

บริษัทหลักทรัพย์ ซีมิโก้ จำกัด (มหาชน)

Seamico Securities Public Company Limited

SEAMICO

SECURITIES

รายงานประจำปี 2546

Annual Report 2003

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Seamico Securities Services

Securities Services

- Foreign institutional broking
- Domestic institutional broking
- Domestic retail broking
- Investment advisory
- Trading in bond and debt instruments
- Custodian, settlement and share registration

Investment Banking Services

- Equity instruments: public offering, private placement, rights issue, convertible debentures, etc.
- Mergers and acquisitions
- Rescue and reorganization
- Debt instruments: debentures, syndicated loans, etc.
- Selling agent for equity and debt instruments
- Special advisory services

Research

- Undertaking fundamental and technical analysis of Thai stocks
- Providing market trading notes

MESSAGE FROM THE CHAIRMAN

2003 was the best year Seamico has ever had. The Thai Stock Market Index grew by a staggering 116.6 per cent, making it the best performing stock market in the World. To top it off, daily stock market trading volumes increased by 126 per cent.

Our performance was strengthened by the return to fixed commission rates after the dismal effect freely negotiable commissions had in 2001 and part of 2002. We commend the Exchange and the SEC for their brave decision in this regard.

Your Board of Directors would also like to acknowledge the efforts of Seamico's management who have been able to almost double your company's overall market share from 3.74 per cent in 2000 to 7.2 per cent in year 2003 and increase its overall market ranking from 11th in 2000 to 2nd overall for 2003.

International and local recognition of your Company's status as Thailand's Leading local broker was substantial, with it winning awards for "Best Local Broker" FinanceAsia Magazine for the third consecutive year, Winning the "Best Under a Billion" (US dollars), Forbes Global 200 Best Small Companies Award for 2003, the Top 50 Companies in Thailand Award for Corporate Governance and Asset Magazine's "Triple A, Best Equity House Thailand" Award for 2003.

The company aim to expand our business base as well as the enhancement of service quality and research to support the increase of investors and volume in relation to the upturn of economic. We believe that the capability of personnel, the efficiency of management and good corporate governance are the main factors that increase value-added to shareholders.

The Board would like to thank our shareholders, our clients, Seamico's management team and its staff for their past contribution and continued support of your company.

Customer service and corporate governance are major parts of our business philosophy, and we assure you that this will continue in 2004 and beyond.

Thank you again for your support.



Mr. Paron Israsena
Chairman

SEAMICO SECURITIES PLC.

MANAGEMENT REPORT

BUSINESS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2003

We are pleased to report that Seamico Securities recorded a net consolidated profit of Baht 730.22 million (a 203% increase over the Baht 240.8 million profit recorded in 2002), a market share of 7.20% (7.98% in 2002) and again ranked 2nd amongst all securities firms operating in Thailand in terms of daily market volume.

HIGHLIGHTS (MAJOR ACHIEVEMENTS FOR 2003)

The World Economy stabilises :

The first half of 2003, saw wildly fluctuating currencies, stock markets, oil and gold prices as;

- ◆ The fear of SARS troubled many regional economies; and
- ◆ The concerns over Iraq War effected world markets.

The second half of the year saw a return to a more stable environment, with the weakness of the US dollar the only major concern

The Industry and the Thai Market - The World's Best Performer :

- ◆ The SET index remained strong with an increase of our 116.6% during the year 2003 (from 356.48 points to 772.15 points at the close). Thailand was the Best Performing Stock Market in the World in 2003.
- ◆ The market capitalisation of the SET and MAI combined increased from Baht 1,990.04 billion in 2002 to Baht 4,803.55 billion (an increase of 141.38%).
- ◆ Overall Daily Average Market Volumes increased from Baht 8.36 billion in 2002 to Baht 18.91 billion for 2003 (a 126.25% increase).
- ◆ The daily market volumes reached the be highest level in the SET's 28 year history (Baht 64.26 billion on 4th November 2003).
- ◆ The SET's decision, on 14th January 2002, to fix commission rates at levels of 0.25%, continued to help the industry in 2003. Previously, the industry suffered greatly under a freely negotiable commission rate system.

However;

- ◆ Only 29 companies conducted IPO in the year 2003, slightly more than the 24 in 2002.
- ◆ The SET's decision to issue ten new brokers seats in 2000-2003, gave rise the stronger competition in the sector.
- ◆ The Government's Privatisation programme did not meet expectations.

Our Market Position maintained - Investment Banking shows strong growth :

- ◆ Amidst significantly increased competition, we managed to maintain our market position in terms of Daily Average Market Volumes, with a market share of around 7.20% and a Ranking of Number 2 in the Industry.
- ◆ Our total number of brokerage trading accounts increased by 58.37% during the year 2003.

- ◆ New Online Trading accounts operating under www.seamico.com increased by 106.34%.
- ◆ Investment banking and Underwriting fees increased by 356.19 per cent. Leading major issues, such as the NSM Public Offering and Private Placements for Bangkok Land and Picnic Gas & Engineering Plc., saw us raise over US\$ 300 million for our clients in the last quarter of 2003.

Corporate and Investment activity - a year of consolidation :

- ◆ We decreased our holding in Raimon Land Plc. from 27.98% to 25.01% but still remain very committed to its future development.
- ◆ Our interest in the Brooker Group fell from 11.32% to 10.30%, with the entry of a new shareholder group. We are still working very closely with Brooker on a number of projects.
- ◆ Our subsidiary, Seamico Knight Fund Management Securities Company Limited also performed extremely well in 2003, increasing its funds under management by 98.8 %

Our Balance Sheet is further strengthened :

- ◆ Shareholders' funds increased from Baht 1,346.72 million at 31st December 2002 to Baht 2,165.93 million at 31st December 2003.
- ◆ Net Capital Ratio at the end of December 2003 was 44% (well above the SEC's requirement of 7%).
- ◆ We remain free of external debt.

We continue to win International Awards :

Seamico won 3 international awards in 2003:

- ◆ The Best Local Broker Award, in Finance Asia's regional survey (for the third consecutive year).
- ◆ One of the 200 "Best Under a Billion" (US dollars) Companies outside the U.S., ranked by The Forbes Global Magazine.
- ◆ The Asset Magazine "Triple A Best Equity House Thailand".

We also won the Top 50 Best Corporate Governance Awards, ranked by Thai Institute of Directors.

MANAGEMENT COMMENTS

We are delighted with the results for 2003, our best year ever, and wish to thank our clients, our board and our whole team for their support during the year.

It is expected that 2004 and beyond will see more competition as eight newly established brokers are now competing in the market. The issue of fixed commission rates is also expected to be raised again this year. We believe however that Seamico's strong market position, our a proven and well established team and our strong financial position, will enable us to meet this competition.

With a clear policy of product diversification, client expansion and a planned investment programme, we are confident that Seamico will remain a significant company in Thailand's securities sector.



Mr. Robert W. McMillen
Chief Executive Officer



Mr. Reungvit Dusdeesurapot
Chief Executive Officer

Audit Committee's Report

The Board of Directors of Seamico Securities (Public) Company Ltd. appointed the Audit Committee comprising of Mr. William Hang Man Chao as Chairman, Dr. Sorajak Kasemsuvan and Ms. Korbsook Iamsuri as members.

The Audit Committee has stipulated important duties and responsibilities as to review financial reports to ensure the accuracy, compliance with accounting standards and sufficiency on disclosure, to review the appropriateness and effectiveness of the internal control and audit system, to review the transparency in management and compliance to the company's policy and applicable laws and regulations, as well as to consider and advise the appointment of the company's auditor and the proposed audit fee.

In the year 2003, the Audit Committee held 6 meetings with the head of Accounting and Finance department, the Head of Compliance, Internal Audit department, and the company's auditor to review the quarterly and annual financial statement of 2003 and the disclosure of financial reports and notes to financial reports, including the regular discussions and recommendation concerning problem which might violate applicable laws and regulations, as well as the sufficiency of internal control system.

The Audit Committee is of the opinion that the company has prepared the financial reports in accordance with the 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 including the significant laws and regulations has been complied. Furthermore, the corrections were made in significant issues according to the audit report for good corporate governance for the benefits of the Company and shareholders.

The Audit Committee has considered and proposed to the Board of Directors that Ms. Rungnapa Lertsuwankul, Mr. Ruth Chaowanagawi and Ms. Ratana Jala of Ernst & Young Office Limited be nominated as the company's auditors for the year 2004 at the annual general meeting of shareholders.

On behalf of the Audit Committee,



(Mr. William Hang Man Chao)
(Chairman, Audit Committee)

March 12th, 2004

FINANCIAL HIGHLIGHTS

	Million Baht			
	2000	2001	2002	2003
TOTAL ASSETS	1,091.75	1,725.52	1,720.02	6,168.71
PAID-UP SHARE CAPITAL	464.36	465.76	683.75	715.39
TOTAL SHAREHOLDERS' EQUITY	867.56	694.16	1,346.72	2,165.93
SECURITIES BUSINESS INCOME	388.14	349.21	892.53	2,121.66
SECURITIES BUSINESS EXPENSES	121.40	38.67	45.32	116.48
NET INCOME (LOSS)	(176.18)	(185.80)	240.85	730.22
PROFITABILITY RATIO				
GROSS PROFIT MARGIN (%)	68.36	88.50	94.72	94.41
NET PROFIT MARGIN (%)	(45.15)	(52.82)	26.79	34.37
RETURN ON EQUITY (%)	(17.14)	(23.79)	23.60	41.58
INVESTMENT YIELD (%)	49.32	10.13	18.96	25.52
EFFICIENCY RATIO				
RETURN ON TOTAL ASSETS (%)	(12.57)	(13.19)	13.98	18.51
ASSET TURNOVER (TIMES)	0.28	0.25	0.52	0.54
FINANCIAL POLICY RATIO				
LIQUID ASSETS TO BORROWING (TIMES)	96,363.82	19,499.20	N/A	225.18
EARNING ASSETS TO BORROWING (TIMES)	110,060.84	63,091.87	N/A	922.96
LIQUID ASSETS TO TOTAL ASSETS (%)	33.41	16.40	35.02	18.25
EARNING ASSETS TO TOTAL ASSETS (%)	38.16	53.07	66.52	74.81
DEBT TO EQUITY (TIMES)	0.26	1.49	0.28	1.85
PAYOUT RATIO (%)	N/A	N/A	14.22	N/A
OTHERS RATIO				
INVESTMENT IN SECURITIES TO TOTAL ASSET (%)	13.24	3.07	18.74	8.01
NET LIQUID EQUITY (%)	184	40	246	46.00
PER SHARE				
BOOK VALUE (BAHT)	18.68	14.90	19.70	3.02
EARNING PER SHARE (BAHT)	(3.81)	(4.00)	3.91	1.05
DIVIDEND PER SHARE (BAHT)	N/A	N/A	0.50	N/A
PAR VALUE (BAHT)	10.00	10.00	10.00	1.00

GENERAL INFORMATION

Seamico Securities Public Company Limited is licensed as a securities company in accordance with the Securities and Exchange Act B.E.2535. Registered Number : Bor Mor Jor 493

Address : 15th-17th , 21st Floor, Liberty Square Building, Silom Road, Bangrak, Bangkok 10500

Homepage : www.seamico.com

Telephone : 66 (0) 2695-5000

Fax : 66 (0) 2631-1709

Capital as at 31st December 2003

Registered : Baht 1,037,157,550

Paid-up : Baht 715,394,040

The change of par value from Baht 10 each to Baht 1 each had been registered with the registrar, Ministry of Commerce on 25th December 2003.

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	Shareholding Percentage
Subsidiary Seamico Knight Fund Management Securities Company Limited	82 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Manage Private Fund	Ordinary	2,000,000	1,020,000	51.00
Associated Raimon Land Public Company Limited	62 The Millennia Tower, 22 nd Floor, Unit 2201-2203, Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	Property Business	Ordinary Warrant	899,722,220 1,566,685,260	225,003,430 67,579,130	25.01 4.31
Other The Brooker Group Public Company Limited	16 th Floor, Harindhorn Building, 54 North Sathorn, Bangkok 10500	Business Consulting Service	Ordinary	276,231,750	28,442,800	10.30
Electronic Realty Associate (Thailand) Limited	44 Srijulsup Tower, 21st Floor, Rama I Road, Rongmuang, Pathumwan, Bangkok	Real Estate	Ordinary	6,000,000	1,000,000	16.67
Burda-Rizzoli (Thailand) Limited	17 th Floor, Unit No. 1702, 208 Wireless Road, Lumpini, Pathumwan, Bangkok	Publishing Lady Magazine	Preferred & Ordinary	500,000	255,000	51.00

OTHER REFERENCES

(a) Warrant Registrar

Thailand Securities Depository Company Limited

4, 6-7th Floor, The Stock Exchange of Thailand Bldg., 62 Ratchadapisek Road, Klongtoey Bangkok 10110

Telephone : 0-2229-2800

Fax : 0-2359-1262

(b) Share Registrar

Thailand Securities Depository Company Limited

4, 6-7th Floor, The Stock Exchange of Thailand Bldg., 62 Ratchadapisek Road, Klongtoey Bangkok 10110

Telephone : 0-2229-2800

Fax : 0-2359-1262

(c) Auditor

Mr.Ruth Chaowanakawi, CPA No. 3247 or

Miss.Rungnapa Lertsuwankul, CPA No. 3516

MissRatana Jala, CPA No. 3734

Ernst & Young Office Limited

Lake Ratchada Building, Floor 23rd, 193/136-137 New Ratchadapisek Road, Klongtoey, Bangkok

Telephone : 0-2264-0777

Fax : 0-2264-0789

(d) Legal Advisor

◆ Siam Premier International Law Office Limited

24th to 25th Floor, Thai Wah Tower II, 21/147-150 South Sathorn Road, Bangkok 10120

Telephone : 0-2679-1333

Fax : 0-2679-1314

◆ Patanasith Law Office

550/36 Soi Po-pun, Asoke-Dindaeng Road, Dindaeng, Bangkok 10310

Telephone : 0-2246-6061

Fax : 0-2641-8267

NATURE OF BUSINESS

Seamico Securities Public Company Limited has been approved by the Ministry of Finance and the Securities and Exchange Commission to provide business activities as follows:

- ◆ Securities Brokerage
- ◆ Securities Trading
- ◆ Investment Advisory
- ◆ Securities Underwriting
- ◆ Financial Advisory

A BUSINESS OVERVIEW OF THE COMPANY AND ITS SUBSIDIARY COMPANY



Note As at 31 December 2003, the Company had invested 255,000 in non-cumulative preference shares of Burda - Rizzoli (Thailand) Limited, which represents 51% of the total shares of that company but only 17% of the total voting rights. The Company has not recorded its investment in that company as an investment in an associated company, and has not presented the value of the investment using the equity method, since the Company has no significant influence over that company and has no right to receipt of profits but only of declared dividends. In addition, the Company has an option to sell and the investee company has an option to buy back all of the shares, at any time, at a price equivalent to the aggregate par value of the shares. No dividend was declared during the years ended 31 December 2003 and 2002.

REVENUE STRUCTURE BY SOURCES

	2001		2002		2003	
	Baht million	%	Baht million	%	Baht million	%
<u>Securities business income</u>						
Brokerage fees	284.09	80.08	770.85	84.80	1,681.15	78.82
Fees and service income	45.69	12.88	65.86	7.25	306.02	14.35
Interest on margin loans	9.43	2.66	20.25	2.23	30.33	1.42
Gains (losses) on securities trading	3.96	1.12	28.72	3.16	101.81	4.77
Interest and dividends on securities	9.01	2.54	10.86	1.19	10.36	0.49
Total securities business income	352.18	99.28	896.53	98.62	2,129.68	99.85
<u>Securities business expense</u>						
Interest on borrowing	0.98	0.28	2.71	0.30	4.74	0.22
Fees and service expenses	34.53	9.73	36.75	4.04	53.05	2.49
Brokerage and fee expenses	3.16	0.89	5.76	0.63	58.69	2.75
Total securities business expenses	38.67	10.90	45.23	4.98	116.48	5.46
Net securities business income	313.51	88.38	851.31	93.65	2,013.20	94.39
Allowance for investment devaluation	0.00	0.00	-	-	-	-
Provision for possible loan losses	(1.43)	(0.40)	(1.72)	(0.19)	(2.12)	(0.10)
Securities business income - net	312.08	87.97	849.59	93.46	2,011.08	94.29
Gains (loss) on exchange rate	0.03	0.01	0.08	0.01	0.01	0.00
Other income	2.53	0.71	12.43	1.37	3.15	0.15
Total Income	354.75	100.00	909.04	100.00	2,132.84	100.00
Total Income (loss) - Net	314.65	88.70	862.10	94.84	2,014.24	94.44

IMPORTANT CHANGE AND IMPROVEMENT FROM LAST YEAR

1. Securities Brokerage

Seamico Securities Public Company Limited provided a comprehensive stock broking service to institutional and retail clients based on high quality and timely research and market knowledge.

