 31, 2009 according to the conditions as agreed between the Company and the associated company. However, the Company recognized such gain on transfer of assets and its business as income in the consolidated statements of income by Baht 29.41 million according to the shareholding percentage of the third parties in the associated company of 50.55%. The remaining amount of Baht 28.77 million was additionally recorded as unrealized gain on transfer of assets and its business to the associated company. In the consolidated balance sheet as at December 31, 2009, the Company has unrealized gain on transferred assets to the associated company in amount of Baht 111.37 million.

On March 29, 2010, the Company received compensation regarding the transfer of assets and its business for the year 2009 of Baht 58 million from KT ZMICO Securities Co., Ltd. because actual EBITDA in 2009 is higher than Pro-rated 2009 EBITDA.

As at April 22, 2010, the Company additionally invested in KT ZMICO Securities Co., Ltd. by 18,181,800 shares which is 8.25 Baht/share totally amount of Baht 149.99 million. The percentage of investment increased from 49.45% to 49.54% which is 110.35 million shares in amount of Baht 1,087.5 million as at December 31, 2010.

For the year ended December 31, 2010, the associated company calculated depreciation and sold part of transferred assets and its business to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets and its business to the associated company” as gain on transfer of assets and its business to associated in the consolidated statements of income by Baht 9.94 million. The Company recorded unrealized gain on such transferred assets and its business to the associated company which occurred from the part of transferred its business amount of Baht 101.43 million.

The separate financial statements for the year ended December 31, 2010, the Company recorded additional gain on transfer of assets and its business to associated company of Baht 71.82 million and recorded an accrued income from associate company at the same amount as at December 31, 2010 as part of the remaining Baht 200 million which the Company will receive from the associated company, due to the associated company is able to generate EBITDA for the year ended December 31, 2010 according to the conditions as agreed between the Company and the associated company. However, the Company recognized such gain on transfer of assets and its business as income in the consolidated statements of income by Baht 36.30 million according to the shareholding percentage of the third parties in the associated company of 50.46%. The remaining amount of Baht 35.52 million was additionally recorded as unrealized gain on transfer of assets and its business to the associated company. In the consolidated balance sheet as at December 31, 2010, the Company has unrealized gain on transferred assets to the associated company in amount of Baht 136.95 million.

7. SECURITIES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES - NET

As at December 31, 2010 and 2009, the Company has securities business receivables and accrued interest receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Other receivables		
Receivables under litigation	130,901,691	131,611,293
Instalment receivables	7,091	53,283
Other receivables	156,106,704	170,401,841
Total securities business receivables	287,015,486	302,066,417
<u>Less</u> Allowance for doubtful accounts (see Note 8)	(285,666,332)	(286,481,115)
Total	<u>1,349,154</u>	<u>15,585,302</u>

On May 4, 2009, the Company transferred margin loan accounts of Baht 834 million to KT ZMICO Securities Co., Ltd. (see Note 6).

The Company has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables No. Kor Thor. 33/2543 dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001 as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2010			As at December 31, 2009		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Substandard debts	1,349,154	-	1,349,154	15,585,302	-	15,585,302
Doubtful debts	285,666,332	(285,666,332)	-	286,481,115	(286,481,115)	-
Total	<u>287,015,486</u>	<u>(285,666,332)</u>	<u>1,349,154</u>	<u>302,066,417</u>	<u>(286,481,115)</u>	<u>15,585,302</u>

The substandard and doubtful debts (securities business receivables and accrued interest receivables) are classified by aging as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Over 9 months to 12 months	-	100,744,438
Over 1 year to 3 years	279,509,432	193,114,964
Over 3 years	7,506,054	8,207,015
Total	<u>287,015,486</u>	<u>302,066,417</u>

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Beginning balances of the years	286,481,115	250,726,115
<u>Add</u> Doubtful accounts (reversal)	<u>(814,783)</u>	<u>35,755,000</u>
Ending balances of the years (see Note 7)	<u>285,666,332</u>	<u>286,481,115</u>

9. BUILDING IMPROVEMENT AND EQUIPMENT - NET

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2009	Increase	Decrease	Balance as at December 31, 2010
	Baht	Baht	Baht	Baht
Cost				
Building improvement	2,012,836	-	-	2,012,836
Office equipment	11,640,288	826,639	-	12,466,927
Vehicles	934,030	-	-	934,030
Total cost	14,587,154	826,639	-	15,413,793
Accumulated depreciation				
Building improvement	(1,066,589)	(402,567)	-	(1,469,156)
Office equipment	(9,400,373)	(1,206,927)	-	(10,607,300)
Vehicles	(537,388)	(186,806)	-	(724,194)
Total accumulated depreciation	(11,004,350)	(1,796,300)	-	(12,800,650)
Total building improvement and equipment - net	3,582,804	(969,661)	-	2,613,143

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2008	Increase	Decrease	Decrease from Transfer assets to associate during the year (see Note 6)	Transfer in (out)	Balance as at December 31, 2009
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Building improvement	97,004,137	-	(2,929,119)	(92,062,182)	-	2,012,836
Office equipment	284,051,480	884,369	(46,264,770)	(227,326,571)	295,780	11,640,288
Vehicles	51,466,234	-	-	(50,532,204)	-	934,030
Furniture and fixtures under installment	2,838,971	1,886,650	(3,646,653)	(783,188)	(295,780)	-
Total cost	435,360,822	2,771,019	(52,840,542)	(370,704,145)	-	14,587,154
Accumulated depreciation						
Building improvement	(73,400,762)	(4,045,169)	2,361,190	74,018,152	-	(1,066,589)
Office equipment	(255,666,321)	(8,740,300)	44,171,467	210,834,781	-	(9,400,373)
Vehicles	(42,160,037)	(2,206,441)	-	43,829,090	-	(537,388)
Total accumulated depreciation	(371,227,120)	(14,991,910)	46,532,657	328,682,023	-	(11,004,350)
Total building improvement and equipment - net	64,133,702	(12,220,891)	(6,307,885)	(42,022,122)	-	3,582,804