Account Type

1. Cash Account
2. Credit Balance Account
3. Internet Account

Market shares by trading volume from 2001 to 2003

Trading Volume	2001		2002		2003	
	Baht Million	%	Baht Million	%	Baht Million	%
Total trading volume	1,577,758		2,047,442		4,670,281	
Seamico's trading volume	251,907		323,651		672,910	
Seamico's market share (%)	7.98		7.90		7.20	
Classified by type of accounts*						
- Cash accounts	237,050	94.68	297,284	92.15	586,467	87.41
- Margin accounts	13,301	5.32	25,337	7.85	84,507	12.59
Total *	250,351	100.00	322,621	100.00	670,974	100.00

Notes : * Excluding volume from Company's portfolio and volume from MAI

Percentage of top ten securities trading clients to total securities trading during the past 3 years

	2001		2002		2003	
	Baht Million	%	Baht Million	%	Baht Million	%
Top ten securities trading clients	48,687	19.32	43,071	13.31	101,060	15.02
Total securities trading	251,907	100.00	323,651	100.00	672,910	100.00

None of above is related person

2. Underwriting Business

Seamico Securities Plc. offers a full range of financial advisory services, including the sale of securities products. Seamico acts as the financial adviser and subsequently adopts the role of underwriter, or joins 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. Seamico is actively engaged in the underwriting business and has extensive experience in the roles of lead and co-underwriter, underwriter and selling agent. Seamico's normal underwriting fee charged to clients ranges from 1.5 per cent to 2.50 per cent of the total underwriting value, depending on the size of the offering.

Revenues from underwriting business

Year	No. of Client	Underwriting Value (Baht million)	Fee Charged (Baht million)
2001	6	68.94	2.42
2002	13	184.34	3.76
2003	29	4,821.96	192.75

3. Financial Advisory Business

Through its Investment Banking Department, the Company offers a number of 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.
- Merger and acquisition services, including joint ventures, takeovers, introductions of foreign technical partners, privatisations and delisting.
- Specialist advisory services, including valuations, independent opinions, special reports to the shareholders, the SEC or the SET.
- Rescue and reorganisation services and negotiations with bankers and other creditors.
- Debt instruments, such as debentures, offshore loans and syndicated loans.
- Equity positions in joint venture investments, both with local and foreign institutions.
- Equity investment in listed and unlisted stocks in Thailand.

The Company focuses on medium to large-sized business. It also value ethics in business operations and maintain good relationship with the clients. It has professionally provided advisory services to its clients in accordance with corporate policy.

Revenues from Seamico's Financial Advisory Service business

(Unit : Baht million)	2001	2002	2003
Revenue	41.97	58.91	93.17

INDUSTRY OUTLOOK AND FUTURE COMPETITION

Last year, 2003, was a golden year for those investing in the Stock Exchange of Thailand (SET), as evidenced by the index's climb to its highest level in seven years and closing at 772.15 points, a rise of 116% year-on-year. More importantly, the SET outperformed most markets world-wide. This major improvement resulted from continuous economic growth thanks to the government's policy to promote private consumption and increase exports. In addition, strong improvements in performances of listed companies enabled them to pay more attractive dividends compared with deposit rates, which are at historically low levels. This resulted in a massive amount of capital flowing into the Thai market, as seen from a sharp 126% year-on-year rise in average daily market turnover to Bt 19 billion in 2003.

Economic prospects look promising in 2004 due to several positive factors, such as an improvement in exports from a recovery of economies of Thailand's trading partners, bilateral trade agreements, new private investment. The government, however, needs to be able to deal carefully with external risks, i.e. fluctuations of foreign exchange rates. If it is successful in this, it is strongly believed that the government's GDP growth target of 8% will be easily achieved. Meanwhile, economic growth will continue to provide a boost to listed companies' operating profits. This implies that the outlook for the SET in 2004 remains bright, even though the market may not be as bullish as in 2003. The positive capital market will likely encourage private companies and state enterprises to mobilise funds via the stock market. Moreover, government measures to improve the quality of securities through good corporate governance and preventing stock manipulation will ensure the stock market becomes increasingly attractive among both local and foreign investors.

Although the overall picture of the securities industry appears bright, competition will intensify as firms focus on increasing the quality of service rather than on cutting prices. Given this, Seamico has endeavoured to develop related businesses with the aim to boost its brokerage market share. Besides securities underwriting, the company has placed considerable emphasis on developing a wide variety of new financial instruments, such as stock lending and derivative warrants. In addition, Seamico has increased investment in technology and quality of research reports, both fundamental and technical, to keep up with current events, thereby enabling clients to make the best investment decisions. Seamico believes these factors will strengthen its operations in the long term and minimise business risk when liberalisation of the securities industry begins.

1. Risks associated with reliance on securities trading of top 10 clients

One risk factor which securities business should be aware is the risks associated with its reliance on trading of top 10 clients. Therefore, the company's policy to avoid this risk is by implementing strategy of expanding its client base by recruiting additional marketing staff, opening new branches and increasing its trading channel through Internet.

The above policy, which has been implemented since 1998, has successfully helped Seamico to curtail its reliance on major clients. The proportion of trading volume of top 10 clients compared to Seamico's total trading volume had reduced from 45% in 2000 to 15% in 2003.

The securities trading volume of top 10 clients during 2003 was Baht 101,060 million. Loss transactions of these major clients would have an impact on the company's revenue that would amount to only 11.8% of total revenues.

2. Risks associated with commission liberalisation

The result of the SET's announcement of 14th January 2002 to fix brokerage commission rates resulted in the risks associated with price reduction to disappear.

However, if the SET changes its commission rate policy from the fixed commission rate scheme to a liberalised system again in the future, the reduction of prices shall have a significant impact on the profitability of all securities companies, as incurred in 2001.

In 2003, the company had commission income in the proportion of 78.8% of total income. Therefore, the reduction of commission fee shall directly effect to the company's income.

Seamico has been aware of this risk and had implemented its policy to strengthen its income base by diversifying revenue structure to be more active in investment banking business and debt instrument business.

3. Risks associated with reliance on key personnel

The management plays an important role in ensuring the company continues as a going concern and recovers. At present, the three directors who play an important role in management are Mr.Robert W. McMillen, Mr.Reungvit Dusdeesurapot and Mr.Chao Arunyawat, especially Mr.Reungvit Dusdeesurapot and Mr.Robert W. McMillen, whose efforts enabled the company to recover from the situation where its operations had almost closed in 1997 to its present condition of financial strength. Seamico was once notified by the SEC on 30th September 1997 that its operations might have to be suspended if the capital reserve did not meet the SEC's requirement, while the company's market capitalisation as at 30th September 1997 were Baht 259.53 million, total liabilities (excluding clients' accounts) and loss from operations for the year ended 31st December 1997 were Baht 436 million and Baht 866.51 million, respectively.

The key management of Seamico as stated above attempted to turn the company around through the following actions:

- ◆ By the management implemented capital increase schemes from 1998 to the present. Total funds raised totalled more than Baht 1 million.
- ◆ The management reduced Seamico's debt down to zero in 1998 and has maintained a no debt policy until the present. The elimination of accumulated losses by more than Baht 1 billion brought the company back to a state that allowed it to be able to declare a dividend payment of Baht 0.50 per share to its shareholders in May 1999. In addition, when Seamico had losses due to the liberalisation of brokerage commission rates in 2000 and 2001, the company transferred legal reserve and premium on share capital to offset accumulated losses in order to pay a dividend when the company has a profit. This was approved by the Annual General Meeting of Shareholders for the year 2002. Dividends of year 2002 were paid to shareholders at Baht 0.50 per share in 2003.

Due to the policy of expanding clients in Retail Brokerage business, the number of securities trading clients had increased from 1,449 accounts in 1999 to 10,838 accounts in 2003, which significantly increased the company's market share from 3.74% in 2000 to 7.20% in 2003. In addition, the Company's trading volume in the year 2003 compared to the year 2000 increased by 578%, while the total market volume increased by 265%.

Since securities business rely on the capability of personnel, Seamico has continuously recruited a number of high-flyers joining in the team. This result the company's success in expanding its business into investment banking, debt trading and private fund management.

The current management is crucial to the company's survival. It can be said that the company is exposed to risks associated with reliance on key personnel. If any key personnel are lost, the company may not be able to maintain its current operating performance. Realising this, Seamico regularly consider and review its remuneration's package and staff welfare to be competed in the industry in order to maintain these valuable personnel.

SHAREHOLDERS STRUCTURE AND MANAGEMENT

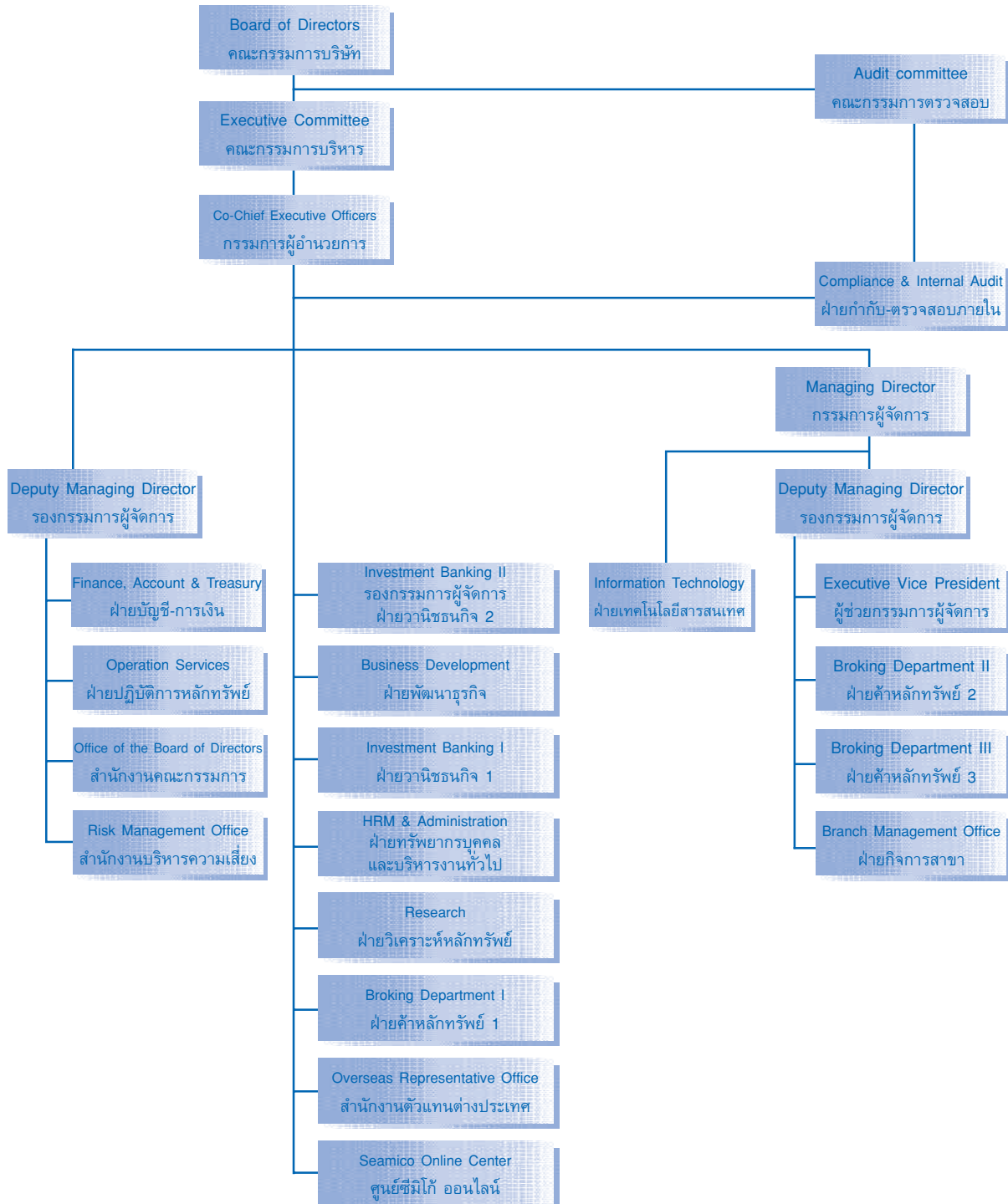
1. SHAREHOLDERS

MAJOR SHAREHOLDERS AS AT 13th JANUARY 2004 (The latest closure date of share register book)

Name	No. of Shares Held (Shares)	Percentage of Paid-up Capital (%)
1. AJF Star Capital Fund	34,782,000	4.85
2. Thai NVDR Company Limited	22,642,720	3.16
3. National Securities Co., Ltd.	17,513,000	2.44
4. Kim Eng Securities (Thailand) Plc.	14,789,920	2.06
5. HSBC (Singapore) Nominees Pte. Ltd.	14,033,820	1.96
6. State Street Bank and Trust Company	13,050,180	1.82
7. Mrs. Buppha Ngamapichon	10,500,000	1.47
8. Raffles Nominees (Pte) Limited	8,420,000	1.18
9. Mr. Chalthong Pattamaphong	8,336,400	1.16
10. Mr. Vitthaya Narathassajun	8,000,000	1.12
11. Others	564,386,000	78.77
Total	716,454,040	100.00

2. MANAGEMENT

ORGANISATION CHART AS AT 31st DECEMBER 2003



2.1 MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

1.	Mr. Paron Israsena	Chairman and Independent Director
2.	Dr. James Sai Wing Wong	Vice Chairman and Director
3.	Mr. Robert W. McMillen	Authorised Director and Chief Executive Officer
4.	Mr. Reungvit Dusdeesurapot	Authorised Director and Chief Executive Officer
5.	Mr. Chao Arunyawat	Authorised Director and Managing Director
6.	Mrs. Duangrat Watanapongchat	Authorised Director and Deputy Managing Director
7.	Mr. Kenneth K.H. Lam	Director
8.	Mr. Bernard Pouliot	Director
9.	Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee
10.	Miss Korbsook Iamsuri	Independent Director and a Member of Audit Committee
11.	Dr. Sorajak Kasemsuvan	Independent Director and a Member of Audit Committee
	Mrs. Duangrat Watanapongchat	Secretary to the Board of Director

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 the shareholders' meeting, and shall also be authorised to carry on any activities as prescribed in the Memorandum or those related thereto.

The Board of Directors may assign one or more person to carry out any activities on behalf of the Board of Directors. No authorisation will entitle grantee to consider and approve the transaction, which may cause a conflict of interest between grantee or any related person or interested person.

The authorised signatories of the shall be any two authorised directors signing their names together with the company's seal.

The following matters shall require any one of Group A directors, namely Mr.Reungvit Dusdeesurapot or Mr.Chao Arunyawat or Mrs.Duangrat Watanapongchat signing together with Group B director, namely Mr.Robert William McMillen with the company's seal being affixed.

- a) The incurring of any indebtedness in excess of Baht 25 Million with any person;
- b) The creation of, or agreement or consent to suffer to exist, any mortgage, pledge, lien, security interest, lease (excluding any lease entered into in the normal course of business) or other encumbrance on or with respect to all or any of its business, properties or revenues;
- c) The initiation of any litigation or arbitration which may have a materially adverse effect on the operation, business or assets of the company; and

- d) The release of the obligations or liabilities of any Shareholders of the company, and the proceeding must be approved by the resolution of the Board of Directors' Meeting or shareholders' meeting if require.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

Scope of power, duty and responsibility of Chief Executive Officer with regard to day-to-day and administrative activities and transactions of the Company as follows:

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

EXECUTIVE COMMITTEE

1. Mr. Kenneth K.H. Lam	Chairman of Executive Committee
2. Mr. Robert W. McMillen	Member
3. Mr. Reungvit Dusdeesurapot	Member
4. Mr. Bernard Pouliot	Member
5. Mr. Chao Arunyawat	Member
6. Mrs. Duangrat Watanapongchat	Member and Secretary to the Executive Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

Executive Committee have the power, duty and responsibility to manage on a day-to-day basis of 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 maximise economic value and shareholders' wealth.
- ◆ To monitor the business's performance and operations of the Company, according to its by laws and regulations.