Depreciation for the years ended December 31,

2010	1,796,300
2009	14,991,910

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2009	Increase	Decrease	Balance as at December 31, 2010
	Baht	Baht	Baht	Baht
Cost				
Office equipment	5,247,075	104,320	-	5,351,395
Total cost	5,247,075	104,320	-	5,351,395
Accumulated depreciation				
Office equipment	(4,880,615)	(141,620)	-	(5,022,235)
Total accumulated depreciation	(4,880,615)	(141,620)	-	(5,022,235)
Total building improvement and equipment - net	366,460	(37,300)	-	329,160

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2008	Increase	Decrease	Decreasing from transfer assets to associate during the year (see Note 6)	Balance as at December 31, 2009
	Baht	Baht	Baht	Baht	Baht
Cost					
Building improvement	94,991,301	-	(2,929,119)	(92,062,182)	-
Office equipment	278,356,571	481,844	(46,264,770)	(227,326,570)	5,247,075
Vehicles	50,532,204	-	-	(50,532,204)	-
Furniture and fixtures under installment	2,008,191	1,706,650	(2,931,653)	(783,188)	-
Total cost	425,888,267	2,188,494	(52,125,542)	(370,704,144)	5,247,075
Accumulated depreciation					
Building improvement	(72,736,740)	(3,642,602)	2,361,190	74,018,152	-
Office equipment	(252,845,679)	(7,041,184)	44,171,468	210,834,780	(4,880,615)
Vehicles	(41,809,455)	(2,019,635)	-	43,829,090	-
Total accumulated depreciation	(367,391,874)	(12,703,421)	46,532,658	328,682,022	(4,880,615)
Total building improvement and equipment - net	58,496,393	(10,514,927)	(5,592,884)	(42,022,122)	366,460

Depreciation for the years ended December 31,

2010	141,620
2009	12,703,421

As at December 31, 2010 and 2009, the Company and its subsidiary have certain building improvement and equipment items which have been depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 8.57 million and Baht 4.87 million, respectively (Company : Baht 4.87 million and Baht 4.87 million, respectively).

10. INTANGIBLE ASSETS - NET

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2010

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Mutual fund management	-	803,836	-	-	-	803,836
Derivatives business	-	3,320,548	-	-	-	3,320,548
Private fund management	-	464,109	-	-	-	464,109
Computer software	1 - 5 years	6,193,194	638,482	(1,476,962)	135,000	5,489,714
Computer software work under installation	-	135,000	-	-	(135,000)	-
Total		<u>10,916,687</u>	<u>638,482</u>	<u>(1,476,962)</u>	<u>-</u>	<u>10,078,207</u>

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2009

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Decreasing from transfer assets to associate during the year (see Note 6) Baht	Ending Balance Baht
Deferred license fees							
Mutual fund management	-	803,836	-	-	-	-	803,836
Derivatives business	-	3,320,548	-	-	-	-	3,320,548
Private fund management	-	464,109	-	-	-	-	464,109
Computer software	1 - 5 years	15,003,505	2,941,861	(1,861,871)	5,508,030	(15,398,331)	6,193,194
Computer software work under installation	-	-	5,710,000	-	(5,575,000)	-	135,000
Total		<u>19,591,998</u>	<u>8,651,861</u>	<u>(1,861,871)</u>	<u>(66,970)</u>	<u>(15,398,331)</u>	<u>10,916,687</u>

Amortization for the years ended December 31,

2010	<u>1,476,962</u>
2009	<u>1,861,871</u>

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2010

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Derivatives business	-	3,320,548	-	-	-	3,320,548
Computer software	1 - 5 years	7	24,567	(3,312)	-	21,262
Total		<u>3,320,555</u>	<u>24,567</u>	<u>(3,312)</u>	<u>-</u>	<u>3,341,810</u>

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Decreasing from transfer assets to associate during the year (see Note 6)	Ending balance
		Baht	Baht	Baht	Baht	Baht	Baht
Deferred license fees							
Derivatives business	-	3,320,548	-	-	-	-	3,320,548
Computer software	1 - 5 years	14,201,457	2,811,611	(1,547,760)	(66,970)	(15,398,331)	7
Total		<u>17,522,005</u>	<u>2,811,611</u>	<u>(1,547,760)</u>	<u>(66,970)</u>	<u>(15,398,331)</u>	<u>3,320,555</u>
Amortization for the years ended December 31,							
							3,312
2010							<u>3,312</u>
2009							<u>1,547,760</u>

As at December 31, 2010 and 2009, the Company has certain computer software items which have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those intangible assets amounted to Baht 5.77 million and Baht 5.77 million, respectively, in the consolidated and separate financial statements.

11. DEFERRED INCOME TAX - NET

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	2,264,432	2,466,581	2,264,432
Allowance for loss on impairment of investments	62,711,869	28,350,906	62,711,869	28,350,906
Amortization of underwriting license	-	732,877	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	494,640	391,894	494,640	391,894
- Available-for-sale securities	-	583	-	583
Cumulative tax loss	7,346,845	7,251,115	7,346,845	7,251,115
Other assets	42,536	35,446	42,536	35,446
Gain on transfer of assets and its business to associated company	41,084,084	27,843,201	-	-
	<u>114,146,555</u>	<u>75,361,514</u>	<u>73,062,471</u>	<u>47,518,313</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	-	715,874	-	715,874
- Available-for-sale securities	3,220,638	724,500	3,220,638	724,500
Amortization of derivative license	198,082	40,069	198,082	40,069
	<u>3,418,720</u>	<u>1,480,443</u>	<u>3,418,720</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>110,727,835</u>	<u>73,881,071</u>	<u>69,643,751</u>	<u>46,037,870</u>