- ◆ To authorise business matters under limit of authority assigned by the Board of Directors.

Executive Committee does not have the powers 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 are 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 shareholder's meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

AUDIT COMMITTEE

The Board of Directors No. 15/1999 dated on 11th November 1999 approved the establishment of the Audit Committee. Chairman and the members of Audit Committee will have the term of holding office for 3 years. Current Audit Committee's members composed with the 3 following directors.

1. Mr. William H.M. Chao	Chairman of Audit Committee
2. Miss Korbsook Iamsuri	Member
3. Dr. Sorajak Kasemsuvan	Member
Mrs. Aree Termwatanapakdee	Secretary to the Audit Committee

RESPONSIBILITIES

1. To 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 committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.
2. To review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external auditors and internal auditors.
3. To review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
4. To consider and advise the appointment of the external auditors including the audit fee by considering the credibility, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff.
5. To consider compliance with all connected transaction disclosures or the conflict-of-interests disclosures.
6. To 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.).

7. To report the activities of the audit committee in the company's annual report, which must be signed by the chairman of the audit 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.

COMPENSATION COMMITTEE

The Board of Directors No. 1/2001 dated on 20th February 2001 approved the establishment of the Compensation Committee, which composed with the 3 following directors.

1. Mr. William H.M. Chao	Chairman of Compensation Committee
2. Mr. Bernard Pouliot	Member
3. Mr. Kenneth K.H. Lam	Member

Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot will attend the meetings to provide information.

It is suggested that this Committee meet to make decision on the following matters and present to the Board of Directors meeting.

- ◆ Directors' Remuneration
- ◆ Senior Management Compensation
- ◆ ESOP Schemes
- ◆ Senior Management Bonuses
- ◆ Senior Management Contracts

REMUNERATION COMMITTEE

The Board of Directors No. 5/2000 dated on 10th May 2000 approved the establishment of the Remuneration Committee, which composed with the 3 following directors.

1. Mr. Kenneth K.H. Lam	Member
2. Mr. Robert W. McMillen	Member
3. Mr. Reungvit Dusdeesurapot	Member

The Remuneration Committee will review for overall remuneration system within Seamico.

MANAGEMENT (as definition of the Securities and Exchange Commission)

1. Mr. Reungvit Dusdeesurapot	Authorised Director and Chief Executive Officer
2. Mr. Robert W. McMillen	Authorised Director and Chief Executive Officer
3. Mr. Chao Arunyawat	Authorised Director and Managing Director
4. Mrs. Duangrat Watanapongchat	Authorised Director and Deputy Managing Director
5. Mr. Somchai Kanjanapetcharat	Deputy Managing Director
6. Mr. Chupong Tanasettakorn	Deputy Managing Director
7. Miss Patarin Tananart	Deputy Managing Director

For the vacancy of Head of Finance, Account and Treasury Department, Mrs. Duangrat Watanapongchat is in charge at present.

DIRECTORS AND MANAGEMENT PROFILES AS OF 31ST DECEMBER 2003

Name-Surname	Mr. Paron Israsena
Position	Chairman and Independent Director
Age	76 Years
Education	<ul style="list-style-type: none"> ◆ Ph.D. Honorary Doctor of Philosophy, Chiang Mai University (1992) ◆ DBA., Honoris Cause, Chulalongkorn University (1986) ◆ Honorary Doctoral, Yonok College ◆ SM.ME., Massachusetts Institute of Technology, USA (1954) ◆ B. Eng. ME., Chulalongkorn University (1951) ◆ B. Eng., with Honors, Chulalongkorn University (1950)
% of Shareholdings	0%
Experience	
1993 - Present	◆ Chairman and Independent Director, Seamico Securities Plc. / Securities Business
Present	◆ Director and Member of Audit Committee, Siam Cement Plc.
Present	◆ Director and Chairman of Audit Committee, Sammakorn Plc.
Present	◆ Chairman, Shin Sattelite Plc.
Present	◆ Director and Member of Audit Committee, Padaeng Industry Plc.
Present	◆ Member, Thai Red Cross Association
Present	◆ Member, The National Economic and Social Development
Present	◆ Distinguished Member, Chulalongkorn University Council
Present	◆ Distinguished Member, Chiang Mai University Council
Present	◆ Vice Chairman, Thai Com Foundation
Present	◆ Director, Nailert Park Hotel Co., Ltd.
Name-Surname	Dr. James Sai Wing Wong
Position	Vice Chairman
Age	65 Years
Education	<ul style="list-style-type: none"> ◆ Ph.D., Major - Mathematics, California Institute of Technology (1965)
% of Shareholdings	0%
Experience	
1998 - Present	◆ Vice Chairman, Seamico Securities Plc. / Securities Business
1987 - Present	◆ Chairman, Chinney Investments Limited / Investment Business

Name-Surname	Mr. Robert William McMillen
Position	Executive Director and Chief Executive Officer (Authorised)
Age	47 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 Institute of Technology (1982)
% of Shareholdings	0.21%
Experience	
1 Jun. 2000 - Present	◆ Executive Director and Chief Executive Officer (Authorised) Seamico Securities Plc. / Securities Business
2003 - Present	◆ Independent Director and Member of Audit Committee, Eastern Star Real Estate Plc.
2002 - Present	◆ Director, Raimon Land Plc. / Property Business
2002 - Present	◆ Director, ChaAm Campus City Co., Ltd. / Property Business
2002 - Present	◆ Director, Raimon Tower Co., Ltd. / Property Business
2001 - Present	◆ Director, Raimon Land Planner Co., Ltd. / Raimon Land Consultant
2001 - Present	◆ Director, Burda-Rizzoli (Thailand) Co., Ltd. / Publishing Lady Magazine
2001 - Present	◆ Director, Knight Brooker Mekong Strategic Investment Fund / Investment Business
1 Oct. 03 - Present	◆ Director (Authorised), Brooker Group Plc. / Consultant Business
1998 - Present	◆ Chairman and Director, Strategic Property Company Limited / Property Business
8 Aug. - 30 Sep. 03	◆ Director (Authorised) and Chairman of Executive Committee, Brooker Group Plc. / Consultant Business
1998 - 7 Aug. 03	◆ Director (Non-authorised) and Chairman of Executive Committee, Brooker Group Plc. / Consultant Business

Name-Surname	Mr. Reungvit Dusdeesurapot
Position	Executive Director and Chief Executive Officer (Authorised)
Age	45 Years
Education	<ul style="list-style-type: none"> ◆ M.PHIL, Major - Economics, University of Oxford (1984) ◆ B.SC. (HON.), Major - Economics, London School of Economics, University of London (1982)
% of Shareholdings	1.07%
Experience	
1 June 2000 - Present	◆ Executive Director and Chief Executive Officer (Authorised) Seamico Securities Plc. / Securities Business
2002 - Present	◆ Director, Raimon Land Plc. / Property Business
2002 - Present	◆ Director, ChaAm Campus City Co., Ltd. / Property Business
2002 - Present	◆ Director, Raimon Land Planner Co., Ltd. / Raimon Land Consultant

2002 - Present	◆ Director, Raimon Tower Co., Ltd. / Property Business
1998 - Present	◆ Chairman and Director, Strategic Property Company Limited / Property Business
1997 - Present	◆ Chairman, Syn Mun Kong Insurance Plc. / Insurance Business
2001 - 1 Jan. 04	◆ Director, Brooker Group Plc. / Consultant Business
2000 - 2001	◆ Chairman, Brooker Group Plc. / Consultant Business
1999 - 2000	◆ Director, Brooker Group Plc. / Consultant Business
1997 - 31 May 2000	◆ Executive Director and Managing Director (Authorised) Seamico Securities Plc. / Securities Business

Name-Surname	Mr. Chao Arunyawat
Position	Executive Director and Managing Director (Authorised)
Age	51 Years
Education	◆ Master Degree of Financial Management The National Institute of Development Administration (1979)
% of Shareholdings	0.37%
Experience	
1 June 2000 - Present	◆ Executive Director and Managing Director (Authorised) Seamico Securities Plc. / Securities Business
2001 - 2002	◆ Vice Chairman and Director, Strategic Property Co., Ltd. / Property Business
1995 - 30 May 2001	◆ Executive Vice President, ABN Amro Asia Plc. / Securities Business

Name-Surname	Mrs. Duangrat Watanapongchat
Position	Executive Director and Deputy Managing Director (Authorised)
Age	46 Years
Education	◆ Master Degree of Accounting, Thammasat University (1983) ◆ Directors Certification Program
% of Shareholdings	0.07%
Experience	
25 April 2002 - Present	◆ Executive Director and Deputy Managing Director (Authorised) Seamico Securities Plc. / Securities Business
1 June 2000 - 2002	◆ Deputy Managing Director, Seamico Securities Plc. / Securities Business
1994 - 31 May 2000	◆ Executive Director and Deputy Managing Director Seamico Securities Plc. / Securities Business

Name-Surname	Mr. Kenneth Kin Hing Lam
Position	Director
Age	50 Years
Education	<ul style="list-style-type: none"> ◆ Master Degree, Major - Business Administration Chinese University of Hong Kong (1983)
% of Shareholdings	0%
Experience	
1998 - Present	◆ Director, Seamico Securities Plc. / Securities Business
2002 - Present	◆ Director, Raimon Land Plc. / Property Business
2000 - Present	◆ Director, Quam Limited / Investment Business
1994 - Present	◆ Managing Director, Quam Securities Co., Ltd. / Securities Business
1994 - Present	◆ Director, Chinney Alliance Group Limited / Investment Business

Name-Surname	Mr. Bernard Pouliot
Position	Director
Age	52 Years
Education	<ul style="list-style-type: none"> ◆ Bachelor Degree, Major - Commerce, University of Quebec (1974)
% of Shareholdings	0%
Experience	
1998 - Present	◆ Director, Seamico Securities Plc. / Securities Business
2000 - Present	◆ Chairman, Quam Limited / Investment Business
1999 - Present	◆ Director, Quam Capital (Holdings) Limited / Investment Business
1998 - Present	◆ Director, Mandarin Communications Limited / Communication Business
1994 - Present	◆ Director, Distacom / Investment Business
2002 - 15 August 2003	◆ Director, Brooker Group Plc. / Consultant Business

Name-Surname	Mr. William H.M. Chao
Position	Independent Director and Chairman of Audit Committee
Age	46 Years
Education	<ul style="list-style-type: none"> ◆ Master of Business Administration, Major - Finance / Marketing University of Chicago (1985)
% of Shareholdings	0.06%
Experience	
1998 - Present	<ul style="list-style-type: none"> ◆ Independent Director and Chairman of Audit Committee Seamico Securities Plc. / Securities Business
2000 - Present	◆ Director, Cal-Comp Electronics (Thailand) Plc. / Electronics Business
1998 - Present	◆ Director, Wing Wah Advisory (Thailand) Limited / Consultant
Present	<ul style="list-style-type: none"> ◆ Member of Investment Committee Bangkok Garden Property Fund / Investment Business
Present	◆ Director, City Realty Co., Ltd. / Property Business
Present	◆ Director, Kwa Jung Components (Thailand) Co., Ltd. / Electronics Business

Name-Surname	Miss Korbsook Iamsuri
Position	Independent Director and Audit Committee's Member
Age	45 Years
Education	<ul style="list-style-type: none"> ◆ Master of Business Administration, Major - Finance University of Wisconsin, Madison (1984) ◆ Directors Certification Program
% of Shareholdings	0.01%
Experience	
1 June 2001 - Present	<ul style="list-style-type: none"> ◆ Independent Director and Audit Committee's member Seamico Securities Plc. / Securities Business
15 August 2003 - Present	<ul style="list-style-type: none"> ◆ Independent Director and Member of Audit Committee Raimon Land Plc. / Property Business
1998 - Present	<ul style="list-style-type: none"> ◆ Director, Kamol Kij Group / Agriculture Business
1989 - Present	<ul style="list-style-type: none"> ◆ Director, Black and White Co., Ltd. / Audio Visual Business

Name-Surname	Dr. Sorajak Kasemsuvan
Position	Independent Director and Audit Committee's Member
Age	48 Years
Education	<ul style="list-style-type: none"> ◆ Ph.D., International Law, London School of Economics and Political Science University of London, U.K. (1987)
% of Shareholdings	0%
Experience	
2002 - Present	<ul style="list-style-type: none"> ◆ Independent Director and Audit Committee's member Seamico Securities Plc. / Securities Business
Present	<ul style="list-style-type: none"> ◆ Advisor to the Minister of Foreign Affairs
Present	<ul style="list-style-type: none"> ◆ Senior Vice President for Corporate Communication and International Trade Law, Charoen Pokphand Group Co., Ltd. / Investment Business
1999 - 2002	<ul style="list-style-type: none"> ◆ Director - General, Mass Communication Organization of Thailand
1999	<ul style="list-style-type: none"> ◆ Dean, Faculty of Law, Assumption University
1996 - 1999	<ul style="list-style-type: none"> ◆ Vice President, Institute of Social and Economic Policy
1996 - 1999	<ul style="list-style-type: none"> ◆ Managing Director, Magna Pictures Co., Ltd.
1996 - 1999	<ul style="list-style-type: none"> ◆ Vice President, Federation of National Film Association of Thailand

Name-Surname	Mr. Somchai Kanjanapetcharat
Position	Deputy Managing Director
Age	48 Years
Education	◆ MBA, The National Institute of Development Administration (1991)
% of Shareholdings	0.03%
Experience	
2002 - Present	◆ Deputy Managing Director, Seamico Securities Plc. / Securities business
2000 - 2002	◆ Executive Vice President, Seamico Securities Plc. / Securities business
1995 - 2000	◆ Senior Vice President, Broking Department Krungthai Thanakit Securities & Finance Plc. / Finance & Securities Business

Name-Surname	Mr. Chupong Tanasettakorn
Position	Deputy Managing Director
Age	46 Years
Education	◆ MBA (Finance) University of Detroit
% of Shareholdings	0%
Experience	
2003 - Present	◆ Deputy Managing Director, Seamico Securities Plc. / Securities Business
2002 - 2003	◆ Executive Director, Philip Securities (Thailand) Plc. / Securities Business
1999 - 2002	◆ Deputy Managing Director, Philip Securities (Thailand) Plc. / Securities Business
1998 - 1999	◆ Special Manager - Financial Sector Restructuring Authority

Name-Surname	Miss Patarin Tananart
Position	Deputy Managing Director
Age	43 Years
Education	◆ MBA (MIS) University of Texas
% of Shareholdings	0%
Experience	
1 Dec. 03 - Present	◆ Deputy Managing Director, Seamico Securities Plc. / Securities Business
2003 - 2003	◆ Managing Director, Siam City Securities Co., Ltd.
2001 - 2003	◆ Executive Director, UOB Kayhian Securities (Thailand) Co., Ltd.

2.2 DIRECTOR AND MANAGEMENT SELECTION

The selection of directors will be considered by the Executive Committee which will proposed to a Board of Directors meeting and/or shareholders meeting in accordance with the company's Memorandum of Association, as follows:

The company shall have a Board of Directors which consists of at least 5 persons as elected by the general meeting of shareholders of the company. The directors shall elect a director to be the Chairman, and may elect a Vice-Chairman, Managing Director and any other officer as they deem fit. At least half of the directors shall be resident in the Kingdom.

The directors shall be elected by shareholders meeting in accordance with the following procedure and rules:

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

Therefore, all shareholders have a right to select a director by attending the shareholders meeting and voting in according with Article of Association.

At every Annual General Meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third shall retire from office. The directors retiring on the first and second years following the registration of the company shall be drawn by lots. In subsequent years, the directors who have been longest in office shall retire. A retiring director is eligible for re-election.

Shareholders meetings may resolve to remove any director before the expiration of his term of office by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote with no less than one-half of shares held by all the shareholders attending the meeting and having the right to vote.

2.3 REMUNERATION FOR MANAGEMENT IN 2003

2.3.1 Monetary Remuneration

Directors (Non-Authorised)

Type of Remuneration	No. of Persons	Remuneration (Baht)
Fee and Bonus	8	4,560,000

- Note 1. During the year 2003, Mr, Hitoshi Tani resigned from his directorship.
 2. Four authorised directors of the company will not entitle for directors' fees and director bonus.

Directors (Authorised) and Management

	No. of Persons	Remuneration (Baht)
Salary	7	21,129,960
Bonus	7	138,390,700
Total	7	159,520,660

2.3.2 Other Remuneration

The Extraordinary General Meeting of Shareholders No. 1/2001 held on 15th June 2001 had approved the issuance of 6,600,000 ESOP warrants with term up to 5 years offered to directors and employees of the company and its subsidiary. The holders can exercise their warrants at the ratio of 1 warrant for 1 ordinary share at the price of Baht 10 each.

ESOP Warrants were issued to directors and employees of the company and its subsidiary with the following conditions.

- 1/3 immediately after receiving necessary approval.
- 1/3 within the next 12 months after the Issuance.
- The remaining within the next 24 months after the Issuance.

The selected director or employee who joins the company after the first date of the programme shall be entitled to the first half of their portion after the first year of service, and the remainder after the second year of service.

If directors or employees leave the company, they will not be entitled to the remaining allocation.

If directors or employees:

- retire as part of normal procedures;
- are too ill to continue working;
- pass away;
- leave for reasons accepted by the Board of Directors;
- are made redundant without cause or through no fault of their own;

they will be granted full entitlement to the remaining ESOP Warrants.

If there are any remaining unallotted ESOP Warrants, the Board of Directors in corporation with the Compensation Committee for directors or the Remuneration Committee for key employees may determine an allocation of remaining warrants to any directors or employees in accordance with the above specified procedures and conditions.

Details of the allotment in 2003

Director and Management	Position	Number of ESOP Warrants
Mr. Paron Israsena	Chairman and Independent Director	34,000
Dr. James Sai Wing Wong	Vice Chairman and Director	0
Mr. Robert W. McMillen	Authorised Director and Chief Executive Officer	294,000
Mr. Reungvit Dusdeesurapot	Authorised Director and Chief Executive Officer	294,000
Mr. Chao Arunyawat	Authorised Director and Managing Director	294,000
Mrs. Duangrat Watanapongchat	Authorised Director and Deputy Managing Director	104,000
Mr. Kenneth K.H. Lam	Director	15,000
Mr. Bernard Pouliot	Director	15,000
Mr. William H.M. Chao	Independent Director and Member of Audit Committee	16,000
Miss Korbsook Iamsuri	Independent Director and Member of Audit Committee	15,000
Dr. Sorajak Kasemsuvan	Independent Director and Member of Audit Committee	15,000
Mr. Somchai Kanjanapetcharat	Deputy Managing Director	110,000

THE CHANGE OF SECURITIES HOLDING BY DIRECTORS AND MANAGEMENT

Director / Management	Position	Number of shares held		Change Increase/ (Decrease)
		31 Dec. 02	31 Dec. 03	
Mr. Paron Israsena	Chairman and Independent Director	0	0	0
Mr. James S.W. Wong	Vice Chairman	0	0	0
Mr. Robert W. McMillen	Executive Director and CEO	2,000,000	1,500,000	(500,000)
Mr. Reungvit Dusdeesurapot	Executive Director and CEO	9,722,020	7,662,020	(2,060,000)
Mr. Chao Arunyawat	Executive Director and MD	1,930,000	2,670,000	740,000
Mrs. Duangrat Watanapongchat	Executive Director and DMD	1,130,000	530,000	(600,000)
Mr. Kenneth K.H. Lam	Director	0	0	0
Mr. Bernard Pouliot	Director	0	0	0
Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee	340,000	500,000	160,000
Miss Korbsook Iamsuri	Independent Director and Audit Committee's Member	515,000	56,320	(458,680)
Dr. Sorajak Kasemsuvan	Independent Director and Audit Committee's Member	0	0	0
Mr. Somchai Kanjanapetcharat	Deputy Managing Director	900,000	200,000	(700,000)
Mr. Chupong Tanasettakorn	Deputy Managing Director	0	0	0
Miss Pattarin Tananart	Deputy Managing Director	2,000	2,000	0

Note At a par value of Baht 1 each

PROVIDENT FUND

During 2003, the company contributed Baht 1,258,818 for the management to the company's provident fund.

2.4 CORPORATE GOVERNANCE

The company has realised the important of good corporate governance and compliance with the SET's principles, as follows:

1. Policy on corporate governance

The Board of Directors implements and directs the company's policies as well as monitors and supervises its operations to maximise economic value and long-term shareholders' wealth.

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

2. The equitable treatment of shareholders

The company emphasised the equitable treatment of shareholders, as follows:

◆ The right 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 7 days prior to the meeting date to ensure that shareholders have timely and sufficient information regarding the issues to be decided at the meeting.

◆ Voting rights

All shareholders have the right to attend a shareholder meeting and vote in accordance with the article of association of the company. Besides this, the company will also provide a proxy form for shareholders who cannot attend the meeting to appoint an independent director as a grantee in which the shareholder can specify their vote for each agenda in the proxy form.

◆ The right to be treated equally

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

3. The rights of stakeholders

The company realises that the growth and success of the company are from the support of all groups of stakeholders. The company therefore set a general practice of serving major groups of stakeholders, as follows:

3.1 Shareholders

Accurate and timely disclosure on all material matters has to be 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. A code of ethics has been implemented and is regulated by the Compliance Unit. Any claim or suggestion from clients shall be taken into action immediately.

3.3 Employees

Employees are also key to the success of the company. Appropriate remuneration competitive to other companies in the same industry is implemented and reviewed regularly. The company provides an employee manual for employees to learn about the company's policies, benefits and welfare.

4. Shareholders meetings

Shareholders shall be informed of the date, time and place of meetings, including details of the agenda, in a notice of shareholders meeting.

The Chairman shall encourage shareholders to ask questions or express their opinions at meetings. Executive Directors, Management, Audit Committee Member, External Auditor and Lawyers shall attend the shareholders meeting to answer questions.

The minutes of shareholders meeting shall be presented to the next shareholders meeting to certify.

The minutes of shareholders meetings shall be kept securely and be accessible by all concerned persons.

5. Leadership and vision

The Board of Directors consist of directors who have ample education, capability and experience to benefit the company.

The Board of Directors shall participate in the vision, strategy, goal and plan of the company. The Board of Directors shall monitor management by;

- ◆ Explicit segregation of duties between each committee and management.
- ◆ Establish an Audit Committee composed solely of independent directors to oversee the company's financial reports and internal controls.
- ◆ Establish a Compliance and Internal Audit report directly to the Audit Committee.
- ◆ Set up an authorisation level appropriate for the internal control and risk management.

6. Conflict of interest

The company guards against conflicts of interest, as follows:

- ◆ Determines price and conditions equivalent to the fair value applied to other parties.
- ◆ Seriously complies with SET regulations.
- ◆ Discloses connected transactions in Financial Statements, Annual Report and Form 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, regularly regulated by Compliance and Internal Audit.

7. Code of ethics

The Board of Directors shall perform their duties and business of the company in accordance with the laws, the company's objectives and the article of association, as well as by resolutions of shareholders meeting.

The code of ethics is stated in the compliance manual provided to management and employees. The penalty for failing to comply with the code of ethics is also specified in the compliance manual.

8. The balance of power for non-executive directors

The Board structure of the company has been determined to be composed of the following:

The Composition of the Board of Directors

- | | | |
|--------------------------|---|------------------|
| ◆ Executive Director | 4 | persons |
| ◆ Non-Executive Director | 7 | persons Who are: |
| ◆ Independent Director | 4 | persons |
| ◆ Outside Director | 3 | persons |

The Chairman is selected from independent directors.

The Appointment of Audit 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 Committee shall receive information directly from the Compliance and Internal Audit Department.

9. Aggregation or segregation of positions

The Chairman is an Independent Director as defined by the SET and 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.

10. Remuneration for directors and management

Directors' Remuneration : All directors' remuneration represents obviously and transparently and high for supporting and maintaining of the qualified directors, all this is not exceeding from approval amount of the shareholders meeting. In addition, the remuneration for the Audit Committee shall be increased as well as the quantity of jobs.

Management's Remuneration : The management's remuneration is arranged according to the regulations and policies notified by the Board of Directors which is concerned to the company's and its each of management performances and approved by the company's Compensation Committee under the consideration of the company's performance return on equity and personnel competition.

Remuneration as at 31 : See details as set out in 2.3 "REMUNERATION FOR MANAGEMENT"
December 2003

11. Board of directors' meetings

According to the company's article of association, the Board of Directors meeting shall be held at least once every three months, and a schedule of the meeting will be delivered to all directors in advance. However, Board of Directors meetings may be held as appropriate.

The company's secretary will inform the date, time and venue of the meeting and also send documents of the meeting to all directors in advance.

During the meeting, directors may raise any additional agenda for consideration at a meeting. Each director may also freely present an opinion at meetings. The minutes of meetings shall be presented to the Board of Directors to be certified and be kept for future reference.

Directors' attendance records have been presented to the Board of Directors meetings since 2001.

The total number of meetings in 2003 were 11, each lasting 2-3 hours. Details of attendance records are as follows:

Name and directors' attendance record in 2003

Name	Position	Number of Attendance
1. Mr. Paron Israsena	Chairman and Independent Director	11
2. Mr. James S.W. Wong	Vice Chairman	1
3. Mr. Robert W. McMillen	Executive Director and Chief Executive Officer	10
4. Mr. Reungvit Dusdeesurapot	Executive Director and Chief Executive Officer	11
5. Mr. Chao Arunyawat	Executive Director and Managing Director	11
6. Mrs. Duangrat Watanapongchat	Executive Director and Deputy Managing Director	11
7. Mr. Kenneth K.H. Lam	Director	4
8. Mr. Bernard Pouliot	Director	2
9. Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee	7
10. Miss Korbsook Iamsuri	Independent Director and Audit Committee's Member	10
11. Dr. Sorajak Kasemsuvan	Independent Director and Audit Committee's Member	4

12. Committees

Various committees have been established such as Executive Committee, Audit Committee, Compensation Committee and Remuneration Committee to assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of Audit Committee and Compensation Committee is composed of independent directors in order to be independent and transparent (see details as set out in 2.1 "Management Structure").

13. Controlling system and internal audit

The company has placed emphasis on internal control and audit systems, both at the management and operating levels. The company has documented the scope of responsibilities for each by function comprising operation, audit, and authorisation to ensure a proper check and balance system and regular financial reports to relevant management.

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. To be independent of 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 Committee. In addition, the Compliance and Internal Audit Department will hold meetings to report its findings directly to the Audit Committee without the participation of management.

14. Directors' reporting

The Board of Directors are responsible for the accuracy, the completeness and the 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 Committee in order to review the sufficiency, credibility and objectivity of the financial reporting. And review the adequacy and effectiveness of internal control and compliance with the company's policies and laws and to consider and advise the appointment of the external auditors including the audit fee.

The Board of Directors is of the opinion that the company has prepared the financial reports in accordance with the 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.

15. Investor Relations

The Board of Directors work to ensure in 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, etc.

2.5 SUPERVISION ON USING INSIDE INFORMATION

The company has formulated policies and measures as specified in its Compliance Manual, as well as other relevant rules, aimed to prevent the company, its management, and employees from using inside information for their own interests. The organisation structure is divided into functional departments with separate physical working areas, in particular, those departments with important and confidential information, such as, Investment Banking, Research, Securities Trading, Debt Trading.

Among various preventive policies and measures relating to inside information are:

1. Rules to prevent conflicts of interest stipulate that employees shall perform their tasks in accordance with the code and standards of practice so as to avoid probable conflicts of interest. For example, employees are prohibited from trading for themselves or others using inside information.

2. Staff dealing rules stipulate that employees shall disclose their trading information and that of related persons so as to promote transparency, fairness, and appropriate compliance and internal control.
3. A Watch list, restricted list, and research list shall be prepared as a tool to review compliance of employees, the management, or the investment committee, who are in possession of inside information as a result of their duties. These persons are barred from trading securities in the predetermined lists for a certain period, either for themselves, for others, or on behalf of the company, before such information is disclosed to the public.

The compliance and internal control department report directly to the auditing committee and shall exert its influence to ensure the above policies and measures are carried out.

In case that the management or employees act in violation of the applicable policies and measures, they shall be subjected to disciplinary sanctions.

2.6 INTERNAL CONTROL

The internal control and internal audit is explained in Corporate Governance No. 13.

In the year 2003, the Audit Committee held 6 meetings with the head of Accounting and Finance department, the Head of Compliance, Internal Audit department, and the company's auditor to review the quarterly and annual financial statement of 2003 and the disclosure of financial reports and notes to financial reports, including the regular discussions and recommendation concerning problem which might violations of applicable laws and regulations, as well as the sufficiency of internal control system.

The Audit Committee is of the opinion that the company has prepared the financial reports in accordance with the 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 including the significant laws and regulations has been complied. Furthermore, the corrections were made in significant issues according to the audit report for good corporate governance for the benefits of the Company and shareholders.

RELATED PARTIES AND CONNECTED TRANSACTIONS

1. Purchase / Sale of goods and/or service

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
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	<ul style="list-style-type: none"> - Share trading value - Brokerage fee - Securities business payable - Underwriting fee expense - Public relations expense - Brokerage fee expense - Financial advisory fee income 	240.27	968.67	788.08	<ul style="list-style-type: none"> - Previously, fee was determined 0.3 per cent but from October 2000, fee is 0.15 per cent. - In 2002, fee charge at 0.25 per cent, which is normal rate charged to other customers. - Actual expense incurred. - Actual expense incurred. - Fee at the rate 0.5-0.75 per cent per the contract - Fee at the rate 1-2 per cent per the contract 	<ul style="list-style-type: none"> - With market rate or fair value reference to SET's regulation
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	<ul style="list-style-type: none"> - Share trading value - Brokerage fee - Securities business payable - Other liabilities - Brokerage fee expense 	-	-	545.95	<ul style="list-style-type: none"> - Fee was determined 0.25 per cent from cash account and 0.21 per cent of volume trade via interest, which is normal rate charged to other customers. - At the rate determined under the contract at 0.75-1 of the share issuance. 	

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
3) Quam Capital (Holding) Limited (Formerly named APC Capital (Holding) 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	- Public relations expense	0.04	-	-	- Actual expense incurred.	
4) Syn Mun Kong Insurance Plc. Related by way of common director, Mr. Reungvit Dusdeesurapot is a CEO and authorised director of Seamico and at the same time is a director (non-authorised) of Syn Mun Kong	- Providing financial instrument trading service - Brokerage fee - Share trading value - Gain on sales of financial instrument	- 0.04 18.71 -	- 0.16 63.02 -	62.55 0.28 112.17 0.04	- Fee in accordance the contract, with reference to the bond dealing market price - Brokerage fee of 0.25 per cent, which is normal rate charged to other customers. - Brokerage fee of 0.25 per cent, which is normal rate charged to other customers. - At rate agreed by each party	

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
5) Knight Asian Investment Ltd. Related by way of common director with Seamico, Mr. Jeremy Lechemere King in the year 2001 to March 2002. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King from June 2002 to present.	- Brokerage fee expense - Share trading value - Brokerage fee - Other receivables - Securities business receivable - Securities business payable	1.03 60.14 0.22 0.38 - -	- 83.14 0.30 - 1.11 0.41	- 499.49 1.25 - -	- Brokerage fee expense of 0.4 per cent of brokerage income. - Brokerage fee of 0.5 per cent for cash account and of 0.75 per cent for credit balance account. From October 2002 fee charged at 0.25 percent which is normal rate charged to other customers.	
6) Aeon Thana Sinsap (Thailand) Plc. Related by way of common director, Mr. Chatchaval Jiaravanon	- Underwriting fee	0.34	-	-	- Fee charge at the rate of 2.25 per cent of the value of underwriting share.	- Mr. Chatchaval Jiaravanon resigned from Seamico on 12 th July 2002.
7) Ticon Industrial Connection Plc. Related by way of common director, Mr. Chatchaval Jiaravanon	- Advisory fee income - Underwriting fee	0.004 -	2.57 0.83	- -	- At the rate determined under the contract Baht 3 million - Fee charge at the rate of 2 per cent of the value of underwriting share.	- Mr. Chatchaval Jiaravanon resigned from Seamico on 12 th July 2002.
8) United Broadcasting Corporation Related by way of common director, Mr. Chatchaval Jiaravanon	- Advisory fee income	0.21	0.61	-	- At the rate determined under the contract Baht 1 million per year	- Mr. Chatchaval Jiaravanon resigned from Seamico on 12 th July 2002.