The movements of deferred income tax are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2010	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2010
	Baht		Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	202,149	-	2,466,581
Allowance for loss on impairment of investments	28,350,906	34,360,963	-	62,711,869
Amortization of underwriting license	732,877	(732,877)	-	-
Reserve for retention bonus	8,491,060	(8,491,060)	-	-
Unrealized loss on revaluation of investments				
- Trading securities	391,894	102,746	-	494,640
- Available-for-sale securities	583	-	(583)	-
Cumulative tax loss	7,251,115	95,730	-	7,346,845
Other assets	35,446	7,090	-	42,536
Gain on transfer of assets and its business to associated company	27,843,201	13,240,883	-	41,084,084
	<u>75,361,514</u>	<u>38,785,624</u>	<u>(583)</u>	<u>114,146,555</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(715,874)	-	-
- Available-for-sale securities	724,500	-	2,496,138	3,220,638
Amortization of derivative license	40,069	158,013	-	198,082
	<u>1,480,443</u>	<u>(557,861)</u>	<u>2,496,138</u>	<u>3,418,720</u>
Deferred tax assets – net	<u>73,881,071</u>	<u>39,343,485</u>	<u>(2,496,721)</u>	<u>110,727,835</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2009	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2009
	Baht		Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,417,187	(152,755)	-	2,264,432
Allowance for loss on impairment of investments	23,962,814	4,388,092	-	28,350,906
Amortization of underwriting license	3,317,808	(2,584,931)	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	(843,497)	-	391,894
- Available-for-sale securities	1,223,541	-	(1,222,958)	583
Cumulative tax loss	33,400,593	(26,149,478)	-	7,251,115
Other assets	74,034	(38,588)	-	35,446
Gain on transfer of assets and its business to associated company	-	27,843,201	-	27,843,201
	<u>65,631,368</u>	<u>10,953,104</u>	<u>(1,222,958)</u>	<u>75,361,514</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	162,545	-	715,874
- Available-for-sale securities	-	-	724,500	724,500
Amortization of derivative license	-	40,069	-	40,069
	<u>553,329</u>	<u>202,614</u>	<u>724,500</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>65,078,039</u>	<u>10,750,490</u>	<u>(1,947,458)</u>	<u>73,881,071</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2010	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2010 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	202,149	-	2,466,581
Allowance for loss on impairment of investments	28,350,906	34,360,963	-	62,711,869
Amortization of underwriting license	732,877	(732,877)	-	-
Reserve for retention bonus	8,491,060	(8,491,060)	-	-
Unrealized loss on revaluation of investments				
- Trading securities	391,894	102,746	-	494,640
- Available-for-sale securities	583	-	(583)	-
Cumulative tax loss	7,251,115	95,730	-	7,346,845
Other assets	35,446	7,090	-	42,536
	<u>47,518,313</u>	<u>25,544,741</u>	<u>(583)</u>	<u>73,062,471</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(715,874)	-	-
- Available-for-sale securities	724,500	-	2,496,138	3,220,638
Amortization of derivative license	40,069	158,013	-	198,082
	<u>1,480,443</u>	<u>(557,861)</u>	<u>2,496,138</u>	<u>3,418,720</u>
Deferred tax assets – net	<u>46,037,870</u>	<u>26,102,602</u>	<u>(2,496,721)</u>	<u>69,643,751</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2009	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2009
	Baht			Baht
Deferred tax assets				
Allowance for doubtful accounts	2,417,187	(152,755)	-	2,264,432
Allowance for loss on impairment of investments	23,962,814	4,388,092	-	28,350,906
Amortization of underwriting license	3,317,808	(2,584,931)	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	(843,497)	-	391,894
- Available-for-sale securities	1,223,541	-	(1,222,958)	583
Cumulative tax loss	33,400,593	(26,149,478)	-	7,251,115
Other assets	74,034	(38,588)	-	35,446
	<u>65,631,368</u>	<u>(16,890,097)</u>	<u>(1,222,958)</u>	<u>47,518,313</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	162,545	-	715,874
- Available-for-sale securities	-	-	724,500	724,500
Amortization of derivative license	-	40,069	-	40,069
	<u>553,329</u>	<u>202,614</u>	<u>724,500</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>65,078,039</u>	<u>(17,092,711)</u>	<u>(1,947,458)</u>	<u>46,037,870</u>

12. ASSETS CLASSIFIED AS HELD FOR SALE – NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Land	160,257,466	160,257,466
Golf membership	200,000	200,000
	<u>160,457,466</u>	<u>160,457,466</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale – net	<u>160,315,680</u>	<u>160,315,680</u>

The Company received the land and golf membership in settlement of debtors in bill of exchange that had matured but unable to be redeemed by the issuer. At present, the Company is in process to find the potential buyers.

13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Accrued interest income	11,975	1,179,820	-	1,123,361
Prepaid insurance	256,037	294,789	252,408	284,127
Prepaid repair and maintenance	70,130	12,336	-	-
Other deposits	835,202	832,102	472,827	472,827
Fund management fee and service income receivables	567,898	616,565	-	-
Accrued income from associated company (see Note 6)	71,819,196	58,180,804	71,819,196	58,180,804
Corporate income tax claim receivable	781,909	26,408,227	318,157	26,207,334
Value-added-tax receivable	2,691,235	2,202,871	-	-
Others	1,980,581	2,921,271	867,715	2,224,216
Total	<u>79,014,163</u>	<u>92,648,785</u>	<u>73,730,303</u>	<u>88,492,669</u>

14. DEBENTURES

On January 8, 2008, the extraordinary shareholders' meeting No. 1/2008 had approved the issuance and offer of debentures with a limit not exceeding Baht 2,000 million, which maturity is within 7 years. The purposes of debentures are for managing fund and seeking for new business opportunity. The Board of Directors have authorization to consider types, timing and condition of debentures in accordance with the market condition and liquidity. The Board of Directors are also responsible for the process of getting the approval from the Securities and Exchange Commission.

On April 21, 2008, the ordinary shareholders' meeting No.1/2008 has the resolution to approve the reduction of the credit limit of debentures, which was previously approved by the extraordinary shareholders' meeting No.1/2008 dated January 8, 2008, to be not exceeding Baht 1,000 million. Any other conditions were unchanged.

As at December 31, 2010 and 2009, the Company has not issued such debentures.

15. DERIVATIVES DEBENTURES

On April 21, 2008, the ordinary shareholders' meeting No.1/2008 has passed a resolution to approve the issuance and offer of derivatives debentures with a limit not exceeding Baht 1,000 million, of which the maturity is within 5 years. The Board of Directors have authorization to determine details and conditions of the issuance and offering of the derivatives debentures, including obtaining approval from the relevant authorities and performing any other necessary actions relating to the issuance and offering of the derivatives debentures.

The issuance and offering of the derivatives debentures has been approved by the Office of Securities and Exchange Commission on October 15, 2008. However, as at December 31, 2010 and 2009, the Company has not issued such derivatives debentures.

16. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Withholding tax payable	19,344,305	5,440,527	19,159,682	5,350,145
Value-added-tax payable	188,695	827,659	188,695	827,659
Others payable	7,791,990	9,946,801	7,050,810	7,702,921
Payable from reduction of share capital	5,344,026	-	5,344,026	-
Others	4,644,149	4,602,227	4,593,952	4,552,670
Total	<u>37,313,165</u>	<u>20,817,214</u>	<u>36,337,165</u>	<u>18,433,395</u>

17. SHARE CAPITAL

Registered and issued and paid-up capital

On September 27, 2007, the extraordinary shareholders' meeting passed the following resolutions:

- (1) Approved the issuance of 27,000,000 units of warrants offering to the Company's employees.
- (2) Approved an increase of the registered capital amounting to Baht 27,000,000 equivalent to 27,000,000 shares at a par value of Baht 1 each. The purpose of issuing 27,000,000 new ordinary shares is to accommodate the exercise of warrants to the Company's employees.
- (3) Approved an increase of the registered capital amounting to Baht 19,675,971 equivalent to 19,675,971 shares at a par value of Baht 1 each. The purpose of issuing 19,675,971 new ordinary shares is to accommodate the exercise of ZMICO-W3, because the exercise ratios of such warrants were adjusted.
- (4) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with an increase of capital according to items (2) and (3) above. The registered capital of Baht 1,037,157,550 will be increased to Baht 1,083,833,521 equivalent to 1,083,833,521 shares at a par value of Baht 1 each.

The Company has registered the additional registered capital with the Ministry of Commerce on October 5, 2007. The excess of the registered share capital over the paid-up share capital as at December 31, 2009, represents the shares reserved for future exercise of warrants.

During the year ended December 31, 2009, the employees have exercised their warrants amounting to 124,067 units, equivalent to 136,262 shares or the increase in share capital of Baht 136,262.

On April 21, 2010, the ordinary shareholders' meeting 2010 has passed the following resolutions:

- (1) Approved of decreasing the Company's authorized share capital from Baht 1,083,833,521 to Baht 833,895,131 and cancelling the issuance of 249,938,390 new ordinary shares which were reserved for the exercise of the shareholder's warrants, the Directors and employees' warrants III, and the ESOP warrants offering the Company's employees (see Notes 17.1, 17.2 and 17.3) due to the warrants were expired.

- (2) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with an decrease of capital. The registered capital of Baht 1,083,833,521 will be decreased to Baht 833,895,131 equivalent to 833,895,131 shares at a par value of Baht 1 each.

The Company registered the decrease of share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on April 30, 2010.

On August 30, 2010, the Extraordinary General Meeting of Shareholders No. 1/2010 have passed the following resolutions :

- (1) Approved the reduction of authorized and issued and paid-up share capital of the Company from Baht 833,895,131 to Baht 416,947,565 by reducing the par value of the Company's shares from Baht 1 per share to Baht 0.50 per share to return capital to the Company's shareholders.
- (2) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with a reduction of registered and paid up capital by reducing the par value of the Company's shares.

The Company registered the decrease of share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on December 22, 2010. As at December 31, 2010, the Company already paid the reduction of share capital of Baht 401,456,040 to the Company's shareholders. For the remaining reduction of share capital of Baht 5,344,026 is presented as a part of other liabilities in the balance sheet.

In addition, the Company reduced the value of treasury stock as at December 31, 2010 of 20,295,000 shares with the rate of Baht 0.50 per share, totalling Baht 10,147,500 to comply with the reduction of registered and paid-up capital mentioned above. The Company also transferred the appropriation of treasury stock to unappropriated retained earnings in the amount of Baht 10,147,500.

Net asset value

As at December 31, 2010 and 2009, net asset value per share, which was determined by dividing shareholders' equity by the number of issued and paid up shares which net of the number of treasury stocks as at the balance sheet date, was Baht 2.05 per share and Baht 2.52 per share, respectively.

18. TREASURY STOCK

On February 28, 2006, the Board of Directors' meeting has passed a resolution on a project to repurchase 82,962,440 ordinary shares (representing 10% of the issued and paid-up share capital) at a price equivalent to the bid prices on the Stock Exchange of Thailand or the same prices offered to general shareholders, at the amount not more than Baht 200 million and with the repurchase period from March 15, 2006 to September 14, 2006.

In 2006, the Company had repurchased 53,872,000 ordinary shares, representing 6.49% of the issued and paid-up share capital on the date when the Board of Directors resolved the share repurchase. The total treasury stocks were Baht 199.99 million.

The Executive Committee Meeting No. 5/2007, held on June 5, 2007, passed a resolution to approve the resale of treasury shares amounting to 53,872,000 shares by selling in the Stock Exchange of Thailand with the resale period from June 20, 2007 to September 13, 2009. The resale price should not be less than 85% of the average closing price of shares for the preceding 5 business days.

In 2007, the Company had resold all treasury stocks, which were 53,872,000 shares, at Baht 215.51 million. The premium from disposing treasury stocks is Baht 15.52 million.

Subsequently, on August 26, 2008, the Board of Directors' meeting No. 5/2008 has passed a resolution on a project to repurchase 83,375,886 ordinary shares (representing 10% of the issued and paid-up share capital) for buying those shares trading in the Stock Exchange of Thailand at a price not exceeding the average closing price, of those shares for the preceding 5 business days, plus 15 percent of such average closing price at the amount not more than Baht 200 million with the repurchase period from September 15, 2008 to March 14, 2009. The process and timing for resale of those shares will be decided by the Company's Board of Directors at 6 months but not more than 3 years after the completion of the repurchase date and the resale will have to be at a price not less than 85 percent of the average closing prices of the preceding 5 business days prior to the resale date.

On October 7, 2009, the Executive Committee Meeting No. 7/2009 which authorized by the resolution of the Board of Directors Meeting No.6/2009 held on August 27, 2009, passed a resolution to approve the resale of treasury shares amounting to 9,087,100 shares by selling in the Stock Exchange of Thailand with the resale period from October 22, 2009 to March 13, 2012. The resale price should not be less than 85% of the average closing price of shares for the preceding 5 business days.

On May 12, 2010, the Board of Directors' meeting No. 3/2010 has passed a resolution on a project to repurchase 14,444,444 ordinary shares (representing 1.73% of the issued and paid-up share capital) for buying those shares trading in the Stock Exchange of Thailand at a price not exceeding the average closing price, of those shares for the preceding 5 business days, plus 15 percent of such average closing price at the amount not more than Baht 26 million with the repurchase period from May 27, 2010 to November 26, 2010. The process and timing for resale of those shares will be decided by the Company's Board of Directors at 6 months but not more than 3 years after the completion of the repurchase date and the resale will have to be at a price not less than 85 percent of the average closing prices of the preceding 5 business days prior to the resale date.

In 2010 and 2009, the Company had repurchased ordinary shares of 11,207,900 shares and 391,200 shares, respectively, which the total treasury stocks were Baht 21.91 million and Baht 0.66 million, respectively. As at December 31, 2010, the Company has 20,295,000 treasury shares, representing 2.43 of the issued and paid-up share capital on the date when the Board of Directors resolved the share repurchase. The total treasury stocks are Baht 31.82 million. (As at December 31, 2009: 9,087,100 treasury shares, representing 1.09% and the total treasury stocks were Baht 20.06 million).

19. WARRANTS

19.1 Warrants offered to existing shareholders

In December 2003, the extraordinary shareholders' meeting had approved the issuance of 20,372,351 five-year warrants to existing shareholders and shareholders who subscribed to the new issue of ordinary shares, in a ratio of 4 existing ordinary shares to 1 warrant, free of charge. The exercise price of the warrants is Baht 60 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant to 1 ordinary share, commencing one year after the issue date (exercisable since September 30, 2005).

Due to the reduction in the par value of the shares from Baht 10 per share to Baht 1 per share, the warrant issue was amended to 203,723,510 warrants with an exercise ratio of 1 warrant to 1 ordinary share and an exercise price of Baht 6 per share.

Subsequently, the ordinary shareholders' meeting held on April 18, 2007 had approved dividend payment exceeding 70% of net income, and, therefore, the Company must adjust the exercise price and an exercise ratio to protect the interest of the warrant holders. The right of the outstanding warrants, which have been allotted but not exercised after the shareholders meeting on April 18, 2007, were amended to a ratio of 1 warrant to 1.09832 ordinary shares, with the exercise price of Baht 5.463 per share.

As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 201,214,034 units. Such warrants were matured on May 6, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

19.2 Directors and employees' warrants III (ESOP warrant III)

In December 2003, the extraordinary shareholders' meeting had approved the issuance of 1,430,000 five-year warrants with a par value of Baht 10 each to the Company's directors and employees other than directors or employees who received a prior allotment of warrants, free of charge. The warrants are exercisable at a price equal to the par value of the shares, in a ratio of 1 warrant to 1 ordinary share, throughout 5 years in accordance with certain stipulated conditions. Such warrants will be matured on August 8, 2009.

Due to the reduction of the par value of the shares from Baht 10 per share to Baht 1 per share, the number of warrants III issued to the directors and employees is adjusted to 14,300,000 units, with the exercise ratio adjusted to 1 warrant to 1 ordinary share while the exercise price remains at par value, or Baht 1 per share. At the ordinary shareholders' meeting held on April 18, 2007, the shareholders approved dividend payment exceeding 70% of net income and therefore, the Company must adjust the exercise ratio of the Directors and employees' warrants III to protect the interest of the warrant holders. The right of the outstanding warrants, which have been allotted but not exercised after such shareholders meeting, were amended to a ratio of warrant to 1.09832 ordinary shares with the exercise price at Baht 1 per share. During August 2004, 13,790,400 warrants were allotted to the directors and employees, and currently 509,600 warrants had not been allotted. The issue of such free warrants was not recorded as an accounting expense.

During the year ended December 31, 2009, the employees have exercised their warrants amounting to 124,067 units, equivalent to 136,262 shares or the increase in share capital of Baht 136,262. As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 1,451,991 units. Such warrants were matured on August 8, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

19.3 ESOP Warrants offering to the Company's employees

On September 27, 2007, the extraordinary shareholders' meeting had approved the issuance of five-year 27,000,000 units of warrants with a par value of Baht 1 each to the Company's employees, free of charge. The warrants are exercisable at the exercise price of Baht 3.21 per share, which is equivalent to the audited book value per share as at June 30, 2007, at a ratio of 1 warrant to 1 ordinary share, throughout the five-year period, subject to certain stipulated conditions, which are 50% exercisable since March 31, 2009 and fully exercisable since March 31, 2010. Such warrants have been approved by the Securities and Exchange Commission on February 5, 2008. Subsequently, in March 2008, 16,432,100 warrants were allotted to employees and currently 10,567,900 warrants had not been allotted. The issue of such warrants was not recorded as an accounting expense. Such warrants will be matured on February 28, 2013.

During the year ended December 31, 2009, the employees have not exercised their warrants. As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 16,432,100 units.

On February 24, 2009, the Board of Director's meeting No. 3/2009 has the resolution to cancelled the ESOP Warrant which have been allotted and have not been allotted due to at present the Company's business and employees were transferred to KT ZMICO Securities Company Limited and the Company has plan to restructure its businesses, therefore, the issuance of ESOP Warrants offering to employees is not support for the motivation anymore. Such ESOP Warrant was cancelled on September 25, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

20. DIVIDEND

On April 29, 2009, the ordinary shareholders' meeting No.1/2009 passed a resolution to approve the dividend payment from retained earnings of the Company at Baht 0.50 per share amounting to Baht 412.18 million (net from treasury stock of 9.09 million units). The dividends were paid on May 15, 2009.

On August 27, 2009, the Board of Directors' meeting No.6/2009 passed a resolution to approve the dividend payment from the operating result for the six-month period ended June 30, 2009 and from the unappropriated retained earnings of the Company at Baht 0.15 per share amounting to Baht 123.67 million (net from treasury stock of 9.09 million units). The dividends were paid on September 24, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 passed the resolution to approve not to pay dividend in respect of the operating result for the year ended December 31, 2009.