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
9) Seamico Knight Fund Management Securities Co., Ltd. (SKFM) A subsidiary of Seamico at present	- Investment in common shares	-	3.68	6.01	- Investment portion 51 per cent	
	- Investment in private fund	-	30.18	126.77	- Determined under the contract	
	- Securities business payable	-	0.22	-		
	- Securities business receivable	-	-	31.58		
	- Other receivable	-	0.008	0.60	- Actual value outstanding in account	
	- Share trading value	-	47.73	748.83	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Brokerage fee	-	0.14	1.87	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Service income	-	2.68	-	- Base on the number of hours and rates of the service personnel	
	- Sales of fixed assets	-	1.29	-	- At the agreed price by reference to the sales price of independent seller	
	- Private Fund management Expense	-	0.09	1.28	- At the rate of 1-2 per cent of net asset value of the fund as under the contract	
- Other income	-	-	0.06	- At rate agreed by each party		
10) Knight Thai Strategic Investments Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Advisory fee income	-	0.20	0.14	- Fee at the rate determined under the contract 1 per cent of the share issuance plus related expenses	

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
11) Newer Challenge Holding Limited Related by way of common Director, Mr. Kenneth K.H. Lam	- Advisory fee income	-	0.20	-	- Fee at the rate determined under the contract 2 per cent	
12) Eastern Star Real Estate Plc. Related by way of common directors, Mr. Robert W. McMillen	- Advisory fee income - Accrued advisory fee	-	-	0.88 0.05	- At the rate determined under the contract of Baht 1 million	
13) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot	- Investment in common shares - Investment in warrants - Purchase ordinary shares issuance - Other expenses - Advisory fee income	-	95.68 38.39 99.97	140.46 34.47 43.37 0.01 3.15	- Investment portion 25.01 per cent - Investment portion 4.31 per cent - At the offering price to other investors - Actual expense incurred - At the rate determined under the contract at 1.5 per cent of the shares issuance	
14) Raimon Land Planner Co., Ltd. Related by way of common directors, Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot	- Advisory fee income - Sale of office building of a subsidiary company - Sale of property foreclosed (Land) - Sale of investment in Strategic Property Co., Ltd.	-	3.29 53.0 7.3 1.65	3.93 - - -	- At the rate determined under the contract at 2.75 per cent of the shares issuance - At the price agreed per the contract based on the appraisal value as appraised by independent valuers - At the price agreed per the contract based on the appraisal value as appraised by independent valuers - Price agreed per the contract	

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
15) Well Foundation 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	- Sale of investment in Raimon Land Plc.	-	13.59	-	- At the rate Baht 2.61 per share agreed per the contract	
16) Mr. Nigel John Cornick A director of Raimon Land, Seamico's associated company	- Sale of investment in Raimon Land Plc.	-	5.23	-	- At the rate of Baht 2.61 per share agreed per the contract	
17) Mr. Chatchaval Jiaravanon A Director who resigned from Seamico on 12 th July 2002.	- Brokerage fee - Share trading value	-	0.47 196.57	-	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers. - Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
18) Mr. Reungvit Dusdeesurapot Director	- Brokerage fee - Share trading value	-	0.08 32.38	0.13 50.95	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers. - Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
19) Mr. Robert W. McMillen Director	- Brokerage fee - Share trading value	-	0.08 31.13	0.07 29.25	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers. - Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
20) Mr. Chao Arunyawat Director	- Brokerage fee	-	0.03	0.04	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers. - Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Securities business payable	-	11.40	2.93		
	- Share trading value	-	-	14.91		
21) Miss Korbsook Iamsuri Director	- Brokerage fee	-	0.0007	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers. - Securities business payable - Securities business receivable - Share trading value	
	- Securities business payable	-	-	0.20		
	- Securities business receivable	-	-	0.37		
	- Share trading value	-	0.29	6.14		
22) Mrs. Duangrat Watanapongchat Director	- Brokerage fee	-	0.02	0.09	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers. - Securities business receivable - Share trading value	
	- Securities business receivable	-	-	0.89		
	- Share trading value	-	6.17	36.34		
23) Mr. William Hang Man Chao Director	- Brokerage Fee	0.02	-	0.05	- Brokerage fee of 0.25 per cent is normal rate charged to other customers. - Securities business payable - Share trading value	
	- Securities business payable	-	-	0.09		
	- Share trading value	8.12	-	23.42		

1. Purchase / Sale of goods and/or service (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
24) Mr. Bernard Pouliot Director	- Brokerage Fee - Share trading value	- -	- -	0.0005 0.23	- Brokerage fee of 0.25 per cent is normal rate charged to other customers. - Brokerage fee of 0.25 per cent is normal rate charged to other customers.	
25) MCL Co., Ltd. Related by way of common director with Seamico's associated Company (Brooker Group Plc.) Mr. Chan Bulakul	- Brokerage fee expense - Accrued expenses- brokerage fee	- -	- -	23.91 0.75	- At the rate of 30 per cent of advisory income - At the rate of 2 per cent of the value of share issuance - At the rate 15 per cent of underwriting fee income	
26) Knight Asset Management Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income	- -	1.69 2.14	7.98 13.02	- At the rate agreed by the contract	
27) Knight Asset (Thailand) Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Accrued expenses - Other assets - Fee and service income - Purchase of fixed assets - Personnel expenses - Other expenses	- - - - - -	0.02 0.06 - 1.94 1.27 2.83	- 0.03 0.42 - - -	- At the rate agreed by the contract - At the rate agreed by the contract - Actual expense incurred - Actual expense incurred - Actual expense incurred	

2. Purchase / Sale assets and investment

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
1) Strategic Property Co., Ltd. Previous wholly owned subsidiary of Seamico	- Loan	70.29	-	-	- Interest rate was 7 per cent per annum but for the year 2000 interest is based on Siam Commercial Bank fixed deposit rate at 1.25 per cent per annum. Loan is 5 years period, loan increase from year 2000 of Baht 10.38 million. Seamico has completely received loan and interest in the year 2002.	- This is regarded as a connected transaction and was approved by the board of directors and fully disclosed in the financial statements.
	- Purchase assets (vehicle)	-	0.27	-	- At the agreed price by reference to the sales price of the independent seller	
	- Interest income	0.82	0.47	-		
	- Accrued interest receivable	8.76	-	-		
	- Advisory fee expense	3.64	-	-	- At amount of Baht 0.52 million per month determined under the contract.	- The value is actual cost Incurred, and terminated contract with effective from September 2001.
					- Seamico signed the Sale and Purchase Agreement to sell its entire interest in Strategic Property to Kudu Co., Ltd. and Raimon Land Plc. on 3 rd October 2002.	

2. Purchase / Sale assets and investment (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
2) Wing Wah Advisory (Thailand) Limited Related by way of common director, Mr. William H.M. Chao	- Purchase of fixed assets	-	-	0.05	- At the rate agreed by each party whereby the Company does not lose any interest	
3) Brooker Group Plc. Seamico's associated company	- Investment in common share	8.44	-	8.33	- The company purchased the additional 20.3 per cent common shares of the Brooker Group Plc. in February 2003, at the offering price to other investors. Since November 2003, Brooker Group Plc. was not Seamico's associated company	- This is regarded as a connected transaction and was approved by the Company board of Directors on 15 th November 2000.
	- Investment in ordinary shares (provision for loss)	-	(1.72)	58.59		
	- Investment in warrants	2.48	0.00001	-		
	- Income from underwriting	1.51	-	-	- Fee charge at the rate of 3.25 per cent of the value of underwriting shares which is normal rate charge to other customers	- With reference to agreement to help protecting risk from unsuccessful underwriting
	- Accrued expense	-	-	0.00025		
	- Other account payable	-	0.07	-	- At the rate determined under the contract 15 per cent	
	- Prepaid expense	-	0.13	0.09	- As agree on invoice	
	- Fee for financial market news	-	0.47	0.58	- As agree on invoice	
	- Brokerage fee expense	-	0.07	1.29	- At the rate determined under the contract 15 per cent of fee income	
	- Brokerage fee	-	-	0.08	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	

2. Purchase / Sale assets and investment (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
3) Brooker Group Plc. Seamico's associated company (continued)	- Share trading value	-	-	30.38	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers	
	- Financial advisory fee income	-	-	1.27	- At the rate determined under the contract of 2 per cent of the placement value and Baht 250,000 per year plus related expenses.	
	- Other expense	-	-	0.54	- At rate agreed by each party	
4) Burda-Rizzoli (Thailand) Ltd. Related by way of common director, Mr. Robert W. McMillen	- Investment in preferred shares	2.55	2.55	2.55	- The Company invested in BURDA-Rizzoli (Thailand) Ltd. representing 33.8 per cent of the total shares in September 2000 but only 9 per cent of the total voting rights. From the year 2001 increasing its holdings to 51 per cent but only 17 per cent of the total voting rights	- This is regarded as a connected transaction and was approved by the Company board of directors on 22 nd September 2000.
	- Advisory fee income	0.23	0.23	0.23	- As agreed in the contract (Baht 0.23 million per annum)	
	- Accrued advisory fee	0.12	0.12	0.12		

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
Transaction between Seamico and related person 1) Mr. Sittichai Leesomboon one of the major shareholders of the Company at the end of 1997	- Outstanding loans for purchase of securities	21,995	-	-	- This particular receivable has repaid Baht 22.80 million in compliance with a debt composition agreement made before the court. The balance of Baht 24.23 million regarded as bad debt	- This transaction is considered a fair price and the client has not effect to the Company management in any case.
Transaction between Seamico's subsidiary and related companies 1) Knight Thai Strategic Investments Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Borrowing 5 years - Accrued interest payable - Interest expense from borrowing	- - -	- - -	2.5 0.10 0.10	- At the rate determined under the contract, interest charged 5 per cent per annum	This transaction is loan of Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) The lenders have the right to convert the loan to a maximum of 250,000 ordinary shares.

3. Lending (Continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
2) 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	<ul style="list-style-type: none"> - Borrowing 5 years - Accrued interest payable - Interest expense from borrowing 	-	-	<ul style="list-style-type: none"> 2.5 0.05 0.05 	- At the rate determined under the contract, interest charged 5 per cent per annum	<p>This transaction is loan of Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.)</p> <p>The lenders have the right to convert the loan to a maximum of 250,000 ordinary shares.</p>

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
1) Quam Capital (Holdings) 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	<ul style="list-style-type: none"> - Agreement to provide advisory services - Annual advisory fee 	28.24	24.71	14.12	<ul style="list-style-type: none"> - Fee in accordance with the contract Baht 2 million per month before related tax. Since October 2002, the fee charged reduced to Baht 1 million per month before related tax - The purpose of the transaction is for the Company to improve quality of its human resources and obtain technical support and improve its international product marketing. 	

4. Management contracts or agreements to provide assistance (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2001	2002	2003		
2) Quam 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	<ul style="list-style-type: none"> - Agreement to provide registration service and monitoring of securities companies - Annual expense 	4.37	3.12	3.02	<ul style="list-style-type: none"> - Fee in accordance with the contract 47,000 HKD per month. 	<ul style="list-style-type: none"> - The transaction is determined as market or fair value. It also provide the company with assistance in relation to compliance function, including companies' registry and business registration compliance, tax compliance and Inland Revenue correspondence, employer/employee compliance issues and bank account opening and correspondence.
3) Quam (H.K) 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	<ul style="list-style-type: none"> 1) Fee for financial market news - Annual fee - Prepaid expense 	3.35	1.04	0.98	<ul style="list-style-type: none"> - Fee in accordance with the contract In 2001, Fee charged USD 75,000 per year In 2002, Fee charged USD 22,400 per year - Since August 2003, Fee charged HKD 60,000 per month 	

Audit Committee's opinion in regard to related parties and connected transaction as of 31st December 2003

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods and/or service	The transactions are reasonable with market rate or fair value.
2. Purchase / Sale assets and investment	The transactions are reasonable with market rate or fair value.
3. Lending	This transaction is considered normal business with a fair price. The client had no influence to the Company management in any case. The legal action had been taken as usual as other client.
4. Management contracts or agreements to provide assistance	The transactions are determined reasonable for normal business that need development and expansion 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 guideline in accordance with the Stock Exchange of Thailand and The Securities and Exchange Commission notification. Any connected transactions shall be concern on transparency, fair and benefit to the company.

The type of connected transactions are mostly related to normal business which the group of related parties are disclosed in the "Related Parties and Connected Transactions" table above.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Result

(1) Securities Business Income

1.1) Brokerage Fee

In 2003, trading volume in the Thai market dramatically increased and resulted the company success in expanding clients' base by 71% increased and trading volume rising by 106.2%. Brokerage income in 2003 increased from 2002 by Baht 910.3 million.

1.2) Fee and Service Income

The recover of economic boost the growth of the underwriting and financial advisory business. The company earned fee and service income in year 2003 totalling Baht 306 million, which marks an increase from year 2002 of Baht 240 million or 365%.

1.3) Interest on Margin Loan

The company had success in providing credit balance services which was introduced since 2000. The number of clients increased 12.4 times from year 2000 or 1.2 times from year 2002. The margin loan amount increased by 1.9 times from 2002, which increased income from interest on credit balance by Baht 11.8 million or 1.7 time from year 2002. Beside, the company also earned commission income from trading volume of credit balance by Baht 211.2 million in 2003.

1.4) Gain on Trading in Securities

In 2003, the company realised a gain on securities trading of Baht 93.8 million, an increase from year 2002 of 2.8 times, due to the effect of securities, which were:

◆ Raimon Land Plc.	Baht 17.6 Million
◆ Private Fund managed by Seamico Knight Fund Management Securities Co., Ltd.	Baht 60.3 Million
◆ IT City Plc.	Baht 8.3 Million
◆ White Group Plc.	Baht 9.15 Million

(2) Securities Business Expenses

2.1) Interest on Borrowing

Interest from borrowing of Baht 4.7 million arose from normal day-to-day cash management to help maximise the use of the company's resources. The high increase from year 2002 is due to the increase of trading volume.

2.2) Fee and Service Expenses

Fee and service expense of Baht 111.7 million in 2003 consisted of:

- ◆ 18.3% as fee and service expenses for an underwriting licence of Baht 20 million and private fund licence of Baht 0.4 million
- ◆ 30.3% as a fee paid to the Stock Exchange of Thailand, which was variable according to trading volume.

- ◆ 51.4% as a fee paid incurred from advisory and underwriting business and other.

(3) Operating Expenses

- ◆ Most operating expenses are personnel expenses and premises and equipment expenses, which are 80% and 10% of total operating expenses, respectively. However, these expenses are semi-variable with the company's income.
- ◆ Other significant operating expense
- ◆ Information Technology and Communication expense 3%
- ◆ Advisory expense 1%

However, the increase of operating expense by 82% from 2002 compared to the increase of net securities business income by 137% from 2002 may be considered the efficient of expense management for higher return of the company.

(4) Profit Margin

The gross profit margin for the year 2003 was 94.4% closed to 2002 while the net profit margin in year 2003 was increased to 34.7% although the company began to pay income tax of Baht 158.8 million this year. This is due to the efficient of cost management of the company.

(5) Return on Equity

According to the profit result, the return on equity ratio as of 31st December 2003 was 41.7%, increased from 31st December 2002, which is 23.66%.

2. Operating Results Compared to Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Combination of Assets

As at 31st December 2003, the company maintained total assets of Baht 6,168 million. This consists of 96% as liquid assets, 2.6% as fixed assets and 1.4% as other assets.

The assets category which have major changed are

Securities Business Receivable

The securities business receivable as at 31st December 2003 was 4,120 million increased by 471% from 31st December 2002 due to the big increase of trading volume. However, most of receivable are cash accounts which are due within 3 days after trade date.

Investment in Associated Company

The investment in associated company at the end of year 2003 increased from 2002 by Baht 140.5 million due to the re-classify of the investment in Raimon Land Plc. from other investment to investment in associated company after Raimon Land Plc. was free from rehabilitation plan in 2003.

Investment in Securities

During 2003, the company increased the investment in listed securities including private fund around Baht 300 million which the value as at 31st December 2003 already increased by 25%. The proportion of short-term investment and long-term Investment as at 31st December 2003 is 60 : 40.

Cash and Cash Equivalent

Cash and cash equivalent as at 31st December 2003 was Baht 733 million increased by Baht 327.8 million or 80.8% from 2002.

1.2 Quality of Assets

In the Financial Statement, the company recorded an impairment of assets according to accounting standards and the announcement of the SEC and SET. The major assets can be summarised as follows:

Investments

As at 31st December 2003, the company's total investment was Baht 493.9 million (original cost was Baht 466 million) or 8.0% of total assets. Investment comprised 53.9% in listed securities and 17.9% in debt instruments available or accepted by banks and 25.7% through private fund.