21. CAPITAL MANAGEMENT

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 18/2549 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

The Company was granted securities business licenses of derivatives agent under the Derivative Act. The Company has to maintain its net liquid capital at the end of working day at least Baht 25 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Membership”, the Ordinary Membership is required to have share capital at least Baht 100 million for membership operating especially in derivatives business.

As at April 27, 2009, the Company has approval to temporary discontinue its Securities trading business and Derivatives trading business from the Office of the Securities and Exchange Commission, effective on May 1, 2009, therefore as at December 31, 2010 and 2009, the Company is not required to maintain its net liquid capital and share capital as mentioned in the above paragraph.

In addition, the objectives of capital management of the Company is to sustain the Company’s ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain shareholders’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. ThorNor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the Company cannot maintain the capital adequacy over the warning level, the Company has to report to the Office of the Securities and Exchange Commission including the plan to recover its shareholders’ equity to the warning level. As at December 31, 2010 and 2009, the Company’s financial statements showed shareholders’ equity amount of Baht 31.0 million and Baht 51.2 million, respectively. The Company complies with the Notification of the Securities and Exchange Commission.

In addition, the objectives of the capital management of the Company is to sustain the Company’s ability to continue as a going concern in order to generate returns to the shareholders and to maintain an optimal capital structure.

22. PREMIUM ON SHARE CAPITAL

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

23. STATUTORY RESERVE

Under the Public Limited Company Act. B.E. 2535, section 116, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at December 31, 2010 and 2009, the Company has statutory reserve at the rate of 26% and 10% of registered capital.

24. RESERVE FOR TREASURY STOCK

Under Section 66/1(2) of the Public Limited Companies Act. B.E. 2535, public limited companies may repurchase their shares for the purpose of financial management when they have retained earnings and excess liquidity. Also, such share repurchase must not cause them to face a financial difficulty. The announcement of the Judicial Council No.756/2547 has set a rule for treasury stocks that companies have to appropriate retained earnings as reserve for treasury stocks equal to the amount paid for treasury stocks until either the entire treasury stocks have been sold or the companies reduce their paid-up share capital by writing-off the unsold treasury stocks. In addition, according to the Federation of Accounting Professions’ announcement No. Sor.SorVorBorChor. 016/2548 dated February 4, 2005, it requires companies that have treasury stocks to have retained earnings not less than the amount of the treasury stocks remaining in the account. In the event the retained earnings were appropriated for dividend, the retained earnings after the dividend payment should not be less than the treasury stocks remaining in the account.

As at December 31, 2010 and 2009, the Company has appropriated the retained earnings as the treasury stock reserve for the whole amount of Baht 31.82 million and Baht 20.06 million, respectively (see Note 18).

25. FEES AND SERVICES INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Underwriting fees	-	44,800	-	44,800
Financial advisory fees	4,566,200	12,218,746	4,566,200	12,218,746
Private fund management and mutual fund management	8,216,553	2,811,179	-	-
Others	-	1,562,555	-	1,562,555
Total	<u>12,782,753</u>	<u>16,637,280</u>	<u>4,566,200</u>	<u>13,826,101</u>

26. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Brokerage fees paid to the Stock				
Exchange of Thailand	-	7,928,364	-	7,928,364
Fees for private fund,				
mutual fund and derivative licenses	500,000	500,000	-	-
Others	6,710,392	2,628,776	1,145,244	584,337
Total	<u>7,210,392</u>	<u>11,057,140</u>	<u>1,145,244</u>	<u>8,512,701</u>

27. DIRECTORS AND MANAGERMENTS' REMUNERATION

27.1 Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2010 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 21, 2010 and April 29, 2010, respectively. Directors' remuneration for the year 2009 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 29, 2009 and April 20, 2009, respectively.

27.2 Management benefit expenses represents cash remuneration as salaries, bonus, car allowance and provident fund paid to the Company's managements in accordance with the Notification of the Capital Market and Supervisory Board No. Tor Jor. 24/2552 dated July 20, 2009 regarding "Prescription of Prohibited Characteristics of Issuing Company's Director and Executive".

28. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Entertainment expenses	277,086	2,448,939	148,401	2,429,804
Publication and marketing expenses	2,202,450	3,528,774	1,101,583	2,772,658
Traveling expenses	1,086,364	4,600,445	868,907	4,494,428
SET Fee	2,784,779	4,101,184	2,784,779	4,101,184
Stationery and office supply	433,513	3,045,768	116,868	2,824,687
Others	6,339,448	13,109,660	4,745,610	11,749,359
Total	<u>13,123,640</u>	<u>30,834,770</u>	<u>9,766,148</u>	<u>28,372,120</u>

29. PROVIDENT FUND

The Company and the subsidiary set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiary match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530.

During the years ended December 31, 2010 and 2009, the Company has contributed Baht 0.5 million and Baht 2.3 million, respectively, to the fund and the subsidiary has contributed Baht 0.4 million and Baht 0.2 million, respectively, to the fund.

30. CORPORATE INCOME TAX

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used a tax rate of 25% for the corporate income tax calculations for the years ended December 31, 2010 and 2009 to conform to such tax rate change.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Deferred tax income (expense) (see Note 11)	39,343,485	10,750,490	26,102,602	(17,092,711)
Total	39,343,485	10,750,490	26,102,602	(17,092,711)

Reconciliation of income tax expenses and the results of the accounting profit (loss) multiplied by the income tax rate are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Net income (loss) before tax	27,933,131	6,184,492	(15,530,088)	60,539,338
Tax rate	25%, 30%	25%, 30%	25%	25%
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	(6,983,282)	(1,662,275)	3,882,522	(15,134,834)
Effect of the change in income tax rate from 25% to 30%	18,991,412	-	12,144,065	-
Tax effect of the non-deductible income and expense	27,335,355	12,412,765	10,076,015	(1,957,877)
Income tax - income (expense) (see Note 11)	39,343,485	10,750,490	26,102,602	(17,092,711)

31. RECONCILIATION OF EARNINGS PER SHARE

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the years ended December 31,					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net income	67,276,616	16,934,982	820,035,387	824,787,123	0.082	0.021

	SEPARATE FINANCIAL STATEMENTS					
	For the years ended December 31,					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net income	10,572,514	43,446,627	820,035,387	824,787,123	0.013	0.053