Securities Business Receivable and Accrued Interest Receivable

The company maintained total securities receivable and accrued interest receivable as at 31st December 2003 of Baht 4,383.6 million. Only 7% was overdue and most were carried before year 2001. All doubtful accounts were fully reserved for loss allowance. The outstanding loss allowance in 2003 was Baht 262.7 million increased by Baht 2.1 million from 2002. As at 31st December 2003, the amount of Baht 3.9 million is in the legal process and Baht 254 million awarded for execution of a judgement.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalent as at 31st December 2003 total Baht 733 million increased from 2002 by Baht 327.8 million. The ratios of cash-in flow and cash-out flow from various activities are shown in the following tables,

	Baht Million
Cash from Operating Activities	418.5
Cash used in Investing Activities	(93.5)
Cash from Financing Activities	2.8
Net increase from Cash and Cash Equivalent	327.8

The company had used cash in investing in the activities below to generate more income and enable liquidation in a short period of time.

◆ Operating Activities

The investment in bills of exchange and promissory notes, aval or accepted by banks as at 31st December 2003 is Baht 88.5 million. These are short-term investments, which are regularly bought and sold. The longest term of investment is not more than 3 months.

The company expanded margin loans by Baht 452 million. The outstanding margin loan balance as at 31st December 2003 is Baht 978.5 million. This activity generated good returns for company both in terms of Commission income and Interest income, as explained in (1) of Securities Business Income.

◆ Investing Activities

The company increased net investment in marketable securities by Baht 190 million. The total investment in marketable securities as at 31st December 2003 was Baht 249 million and the market value was Baht 266 million. 66% of this investment is for short-term purpose.

The company invested more in office equipment and vehicle to support additional revenue-generated team during 2003 at around Baht 36 million..

The investment in Private Fund managed by Seamico Knight Fund Management Securities Co., Ltd. also increased by Baht 35 million to Baht 65 million. The NAV of the fund as at 31st December 2003 was Baht 126.8 million.

2.2 Significant Liquidity Ratios

The company has a very high liquidity with respect to significant liquidity ratios as at 31st December 2003 compared to 31st December 2002, as seen in the table below.

	2002	2003
Liquid Assets to Total Assets Ratio (%)	35	18
Net Liquid Capital Ratio (NCR) (%)	246	46

Furthermore, during year 2003, the company used an overdraft line for cash management purposes only. No funds were borrowed as at 31st December 2003.

3. Investment Expenses

In year 2003, the company maintained major investments, as follows:

Expenses on underwriting Licence

In order to expand business operations, the company requested an underwriting licence, which it was granted on 18th April 2000. Under this licence, the company has an obligation to pay a licence fee of Baht 100 million, to be divided into equal annual installment over not more than 5 years. In 2003, the company paid its fourth installment of Baht 20 million for the licence, with the balance remaining Baht 20 million.

Due to the economic upturn, the underwriting business had been more active. The number of new listed companies has been increased in 2003 and expected to be more active in continuity.

Investment

See topic "Investment in Securities" under Financial Position 1. Assets and topic "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 31st December 2003 was 1.05 higher from the ratio as at 31st December 2002 which was 0.28. This was due to the increase in trading volume which effect to the high amount of account payable and account receivable at year end. However, all account payable are due by 3 days offset by the amount of account receivable.

4.2 Shareholders' equity

As at 31st December 2003, shareholders' equity totals Baht 2,165.9 million, an increase from 31st December 2002 of 61%, due to a net profit for year 2003 of Baht 730.2 and the increase of revaluation surplus in investment of Baht 89.2 million.

4.3 Liabilities

The company maintains no loans that will be future contingency liabilities.

**Seamico Securities Public Company Limited
and its Subsidiary Company**

Report and Financial Statements

Report of Independent Auditor

To The Board of Directors and Shareholders of
Seamico Securities Public Company Limited

I have audited the accompanying consolidated balance sheet of Seamico Securities Public Company Limited and its subsidiary company as at 31 December 2003, the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Seamico Securities Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The balance sheet as at 31 December 2002, and the statements of earnings, changes in shareholders' equity and cash flows for the year then ended, as presented herein for comparative purpose, were audited by another auditor in the same office as mine who, under her report dated 28 January 2003, expressed an unqualified audit opinion on those financial statements.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seamico Securities Public Company Limited and its subsidiary company and of Seamico Securities Public Company Limited as at 31 December 2003, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok : 30 January 2004

BALANCE SHEETS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

AS AT 31 DECEMBER 2003 AND 2002

(Unit : Baht)

		CO			
		2002		2003 2002	
ASSETS					
CASH AND CASH EQUIVALENTS	4	733,012,426	405,189,275	726,450,650	401,949,020
LONG-TERM DEPOSITS AT FINANCIAL INSTITUTIONS	5	-	87,000	-	87,000
INVESTMENTS IN DEBT AND EQUITY SECURITIES	6				
Short-term investments - Net		296,019,156	159,173,426	296,019,156	159,173,426
Long-term investments - Net		197,842,855	163,184,464	197,842,855	163,184,464
Net investments		493,862,011	322,357,890	493,862,011	322,357,890
INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	7	140,457,326	-	146,463,644	3,682,532
TRADING TRANSACTIONS WITH SECURITIES COMPANIES		434,787,848	2,110,256	434,787,848	2,110,256
SECURITIES BUSINESS RECEIVABLE AND ACCRUED INTEREST RECEIVABLE	8				
Securities business receivable		4,369,009,234	968,547,040	4,369,009,234	968,547,040
Accrued interest receivable		14,617,151	13,491,277	14,617,151	13,491,277
Total securities business receivable and accrued interest receivable		4,383,626,385	982,038,317	4,383,626,385	982,038,317
Less : Allowance for doubtful accounts	9	(262,689,928)	(260,574,453)	(262,689,928)	(260,574,453)
Net securities business receivable and accrued interest receivable		4,120,936,457	721,463,864	4,120,936,457	721,463,864
BUILDING IMPROVEMENTS AND EQUIPMENT - Net	10	119,667,546	128,919,565	117,961,242	126,912,340
INTANGIBLE ASSETS - Net	11	35,005,410	60,332,579	34,454,119	59,824,975
PROPERTY FORECLOSED - Net	12	38,570,751	38,570,751	38,570,751	38,570,751
DEPOSITS		23,936,593	21,768,141	23,490,634	21,322,182
OTHER ASSETS	13	28,469,518	19,219,329	17,274,863	16,421,363
TOTAL ASSETS		6,168,705,886	1,720,018,650	6,154,252,219	1,714,702,173

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

BALANCE SHEETS (Continued)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
AS AT 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
BORROWINGS	14	5,000,000	-	-	-
TRADING TRANSACTIONS WITH SECURITIES COMPANIES		432,465,551	75,187,516	432,465,551	75,187,516
SECURITIES BUSINESS PAYABLES		2,913,754,017	173,039,279	2,913,754,017	173,039,279
UNDERWRITING LICENCE FEE PAYABLE	11	20,000,000	40,000,000	20,000,000	40,000,000
ACCRUED EXPENSES		424,279,264	74,675,678	421,903,399	74,078,218
ACCRUED CORPORATE INCOME TAX		149,625,633	-	149,625,633	-
OTHER LIABILITIES		57,653,541	8,676,239	57,185,308	8,563,983
PROVISION FOR LOSS ON INVESTMENTS IN ASSOCIATED COMPANY	7	-	1,718,324	-	1,718,324
TOTAL LIABILITIES		4,002,778,006	373,297,036	3,994,933,908	372,587,320
SHAREHOLDERS' EQUITY					
Share capital	15				
Registered					
1,037,157,550 ordinary shares of Baht 1 each (2002 : 72,889,770 ordinary shares of Baht 10 each)		1,037,157,550	728,897,700	1,037,157,550	728,897,700
Issued and fully paid-up					
715,394,040 ordinary shares of Baht 1 each (2002 : 68,375,403 ordinary shares of Baht 10 each)		715,394,040	683,754,030	715,394,040	683,754,030
Premium on share capital		405,935,334	405,935,334	405,935,334	405,935,334
Share subscriptions received in advance	16	1,060,000	700,000	1,060,000	700,000
Revaluation surplus in investments	6.7	97,509,550	8,303,288	97,509,550	8,303,288
Retained earnings					
Appropriated - Statutory reserve		48,553,465	12,042,329	48,553,465	12,042,329
Unappropriated		890,865,922	231,379,872	890,865,922	231,379,872
Equity attributable to Company's shareholders		2,159,318,311	1,342,114,853	2,159,318,311	1,342,114,853
Minority interest - equity attributable to minority shareholders of subsidiary		6,609,569	4,606,761	-	-
TOTAL SHAREHOLDERS' EQUITY		2,165,927,880	1,346,721,614	2,159,318,311	1,342,114,853
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,168,705,886	1,720,018,650	6,154,252,219	1,714,702,173

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

EARNINGS STATEMENTS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2003	2002	2003	2002
INCOME					
Brokerage fees		1,681,152,713	770,847,466	1,681,152,713	770,847,466
Fees and service income	19	306,021,723	65,863,552	287,187,291	63,129,655
Gains on trading in securities		93,794,404	24,712,279	93,794,404	24,712,279
Interest and dividend on securities		10,363,518	10,857,651	10,363,518	11,322,318
Interest on margin loans		30,327,910	20,249,965	30,327,910	20,249,965
Gains from sales of investment in subsidiary/ associated companies		8,014,745	4,004,006	8,014,745	4,004,006
Gains from sales of property foreclosed		-	5,189,895	-	-
Share of profit of subsidiary companies		-	-	2,323,786	2,806,810
Other income		3,161,439	7,319,531	3,221,439	9,652,097
Total income		2,132,836,452	909,044,345	2,116,385,806	906,724,596
EXPENSES					
Expenses on borrowing		4,738,011	2,712,337	4,585,647	2,712,337
Fees and service expenses	20	111,739,533	42,512,882	112,527,366	42,120,713
Bad debt and doubtful accounts		2,115,475	1,716,084	2,115,475	1,716,084
Share of loss of subsidiary/associated companies		4,008,132	9,492,191	4,008,132	16,009,659
Operating expenses					
Personnel expenses		887,974,766	399,639,907	880,730,830	395,589,802
Premises and equipment expenses		106,924,208	96,452,225	104,510,008	91,304,139
Taxes and duties		2,329,796	2,793,754	2,329,796	2,775,191
Directors' remuneration	21	5,640,000	3,852,000	4,560,000	3,432,000
Advisory fee expenses		16,548,197	26,498,676	16,548,197	26,483,676
Communication expenses		33,740,049	28,235,803	31,507,113	27,206,647
Loss from sales of property foreclosed		-	-	-	1,061,242
Other expenses	22	66,020,808	59,485,147	63,908,573	55,466,528
Total operating expenses		1,119,177,824	616,957,512	1,104,094,517	603,319,225
Total expenses		1,241,778,975	673,391,006	1,227,331,137	665,878,018
EARNINGS BEFORE INCOME TAX		891,057,477	235,653,339	889,054,669	240,846,578
CORPORATE INCOME TAX	23	(158,831,946)	-	(158,831,946)	-

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

EARNING STATEMENTS (Continued)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002
 (Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
EARNINGS BEFORE MINORITY INTEREST	732,225,531	235,653,339	730,222,723	240,846,578
MINORITY INTEREST IN NET (GAIN) LOSS IN A SUBSIDIARY COMPANY	(2,002,808)	5,193,239	-	-
NET EARNINGS FOR THE YEAR	730,222,723	240,846,578	730,222,723	240,846,578
EARNINGS PER SHARE				
Basic earnings per share	1.05	0.39	1.05	0.39
Diluted earnings per share	1.04	0.37	1.04	0.37

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	CONSOLIDATED							Total
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Revaluation surplus in investments	Retained earnings		Minority interest	
					Appropriated - statutory reserve	Unappropriated		
Balance - as at 31 December 2001	465,762,380	495,673,744	3,013,350	3,181,022	16,090,091	(289,556,561)	-	694,164,026
Increase in revaluation surplus in investments	-	-	-	5,122,266	-	-	-	5,122,266
Increase in share capital	217,991,650	183,728,060	(3,013,350)	-	-	-	-	398,706,360
Share subscription received in advance	-	-	700,000	-	-	-	-	700,000
Offset of the premium on share capital against the deficit (Note 15.3)	-	(273,466,470)	-	-	(16,090,091)	289,556,561	-	-
Minority interest in investment in subsidiary	-	-	-	-	-	-	9,800,000	9,800,000
Reversal of accrued dividend	-	-	-	-	-	2,575,623	-	2,575,623
Legal reserve	-	-	-	-	12,042,329	(12,042,329)	-	-
Net earnings for the year	-	-	-	-	-	240,846,578	(5,193,239)	235,653,339
Balance - as at 31 December 2002	683,754,030	405,935,334	700,000	8,303,288	12,042,329	231,379,872	4,606,761	1,346,721,614
Increase in revaluation surplus in investments	-	-	-	89,206,262	-	-	-	89,206,262
Legal reserve	-	-	-	-	36,511,136	(36,511,136)	-	-
Increase in share capital	31,640,010	-	(700,000)	-	-	-	-	30,940,010
Share subscription received in advance	-	-	1,060,000	-	-	-	-	1,060,000
Dividend payment (Note 16)	-	-	-	-	-	(34,254,201)	-	(34,254,201)
Reversal of accrued dividend	-	-	-	-	-	28,664	-	28,664
Net earnings for the year	-	-	-	-	-	730,222,723	2,002,808	732,225,531
Balance - as at 31 December 2003	715,394,040	405,935,334	1,060,000	97,509,550	48,553,465	890,865,922	6,609,569	2,165,927,880

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	THE COMPANY ONLY						Total
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Revaluation surplus in investments	Retained earnings		
					Appropriated - statutory reserve	Unappropriated	
Balance - as at 31 December 2001	465,762,380	495,673,744	3,013,350	3,181,022	16,090,091	(289,556,561)	694,164,026
Increase in revaluation surplus in investments	-	-	-	5,122,266	-	-	5,122,266
Increase in share capital	217,991,650	183,728,060	(3,013,350)	-	-	-	398,706,360
Share subscription received in advance	-	-	700,000	-	-	-	700,000
Offset of the premium on share capital against the deficit (Note 15.3)	-	(273,466,470)	-	-	(16,090,091)	289,556,561	-
Reversal of accrued dividend	-	-	-	-	-	2,575,623	2,575,623
Legal reserve	-	-	-	-	12,042,329	(12,042,329)	-
Net earnings for the year	-	-	-	-	-	240,846,578	240,846,578
Balance - as at 31 December 2002	683,754,030	405,935,334	700,000	8,303,288	12,042,329	231,379,872	1,342,114,853
Increase in revaluation surplus in investments	-	-	-	89,206,262	-	-	89,206,262
Legal reserve	-	-	-	-	36,511,136	(36,511,136)	-
Increase in share capital	31,640,010	-	(700,000)	-	-	-	30,940,010
Share subscription received in advance	-	-	1,060,000	-	-	-	1,060,000
Dividend payment (Note 18)	-	-	-	-	-	(34,254,201)	(34,254,201)
Reversal of accrued dividend	-	-	-	-	-	28,664	28,664
Net earnings for the year	-	-	-	-	-	730,222,723	730,222,723
Balance - as at 31 December 2003	715,394,040	405,935,334	1,060,000	97,509,550	48,553,465	890,865,922	2,159,318,311

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

STATEMENTS OF CASH FLOWS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
Cash flows from operating activities				
Net earnings	730,222,723	240,846,578	730,222,723	240,846,578
Adjustments to reconcile net earnings to net cash provided by (paid for) operating activities				
Shares of loss of subsidiary and associated companies	4,008,132	9,492,191	1,684,346	13,202,849
Net gain (loss) of minority interest	2,002,808	(5,193,239)	-	-
Gain on disposal of investments in associated and subsidiary companies	(8,014,745)	(4,004,006)	(8,014,745)	(4,004,006)
Depreciation and amortisation	71,127,368	68,649,158	70,577,375	65,328,641
Bad debt and doubtful accounts	2,115,475	1,716,084	2,115,475	1,716,084
Unrealised gain on revaluation of investments in securities	10,881,089	(13,192,632)	10,881,089	(13,192,632)
Impairment loss on investment (reversal of impairment loss)	(3,308,497)	3,186,646	(3,308,497)	3,186,646
Gain from investment in private fund	(67,963,279)	-	(67,963,279)	-
Gain from disposal of fixed assets	(1,863,896)	(472,074)	(1,863,896)	(1,668,229)
Earnings from operating activities before changes in operating assets and liabilities	739,207,178	301,028,706	734,330,591	305,415,931
Decrease (increase) in operating assets				
Long-term deposits with financial institutions	87,000	1,173,685	87,000	969,758
Short-term investments	(100,295,272)	(135,741,750)	(100,295,272)	(135,741,750)
Trading transactions with securities companies	(432,677,592)	222,546,346	(432,677,592)	222,546,346
Securities business loans and receivable	(3,401,588,068)	139,566,631	(3,401,588,068)	139,566,631
Property foreclosed	-	54,561,285	-	8,250,000
Deposits	(2,168,452)	(2,819,235)	(2,168,452)	(2,453,459)
Other assets	(9,250,189)	(10,246,971)	(853,500)	1,455,840
Increase (decrease) in operating liabilities				
Trading transactions with securities companies	357,278,035	(111,796,747)	357,278,035	(111,796,747)
Securities business payable	2,740,714,738	(514,805,967)	2,740,714,738	(514,805,967)
Deferred for underwriting license fee payable	(20,000,000)	(20,856,000)	(20,000,000)	(20,000,000)
Accrued expenses	349,603,586	(6,843,915)	347,825,181	(5,771,651)
Accrued corporate income tax	149,625,633	-	149,625,633	-
Other liabilities	47,985,800	(3,460,349)	47,629,823	(3,523,480)
Net cash flows from (used in) operating activities	418,522,397	(87,694,281)	419,908,117	(115,888,548)

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

STATEMENTS OF CASH FLOWS (Continued)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2002

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2003	2002	2003	2002
Cash flows from investing activities				
Decrease in loans to and amounts due from subsidiary and related companies	-	-	-	70,292,071
Cash paid for purchase of investments in associated companies	(8,326,080)	-	(8,326,080)	(38,700,000)
Cash received from sale of investments in subsidiary and associated companies	8,428,600	5,592,981	8,428,600	6,041,812
Cash paid for purchase of long-term investments	(58,891,956)	(118,582,218)	(58,891,956)	(118,582,218)
Cash paid for purchase of equipment	(36,290,451)	(46,508,121)	(36,103,822)	(44,676,516)
Cash received from disposal of equipment	2,143,115	4,709,076	2,143,115	5,652,894
Cash paid for purchase of intangible assets	(536,948)	(3,325,722)	(430,818)	(3,297,022)
Net cash used in investing activities	(93,473,720)	(158,114,004)	(93,180,961)	(123,268,979)
Cash flows from financing activities				
Cash received from domestic borrowings	5,000,000	-	-	-
Cash paid for repayment of domestic borrowings	-	(14,513)	-	(14,513)
Cash paid for dividend	(34,225,536)	-	(34,225,536)	-
Cash received from increase in share capital	30,940,010	398,706,360	30,940,010	398,706,360
Cash received in advance for share subscription	1,060,000	700,000	1,060,000	700,000
Cash received from minority shareholders for paid up share capital of subsidiary	-	9,800,000	-	-
Net cash flows (used in) from financing activities	2,774,474	409,191,847	(2,225,526)	399,391,847
Net increase in cash and cash equivalents	327,823,151	163,383,562	324,501,630	160,234,320
Cash and cash equivalents as at 1 January	405,189,275	241,805,713	401,949,020	241,714,700
Cash and cash equivalents as at 31 December (Note 25)	733,012,426	405,189,275	726,450,650	401,949,020
Supplemental cash flows information				
Cash paid during the year for :-				
Interest expenses	4,141,244	2,302,684	4,141,244	2,302,684
Corporate income tax	9,251,021	2,769,514	9,206,313	2,167,474
Non-cash items				
Transfer other investment to investment in an associated company	142,165,415	-	142,165,415	-
Transfer other investment to short-term	5,622,282	-	5,622,282	-
Transfer investment in an associated company to long-term investment	83,621,832	-	83,621,832	-

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

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as a public limited company under Thai law and operates in Thailand. It is engaged in the securities business and currently has 5 licensers that are securities brokerage, securities trading, investment advisory, securities underwriting and on-line securities trading. The Company's registered office is located at 15th-17th Floor Liberty Square, 287 Silom Road, Bangrak, Bangkok, and there are 8 branches in Bangkok and provinces. As at 31 December 2003, the Company had a total of 460 employees (2002 : 395 employees).

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements include the balance sheets of Seamico Securities Public Company Limited (hereinafter referred to as "the Company"), Strategic Property Company Limited and Seamico Knight Fund Management Securities Company Limited (hereinafter referred to as "the subsidiaries") as at 31 December 2003 and 2002, and their earnings statements for the years then ended. During 2002, the Company has sold all of investment in Strategic Property Co., Ltd. for Baht 3 million with a gain on the sale of Baht 1.62 million. Therefore, the consolidated earnings statement for the year 2002 was included the operating results of that subsidiary company upto the disposal date.

	Percentage of shares held by the Company		Total assets of subsidiary included in consolidated balance sheets		Total income of subsidiary included in consolidated earnings statements for the year ended 31 December		Net gain (loss) of subsidiary included in consolidated earnings statements for the year ended 31 December	
	2003	2002	2003	2002	2003	2002	2003	2002
	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Strategic Property Co., Ltd. (a company registered under Thai law and engaged in the property rental and services business)	-	-	-	-	-	1.5	-	3.3
Seamico Knight Fund Management Securities Co., Ltd. (a company registered under Thai law and engaged in managing a private fund business)	51	51	20.5	9.0	18.8	2.7	3.1	(7.8)

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

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards pronounced by the Institute of Certified Accountants and Auditors of Thailand which are effective under the Accounting Act B.E. 2543 and in accordance with Notifications of the Office of the Securities and Exchange Commission.

Significant accounting policies adopted by the Company and its subsidiary company are summarised below :-

3.1 Revenue recognition

a) Brokerage fees

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

b) Fees and service income

Fees and service income are recognised as income on an accrual basis.

c) Gains (losses) on trading in securities

Gains (losses) on trading of investments in securities are recognised as income/ expenses on the transaction dates.

d) Interest and dividends on investments

Interest on investments is recognised as income on an accrual basis. Dividends from investments are recognised as income when the dividend is declared.

e) Interest on 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 with are not fully collateralised.
- (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 institutions
- (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 in Notification No. Kor. Thor. 33/2543 dated 25 August 2000, amended by Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

- f) Rental and service income

Rental and service income are recognised as income on an accrual basis.

3.2 Interest on borrowing

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

3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, certificates of deposit and short-term investments in bills or promissory notes issued by financial institutions with maturities of 3 months or less.

3.4 Long-term deposits with financial institutions

Long-term deposits with financial institutions include fixed deposit, short-term investments in promissory notes issued by financial institutions with maturities of 3 months or less but the Company intends to continue holding in the same form, and fixed-term deposits and promissory notes with maturities more than 3 months.

3.5 Recognition and amortisation of customer deposits

Money which customers have placed with the Company for securities trading is recorded as an asset 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 those assets which belong to the Company.

3.6 Investments

Investments in securities held for trading are determined at fair value. Gains or losses arising from changes in the carrying amount of securities are included in determining earnings.

Investments in available-for-sale securities are determined at fair value. Changes in the carrying amount of securities are recorded as separate items in shareholders' equity until the securities are sold, the changes are then included in determining earnings.

Investments in debt securities both due within one year and expected to be held to maturity are determined at cost after amortisation. The premium/discount on debt securities is amortised by the effective rate method. Such amortised amount is presented as an adjustment with the interest income.

Investments in non-marketable equity securities, which the Company classifies as other investments, are valued at cost.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt securities is based on the price quoted by the Thai Bond Dealing Center. The fair value of unit trusts is determined from their net asset value.

Loss on impairment (if any) of investments is included in determining earnings.

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

3.7 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are accounted for under the equity method. The excess of loss over cost of investment in subsidiary company is presented as liability under the caption of "Provision for loss on investment in subsidiary and associated companies" in the balance sheets. The excess of the cost of the investment over the net book value is amortised on a straight-line basis over a period, which has beneficial economic value, ended December 2004.

3.8 Securities business receivable and allowance for doubtful accounts

Securities business receivable are stated at cost less allowance for doubtful accounts. The Company has provided an allowance for doubtful debts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines :-

- a) Assets classified as doubtful loss are to satisfy the following criteria :-
 - (1) Loans 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) Loans balances which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria :-
 - (1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance.
 - (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.

- (3) Installment loans with repayments scheduled no less frequently than every 3 months, is clear evidence and a high degree of certainty. That full repayment will be received.
- c) Standard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful of loss will be written-off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balance. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

3.9 Equipment and depreciation

Building improvements and equipment are stated at cost less accumulated depreciation. Depreciation is calculated by reference to cost on a straight-line basis over the following estimated useful lives :-

Building improvements	-	5 years
Office equipments	-	5 years
Vehicles	-	5 years

No depreciation is provided for furniture and fixture in process.

3.10 Intangible assets and amortisation

- a) Underwriting license fees are amortised as expenses on a straight-line basis over a period of five years, commencing from 18 April 2000.
- b) The fee for the license to establish a private fund is amortised as expenses on a straight-line basis over a period of five years, commencing from July 2002.
- c) Computer software is amortised as expenses on a straight-line basis over a period of estimated useful life which is five years.

3.11 Property foreclosed

Property foreclosed mainly represents land and golf course memberships repossessed from securities business receivables and is stated at the lower of cost (cost including principal, accrued interest receivable and related transferred expenses) or market value. Loss on impairment is included in determining earnings.

3.12 Assets under financial lease agreements

The Company records motor vehicles under financial leases as assets and liabilities in an amount equal to the fair value of the leased assets at the inception of the leases. The present value of the minimum payments under the leases is calculated using the discounted interest rates stipulated

in the leases. Interest expenses are recorded to each period over the term of the lease based on the outstanding balance of the finance lease payables during each period.

3.13 Foreign currency

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

Exchange gains and losses are included in determining earnings.

3.14 Financial instruments

The Company has no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments presented in the balance sheets consist of cash and cash equivalents, long-term deposits at financial institutions, investments, trading transactions with securities companies, securities business receivables, loans from financial institutions, and securities business payables. An accounting policy used for each accounting transaction has been separately shown under a related caption.

3.15 Earnings per share

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

Diluted earnings per share is calculated by dividing net earnings for the year by the sum of the weighted average number of ordinary shares outstanding during the year and the weighted average number of ordinary shares to be issued for conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Basic earnings per share for the year 2002 as presented for comparative purposes is recalculated to reflect the impact of the increase in the number of ordinary shares as a result of the change in the par value of the share from Baht 10 to Baht 1. It is assumed that the change in the number of share occurred at the beginning of the year 2002.

3.16 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles in certain circumstances requires management to make estimates and assumptions that affect amounts reported in the accompanying financial statements and notes thereto. Actual results could differ from these estimates.

4. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated		The Company only	
	2003	2002	2003	2002
Cash in hand	768	385	758	376
Current and saving deposits	1,250,318	355,258	1,243,766	352,027
Promissory notes - maturity date not more than three months	-	100,000	-	100,000
Total cash and cash equivalents	1,251,086	455,643	1,244,524	452,403
<u>Less</u> : Cash deposits for the customers' portion	(518,074)	(50,454)	(518,073)	(50,454)
Net cash and cash equivalents of the Company's portion	733,012	405,189	726,451	401,949

5. LONG-TERM DEPOSITS WITH FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	Consolidated and the Company Only	
	2003	2002
Promissory notes - not being cash equivalents	300,000	120,000
Deposits pledged	-	87
Total long-term deposits with financial institutions	300,000	120,087
<u>Less</u> : Long-term deposits with financial institutions for customers' portion	(300,000)	(120,000)
Net long-term deposits with financial institutions of the Company's portion	-	87

6. INVESTMENTS IN DEBT AND EQUITY SECURITIES

6.1 Classified by type of investments

(Unit : Thousand Baht)

	Consolidated and the Company Only			
	2003		2002	
	Cost/Cost net amortisation	Fair value	Cost/Cost net amortisation	Fair value
Short-term investments :				
Trading securities				
Equity securities - Listed securities	13,667	15,905	6,103	5,536
Other securities - Warrants	-	-	24,629	38,393
Debt securities - Bill of exchange	87,680	87,680	110,714	110,714
Debt securities - Promissory notes	837	837	4,530	4,530
Available-for-sale securities				
Equity securities - Listed securities	146,393	156,803	-	-
Other securities - Warrants	5,470	34,794	-	-
Total	254,047		145,976	
<u>Add</u> : Allowance for changes in fair value of securities	41,972		13,197	
Total short-term investments	296,019		159,173	

(Unit : Thousand Baht)

	Consolidated and the Company Only			
	2003		2002	
	Cost/Cost net amortisation	Fair value	Cost/Cost net amortisation	Fair value
Long-term investments :				
Available-for-sale securities				
Equity securities - Listed securities	83,622	58,592	18,705	26,830
Private fund	65,000	126,770	30,000	30,178
Held-to-maturity debt securities				
Convertible debentures	2,931		2,931	
Other investment				
Ordinary shares	35,734		134,600	
Preference shares	4,533		2,550	
Unit trusts	201		323	
Total	192,021		189,109	
Add : Allowance for changes in fair value of securities	36,740		8,303	
Less : Allowance for loss on impairment	(30,918)		(34,227)	
Total long-term investments	197,843		163,185	
Total investments in debt and equity Securities	493,862		322,358	

6.2 Classified by maturity date of contracts

As at 31 December 2003 and 2002, investments in trading debt securities are due within 1 year, while held-to-maturity debt securities are subordinated convertible debentures which have already matured and for which full provision has already been made.

6.3 The following are the investments in securities for which the Company's holding equals or is not less than 10 percent of the number of shares issued by the investee companies :-

Name of company	Type of business	Consolidated and the Company Only			
		2003		2002	
		Amount (at cost/book value)	Percentage of holding	Amount (at cost/book value)	Percentage of holding
		Thousand Baht	%	Thousand Baht	%
Other investment					
Preference shares					
Burda - Rizzoli (Thailand) Ltd.	Publisher women's magazine	2,550	51.0	2,550	51.0
Ordinary shares					
Electronic Realty Associates (Thailand) Ltd.	Real estate	-	16.7	-	16.7

- 6.4 As at 31 December 2003 and 2002, the Company had invested 255,000 in non-cumulative preference shares of Burda - Rizzoli (Thailand) Limited, which represents 51% of the total shares of that company but only 17% of the total voting rights. The Company has not recorded its investment in that company as an investment in an associated company, and has not presented the value of the investment using the equity method, since the Company has no significant influence over that company and has no right to receipt of profits but only of declared dividends. In addition, the Company has an option to sell and the investee company has an option to buy back all of the shares, at any time, at a price equivalent to the aggregate par value of the shares. No dividend was declared during the years ended 31 December 2003 and 2002.
- 6.5 During the years 2002 and 2003, the Company purchased ordinary shares of Raimon Land Plc. (through private placement, public offerings of additionally issued shares and purchases on the stock market) and then gradually sold parts of its investment. In August 2003 such company was ordered out of rehabilitation by the Central Bankruptcy Court and the Company therefore presented its investment in that company as an investment in an associated company, recording it under the equity method. Therefore as at 31 December 2003, the Company's investment in Raimon Land Plc. amounted to approximately 225 million ordinary shares, representing 25.01% of the shares of that company in issue (2002 : investment in ordinary shares of that company representing a 27.98% holding and were presented as other long-term investment since that company was in rehabilitation).
- In addition, as at 31 December 2003, the Company holds approximately 67.6 million warrants of the above company, which it received from an allotment of warrants to the company's existing shareholders free-of-charge. The exercise price of the warrants, which are exercisable in a ratio of 1.0387 warrant per one ordinary share, is Baht 0.96 per warrant, with the warrant holders having the right to exercise the warrants at any time in the 5 years following their issue. However, the investee company has a put option to call for the early exercise of the warrants, and as at 31 December 2003, the Company records such investment in warrants as investment in short-term available-for-sales securities. The cost of such investment, based on allocation of costs, amounted to approximately Baht 5.4 million.
- 6.6 As at 31 December 2003, the Company records its investments totalling Baht 65 million in private funds managed by a subsidiary company as long-term investments in available-for-sales securities and presents them at their attributable net asset value. The Company has not recorded its transactions relating to the investment in private funds separately by individual securities, with reference to the substance of the investment. Realised gain (loss) on any disposal of investments in private fund portfolio is recognised in its earnings statements.
- 6.7 As at 31 December 2003 and 2002, unrealised gain (loss) on change in the value of the investments which presented in shareholders' equity are as follows :-

(Unit : Thousand Baht)

Consolidated and
the Company Only

	2003	2002
Balance - beginning of the year	8,303	3,181
Change during the year		
- from revaluation	17,980	8,521
- from disposed/transferred/amortisation	71,227	(3,399)
Balance - end of the year	97,510	8,303

6.8 As at 31 December 2003 and 2002, the Company has investment in the following problem companies :-

(Unit : Thousand Baht)

Consolidated and the Company Only

	2003		2002	
	Cost	Allowance for impairment	Cost	Allowance for impairment
Investment in held-to-maturities debt securities				
Companies which have loan settlement problems	2,931	2,931	2,931	2,931
Other investments				
Companies cited going concerns issues	6,000	6,000	6,000	6,000

7. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

The Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, as at 31 December 2003 and 2002 are summarised below :-

(Unit : Million Baht)

Name of Company	Type of business	Type of relationship	Paid-up share capital		% holding		Investment		Dividend income for the years			
			2003	2002	2003	2002	Cost	Equity Method	2003	2002		
Subsidiary company												
Seamico Knight Fund Management Securities Co., Ltd.	Private fund management	Shareholder	20	20	51	51	10	10	6	4	-	-
Associated companies												
The Brooker Group Plc.	Business consulting	Shareholder and influence over	-	104	-	10	-	10	-	(2)	-	-
Raimon Land Plc.	Real estate	Shareholder and influence over	900	-	25	-	142	-	140	-	-	-

In November 2003, the Company reclassified its investment in Brooker Group Plc. from investment in associated company to long-term available-for-sale investment because the Company's shareholding represented only 10.30% of its paid up share capital and the number of joint directors had decreased. The Company therefore considered that it had no significant influence over that company. The Company's Baht 2.3 million share of loss from investment up to the date that the Company had no significant influence was calculated based on accounts which were prepared by the management of that company.