32. RELATED PARTY TRANSACTIONS

The Company and its subsidiary have significant business transactions with related persons and companies that related by way of common shareholders and/or common directors. The Company's management believes that the pricing policy the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarized as follows:

Balances with related parties as at December 31, 2010 and 2009 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Subsidiary				
Seamico Asset Management Co., Ltd.				
Investment in subsidiary (see Note 6)	-	-	130,000,000	120,000,000
Investment in mutual fund managed by subsidiary	51,385,567	43,548,105	51,385,567	43,548,105
Investment in private fund managed by subsidiary	-	24,618,407	-	24,618,407
Accrued private fund management fee expenses	-	-	-	7,823
Other receivables	-	-	-	1,856
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 6)	1,185,067,357	967,375,679	1,087,504,850	937,505,000
Other receivables from transfer business (see Note 6)	71,819,196	58,180,804	71,819,196	58,180,804
Other receivables	236,935	248,573	236,935	248,573
Related companies				
Under common directors				
Quam Limited				
Other payable	10,538	36,081	10,538	36,081
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares (see Note 5.1)	80,538,525	156,020,644	80,538,525	156,020,644
Other receivables	-	1,230,008	-	1,230,008

Significant transactions with related parties for the years ended December 31, 2010 and 2009 are as follows:

Subsidiary	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the years ended December 31,		For the years ended December 31,		
	2010	2009	2010	2009	
	Baht	Baht	Baht	Baht	
Subsidiary					
Seamico Asset Management Co., Ltd.					
Private fund management fee expenses	-	-	62,701	178,930	At rate determined under the contract at 0.4 percent per annum of net asset value of fund Managed (see Note 33.1)
Investment in ordinary shares	-	-	10,000,000	20,000,000	8 million shares at Baht 1.25 per share (2009 : 8 million shares at Baht 2.50 per share)
Investment in mutual fund managed by subsidiary	-	25,625,724	-	25,625,724	2 million units at Baht 10 per unit and 1.95 million units at Baht 10.2432 per unit (2009 : 5 million units at Baht 10 per unit)
Withdrawal mutual fund managed by subsidiary	-	25,625,724	-	25,625,724	At net asset value 5 million units at Baht10.1279 per unit
Withdrawal private fund managed by subsidiary	26,551,873	135,000,000	26,551,873	135,000,000	At fair value of fund
Fee from selling agent	-	-	-	144,214	Commission charged at 0.15 percent of NAV unit trust sold
Other income	-	-	-	100,000	At the rate determined under the contract of Baht 25,000 per month
Associated company					
KT ZMICO Securities Co., Ltd.					
Income from transfer of business	71,819,196	58,180,804	71,819,196	58,180,804	At the rate determined under the contract (see Note 6)
Service expenses	1,800,000	1,200,000	1,800,000	1,200,000	At the rate determined under the contract of Baht 150,000 per month (see Note 33.2)
Rental expenses	594,036	396,024	594,036	396,024	At the rate determined under the contract of Baht 49,503 per month (see Note 33.3)
Related companies					
Under common directors					
Quam Limited					
Office rental	1,128,913	238,566	1,128,913	238,566	At the rate determined under the contract of HKD 22,941 per month (see Note 33.6)
Thanh Cong Securities Company J.S.C.					
Financial Advisory fee	4,566,200	9,439,147	4,566,200	9,439,147	At the rate determined under the Contract total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month (see Note 33.5)
Related persons					
Commission received	-	50,678	-	50,678	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
Commission received from derivatives trading	-	23,850	-	23,850	Commission charged at Baht 450 per contract

33. COMMITMENTS

Transactions with related parties

- 33.1 On December 28, 2007, the Company entered into an agreement with Seamico Asset Management Co., Ltd., which is a subsidiary. The subsidiary will manage the Company's fund for one year. The contract, which will be expired on December 30, 2008, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at the rate of 0.4 percent per annum of the net asset value of the fund. As at December 31, 2010, the Company has closed the provident fund already.
- 33.2 On May 28, 2009, the Company entered into agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, Operating, Information technology including information system development and technical support, Compliance, Human Resource management General Support and General management. The term of agreement is one year and will be expired on April 30, 2010. The agreement is automatically extended one year by payment in amount of Baht 150,000 per month.
- 33.3 On May 1, 2009, The Company entered into agreement with KT ZMICO Securities Co., Ltd. for rental office at 16th Floor (No. 1601), 287 Liberty Square for operating business in amount of Baht 49,503 per month. The term of agreement is from May 1, 2009 to January 31, 2010 and has continued the agreement to January 31, 2013.
- 33.4 On May 12, 2009, the Board of Director's meeting No. 5/2009 had a resolution to approve the payment of retention bonus to employees transferred from the Company to continue their works at KT ZMICO Securities Co., Ltd. totaling of Baht 111 million. The payments will be made periodically within 18 months by payment every 6 months start from proportion 20 : 20 : 20 : 40, respectively, started from June 2009 to December 31, 2010 with the condition that such payment will be made to employees who have status as the KT ZMICO Securities Co., Ltd. staff at the payment date. However, the payment is paid only according to the commitment under employment transfer agreement. For the years ended December 31, 2010 and 2009, the Company already paid the retention bonus in the total amount of Baht 55.6 and Baht 55.4 million, respectively. As at December 31, 2010, the Company has paid to staff already.
- 33.5 On March 20, 2009, the Company entered into agreement with Thanh Cong Securities Company J.S.C. ("TCSC"), a securities company in Vietnam. According to the agreement, the Company will provide advisory and other services to TCSC in order to develop technical proficiency and improve potential in international investment banking, securities market and research including distribute the research information of TCSC in Vietnam and overseas through Seamico's network. The term of agreement is one year and the Company will receive such service fee in total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month. The amount mentioned is net with related taxes in Vietnam.
- 33.6 On October 19, 2009, the Company entered into a licensing agreement with Quam Limited for rental office in Hong Kong. The term of agreement is 6 months for the period from October 19, 2009 to April 18, 2010 and automatically renew on a monthly basis. The Company agreed to pay a monthly fee at the rate of HKD 22,941.

Transactions with other business parties

33.7 As at December 31, 2010 and 2009, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Million Baht	As at December 31, 2009 Million Baht	As at December 31, 2010 Million Baht	As at December 31, 2009 Million Baht
Within 1 year	3.2	1.7	1.6	1.6
Over 1 year to 5 years	2.2	2.0	0.4	2.0
Total	5.4	3.7	2.0	3.6

34. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

The Company's operation involves mainly in securities brokering and service provision and its subsidiary's operation involves in securities and providing asset management services. They are operated only in Thailand, accordingly, no business/geographical area segmental information is presented.

35. FINANCIAL INSTRUMENTS

As at December 31, 2010 and 2009, the Company and its subsidiary have not speculated in or engaged in trading of any off-balance sheet financial derivatives instruments.

35.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiaries to incur a financial loss. The financial assets of the Company and its subsidiaries are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the balance sheet.

35.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiary and their cash flows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
As at December 31, 2010											
Outstanding balances of net financial instruments											
Repricing or maturity dates											
	Floating interest rate	At call	Within			Over 1-5 years 5 years	Non-performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years					Floating rate	Fixed Rate
Financial assets											
Cash and cash equivalents	32	115	-	-	-	-	20	167	0.25-1.25	1.85-1.89	
Investments in debt and equity securities - net	-	-	-	-	-	-	137	137	-	-	
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	-	287	-	-	
Total	32	115	-	-	-	287	157	591			

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
As at December 31, 2009											
Outstanding balances of net financial instruments											
Repricing or maturity dates											
	Floating interest rate	At call	Within			Over 1-5 years 5 years	Non-performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years					Floating rate	Fixed Rate
Financial assets											
Cash and cash equivalents	26	220	-	-	-	-	17	263	0.50-0.75	1.10-1.15	
Investments in debt and equity securities - net	-	-	345	45	-	-	224	614	-	1.50-6.10	
Securities business receivables and accrued interest receivables	-	-	-	-	-	286	16	302	-	-	
Total	26	220	345	45	-	286	257	1,179			

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2010

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (Percent)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years				receivables	interest
Financial assets										
Cash and cash equivalents	27	100	-	-	-	-	20	147	0.25-1.10	1.89
Investments in debt and equity securities - net	-	-	-	-	-	-	137	137	-	-
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	-	287	-	-
Total	27	100	-	-	-	287	157	571		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (Percent)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years				receivables	interest
Financial assets										
Cash and cash equivalents	17	190	-	-	-	-	17	224	0.10-0.63	1.10-1.15
Investments in debt and equity securities - net	-	-	345	45	-	-	224	614	-	1.50-6.10
Securities business receivables and accrued interest receivables	-	-	-	-	-	286	16	302	-	-
Total	17	190	345	45	-	286	257	1,140		

The average yield on average financial asset balances and average cost of funds on average financial liabilities for interest bearing financial instruments are presented in the following table:

Unit : Baht			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2010			
Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	477,564,348	6,645,686	1.39
Investments in debt securities	99,038,843	2,167,198	2.19
Securities business receivables and accrued interest receivables	4,400,581	-	-

Unit : Baht			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2009			
Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	496,594,655	10,155,004	2.04
Investments in debt securities	299,312,064	5,012,377	1.67
Securities and derivatives business receivables and accrued interest receivables	424,006,027	30,342,295	7.16

Unit : Baht			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2010			
Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	453,344,277	6,298,108	1.39
Investments in debt securities	99,038,843	2,167,198	2.19
Securities business receivables and accrued interest receivables	4,400,581	-	-

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	461,904,652	9,574,955	2.07
Investments in debt securities	299,312,064	5,012,377	1.67
Securities and derivatives business receivables and accrued interest receivables	424,006,027	30,342,295	7.16

35.3 Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of December 31, 2010 and 2009 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2010

Outstanding balances of net financial instruments

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
Financial assets							
Cash and cash equivalents	115	-	-	-	52	-	167
Investments in debt and equity securities – net	-	-	-	-	137	-	137
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	287
Total	115	-	-	-	189	287	591

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2009

Outstanding balances of net financial instruments

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
Financial assets							
Cash and cash equivalents	220	-	-	-	43	-	263
Investments in debt and equity securities – net	-	345	45	-	224	-	614
Securities business receivables and accrued interest receivables	-	16	-	-	-	286	302
Total	220	361	45	-	267	286	1,179

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2010

Outstanding balances of net financial instruments

	At call	Within	Over	No	Non-performing	Total	
		1 year	1-5 years	5 years	maturity		receivables
Financial assets							
Cash and cash equivalents	100	-	-	-	47	-	147
Investments in debt and equity securities - net	-	-	-	-	137	-	137
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	287
Total	100	-	-	-	184	287	571

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

Outstanding balances of net financial instruments

	At call	Within	Over	No	Non-performing	Total	
		1 year	1-5 years	5 years	maturity		receivables
Financial assets							
Cash and cash equivalents	190	-	-	-	34	-	224
Investments in debt and equity securities - net	-	345	45	-	224	-	614
Securities business receivables and accrued interest receivables	-	16	-	-	-	286	302
Total	190	361	45	-	258	286	1,140

35.4 Foreign exchange risk

As at December 31, 2010 and 2009, the Company and its subsidiary do not have any material financial instruments in foreign currency.

35.5 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the balance sheet as they are short-term and non-interest sensitive except for the approximate fair values of investments. For investments in trading and available-for-sale securities, fair values are based on quoted market price. For general investments in non-listed equity securities, fair values are estimated from net asset value. For debt securities, fair values are estimated by using discounted cash flows analyzes based on current interest rates and remaining years to maturity.

As at December 31, 2010 and 2009, fair values of financial assets and financial liabilities are not significantly different from their book values.

36. DISCONTINUED OPERATION

During the quarter ended June 30, 2009, the Company has transferred its securities business to KT ZMICO Securities Co., Ltd. After the transfer of business, the Company's operations will be related to investments in funds, debt and equity securities and derivatives. The proportion of income from discontinued operation is 97% of total income. Expenses related to securities business have decreased entirely. Expenses from discontinued operation are 98% of total expenses.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 24, 2011.



Auditor's Remuneration

1. Audit fee

The company and its subsidiaries (Seamico Asset Management Co., Ltd.) paid audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for the year 2010 of Baht 890,000 and 260,000 respectively.

2. Non-audit fee

-None-

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