In August 2003, the Company reclassified its investment in Raimon Land Plc. from long-term other investment to investment in associated company and presented it under the equity method since the Central Bankruptcy Court had ordered that company out of rehabilitation. The Company's Baht 1.7 million share of loss from investment in this associated company for the period ended 31 December 2003 was calculated based on accounts which were prepared by the management of that company and did not audited by its auditor.

As at 31 December 2003, the fair value of the investments in the associated company (Raimon Land Plc.), which was calculated based on the closing price of the shares on the last trading day of the year as quoted on the Stock Exchange of Thailand was approximately Baht 355.5 million.

8. SECURITIES BUSINESS RECEIVABLE AND ACCRUED INTEREST RECEIVABLE

(Unit : Thousand Baht)

	Consolidated and the Company Only	
	2003	2002
Customers' accounts	3,095,721	188,029
Credit balance receivable	978,548	526,471
Other receivable		
Receivable under litigation	232,682	230,125
Installment receivable	21,204	21,819
Other receivable	40,854	2,103
Total securities business receivable	4,369,009	968,547
<u>Add:</u> Accrued interest receivable	14,617	13,491
<u>Less:</u> Allowance for doubtful accounts	(262,690)	(260,574)
Securities business receivable and accrued interest receivable - net	4,120,936	721,464

8.1 As at 31 December 2003, the Company had stopped recognising interest income on margin loans (including accrued interest receivable) totalling approximately Baht 252.9 million and had overdue customer accounts amounting to approximately Baht 53.1 million (2002 : Baht 252.9 million and Baht 12.4 million, respectively).

8.2 The Company classifies securities business receivables, including related interest receivable, in accordance with the relevant notification issued by the Office of the Securities and Exchange

Commission. The following is a summary of securities business receivable classified as at 31 December 2003 and 2002 :-

(Unit : Million Baht)

	2003			2002		
	Receivable balance	Allowance for doubtful accounts	Receivable balance after allowance for doubtful accounts	Receivable balance	Allowance for doubtful accounts	Receivable balance after allowance for doubtful accounts
Doubtful debt	262.7	262.7	-	260.6	260.6	-
Substandard debt	43.3	-	43.3	4.7	-	4.7
Total	306.0	262.7	43.3	265.3	260.6	4.7

Mainly of doubtful debt of Baht 262.7 million were incurred during 1997 financial crisis and have now been fully provision provided.

9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

(Unit : Thousand Baht)

Consolidated and
the Company Only

	2003	2002
Balance - beginning of the year	260,574	258,858
Bad debt and doubtful accounts	2,116	1,716
Balance - end of the year	262,690	260,574

10. BUILDING IMPROVEMENTS AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated				Total
	Building improvements	Office equipments	Vehicles	Furniture and fixtures in process	
Cost					
31 December 2002	58,146	175,145	31,622	217	265,130
Purchases	845	13,658	15,822	5,965	36,290
Transfers	1,505	535	-	(2,100)	(60)
Disposals/written off	-	(5,069)	(1,896)	-	(6,965)
31 December 2003	60,496	184,269	45,548	4,082	294,395
Accumulated depreciation					
31 December 2002	30,557	91,329	14,324	-	136,210
Disposals/written off	-	(4,861)	(1,824)	-	(6,685)
Depreciation for the year	9,002	29,051	7,150	-	45,203
31 December 2003	39,559	115,519	19,650	-	174,728

(Unit : Thousand Baht)

	Consolidated				Total
	Building improvements	Office equipments	Vehicles	Furniture and fixtures in process	
Net book value					
31 December 2002	27,589	83,816	17,298	217	128,920
31 December 2003	20,937	68,750	25,898	4,082	119,667
Depreciation charge included in earnings statements for the years					
2002					40,058
2003					45,203

(Unit : Thousand Baht)

	The Company Only				Total
	Building improvements	Office equipments	Vehicles	Furniture and fixtures in process	
Cost					
31 December 2002	58,146	173,140	31,528	157	262,971
Purchases	845	13,472	15,822	5,965	36,104
Transfers	1,505	535	-	(2,040)	-
Disposals/written off	-	(5,069)	(1,896)	-	(6,965)
31 December 2003	60,496	182,078	45,454	4,082	292,110
Accumulated depreciation					
31 December 2002	30,557	91,187	14,315	-	136,059
Disposals/written off	-	(4,861)	(1,824)	-	(6,685)
Depreciation for the year	9,002	28,642	7,131	-	44,775
31 December 2003	39,559	114,968	19,622	-	174,149
Net book value					
31 December 2002	27,589	81,953	17,213	157	126,912
31 December 2003	20,937	67,110	25,832	4,082	117,961
Depreciation charge included in earnings statements for the years					
2002					39,809
2003					44,775

As at 31 December 2003, certain equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 53.5 million.

11. INTANGIBLE ASSETS

(Unit : Thousand Baht)

	Consolidated				Balance end of year
	Remaining period of amortisation	Balance - brought forward	Increase (decrease)	Amortised	
Deferred license fee					
Underwriting business	15.5 months	45,863	-	(20,000)	25,863
Private fund management	42 months	482	10	(109)	383
Computer software		13,988	587	(5,816)	8,759
Total		60,333	597	(25,925)	35,005

(Unit : Thousand Baht)

	The Company Only				Balance end of year
	Remaining period of amortisation	Balance - brought forward	Increase (decrease)	Amortised	
Deferred license fee					
Underwriting business	15.5 months	45,863	-	(20,000)	25,863
Computer software		13,962	431	(5,802)	8,591
Total		59,825	431	(25,802)	34,454

On 18 April 2000, the Company was granted an underwriting business licence. Under this licence, the Company has an obligation to pay a licence fee of Baht 100 million, to be divided into equal annual installments over not more than five years. The fee will be amortised as expenses on a straight-line basis over a period of five years. As at 31 December 2003, the Company still has an obligation to pay such fee of Baht 20 million on an installment basis, and this amount is presented as a liability in the balance sheet.

12. PROPERTY FORECLOSED

(Unit : Thousand Baht)

	Consolidated and the Company Only	
	2003	2002
Cost	90,283	90,283
<u>Less:</u> Provision for impairment	(51,712)	(51,712)
Net	38,571	38,571

Property foreclosed mainly represents land and golf course membership repossessed from securities business receivables and is stated at cost less a provision for impairment, which is calculated based on the property's appraisal value.

As at 31 December 2003, a sales and purchase agreement has been executed with a customer for approximately Baht 35 million (at cost) of the property foreclosed of the Company. The Company had received some of deposit and the transfer of ownership rights and installment payment is still in the progress. Hence, the Company has not yet recognised the sale and such asset is still recorded as the Company's property foreclosed.

13. OTHER ASSETS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Withholding tax deducted at source	5,374	5,329	5,312	5,312
Accrued advisory fee income	1,251	3,293	1,251	3,293
Receivable from Department of Legal Execution	-	2,610	-	2,610
Accrued fund management fee income	10,705	1,722	-	-
Others	11,140	6,265	10,712	5,206
Total	28,470	19,219	17,275	16,421

14. BORROWINGS

As at 31 December 2003, borrowings in the consolidated financial statements represent five-year Thai Baht loans of a subsidiary company borrowed from domestic and foreign related parties, carry interest at a rate of 5 percent per annum, payable quarterly. The lenders have the right but not the obligation to convert the loans to a maximum of 500,000 ordinary shares, or not more than 20% of the capital of the subsidiary company.

15. SHARE CAPITAL

15.1 Share capital

Share register

On 29 April 2003, the Annual General Meeting of the shareholders of the Company approved the reduction of its registered share capital from Baht 728,897,700 to Baht 719,134,040, by cancelling the Baht 9,763,660 (976,366 ordinary shares of Baht 10 each) of share capital issued but not yet paid up which had been reserved for the future conversion of warrant I and warrant II. All remaining warrants were cancelled as they had not been exercised within the stipulated exercise period.

In December 2003, the Extraordinary General Meeting of the shareholders of the Company approved the following :-

- (1) Issuance of 10 million new ordinary shares for offer to existing shareholders in proportion to their existing holding, at a price of Baht 80 per share (par value is Baht 10 per share).
- (2) The issuance of 20,372,351 warrants for issue to existing shareholders and shareholders who subscribed to the new ordinary shares issue, free of charge. The warrant has have a life of 5 years and the exercise price is Baht 60 per share (par value is Baht 10 per share).
- (3) The issuance of 1,430,000 warrants to the employees of the Company other than the directors or management who had previously received an allotment, free of charge. The warrants have a life of 5 years from the issue date and the exercise price is the par value of the shares (par value is Baht 10 per share).
- (4) The allotment of the remaining 60,000 warrants (ESOP II) to those of the Company's directors who have not yet received an allotment, free of charge. The warrants have an an exercise price of Baht 10 per share (par value is Baht 10 per share).
- (5) A further Baht 318,023,510 increase in the Company's registered share capital, from Baht 719,134,040 to Baht 1,037,157,550, comprising of 103,715,755 shares of Baht 10 each, by issuing the 31,802,351 ordinary shares with a par value of Baht 10 each to be reserved for the allocation of new ordinary shares and the conversion of warrants.
- (6) The reduction of the par value of the ordinary shares from Baht 10 each to Baht 1 each, resulting in a new registered shares capital of Baht 1,037,157,550, comprising 1,037,157,550 ordinary shares of Baht 1 each.

The Company registered the increase in its share capital and change in the par value with the Ministry of Commerce on 25 December 2003.

As at 31 December 2003, the Company had a registered share capital of Baht 1,037,157,550, comprising 1,037,157,550 shares of Baht 1 each, and paid-up share capital of Baht 715,394,040, comprising 715,394,040 shares of Baht 1 each. The excess of registered share capital over paid-up share capital is reserved for the issuance of new ordinary shares, and the future exercise of warrants. The issue of 10 million new shares (with par value of Baht 10) has been changed to an issue of 100 million shares, to correspond with the change in the par value of the shares from Baht 10 each to Baht 1 each. Such shares will be offered to existing shareholders whose names appear in the shareholders's register as at 13 January 2004, in a ratio of 7.2 existing ordinary shares to 1 new ordinary shares, at a price of Baht 8 per share. The subscription period is 26 - 30 January 2004.

Paid up share capital

During the year 2003, the Company registered increases in share capital totalling 3,164,001 shares with the Ministry of Commerce as a result of the exercise of employee and shareholder warrants.

Net asset value

As at 31 December 2003, the net asset value per share, which was determined by dividing shareholder's equity by the number of shares in issue and paid up as at the balance sheet date, was Baht 3.02 per share (2002 : Baht 1.96 per share, recalculated after adjusting for the change in the par value of the shares from Baht 10 each to Baht 1 each).

15.2 Treasury stock

On 31 March 2003, a meeting of the Board of Directors approved a project to buy back 6,850,840 ordinary shares (representing 10% of the shares in issue) at a price of not more than 115 percent of the average closing price of the 5 working days prior to the repurchase date, within a total budget of no more than Baht 200 million and with the repurchase to be completed within 6 months. The method and period for the sale of the shares bought back was to be decided by the Company's Board of Directors at least 6 months, but not more than 3 years, after the completion of the buy back and such sale was to be made at a price of not less than 85 percent of the average closing price of the 5 working days prior to the selling date. However, since the Company did not repurchase the shares within 6 months, the repurchase project is considered expired.

15.3 Reversal of legal reserve to offset with deficit

During 2002, the Company's Annual General Meeting of shareholders dated 25 April 2002 approved the transfer of legal reserve amounting to Baht 16,090,091 and partial premium on share capital of Baht 273,466,470 in order to deduct Baht 289,556,561 from the Company's accumulated deficit as at 31 December 2001. However, this transaction did not affect existing shareholders' equity.

16. WARRANTS

16.1 Directors and employees' warrants I (ESOP warrant I)

On 15 September 1998, an Extraordinary General Meeting of shareholders authorised the issuance of 3,319,728 five-year warrants to directors and senior employees, exercisable at a price of Baht 10 per share in a ratio of 1 warrant per 1 ordinary share.

As at 31 December 2003, all warrants had already been exercised.

16.2 Directors and employees' warrants II (ESOP warrant II)

On 15 June 2001, an Extraordinary General Meeting of shareholders approved the issuance of 6,600,000 five-year warrants to the Company's directors (3,040,000 units) and employees of the Company and subsidiary (3,560,000 units), free of charge. The exercise price of the warrants is Baht 10 per share and they are exercisable in a ratio of 1 warrant per 1 ordinary share over the next five years. The Board of Directors and shareholders also approved the allotment of warrants as follows :-

<u>The date of allotment</u>	<u>Number of warrants</u>
7 December 2001	1,930,000
12 September 2002	1,723,000
27 September 2002	150,000
8 October 2002	140,000
28 July 2003	2,344,000
16 December 2003	60,000

As at 31 December 2003, 253,000 of the warrants had not been allotted.

Up to 31 December 2003, 15,000 of the warrants had not been exercised. Of the exercised warrants, 106,000 were registered with the Ministry of Commerce on 6 January 2004 and this amount is presented as "Share subscription received in advance" in shareholders' equity as at 31 December 2003.

Due to the change in the par value of the shares, the exercise ratio of the 15,000 unexercised warrants was adjusted to 1 warrant for 10 ordinary shares, with the exercise price set at Baht 1 per share.

16.3 Warrants offered to existing shareholders and shareholders who subscribed to the new ordinary share issue

In December 2003, an Extraordinary General Meeting of shareholders approved the issuance of 20,372,351 five-year warrants to existing shareholders and shareholders who subscribed to the new issue of ordinary shares, as mentioned in Note 15.1, in a ratio of 1 new warrant per 4 existing ordinary shares, 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 per 1 ordinary, commencing one year after the issue date. As of the balance sheet date, the Securities and Exchange Commission and the Stock Exchange of Thailand are still in the process of considering the application for approval of the issue of these warrants.

Due to the reduction of the par value of the shares from Baht 10 per share to Baht 1 per share, the new warrants issue will comprise 203,723,510 units, with the exercise ratio to be 1 new warrant per 1 ordinary shares and the exercise price Baht 6 per share.

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

In December 2003, an Extraordinary General Meetings of shareholders approved the issuance of 1,430,000 five-year warrants, with par value of Baht 10 per share, to Company employees (other than directors or management 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 per 1 ordinary share, throughout their life of five years, in accordance with certain stipulated conditions. As of the balance sheet date, the Securities and Exchange Commission and the Stock Exchange of Thailand are still in the process of considering the application for the issuance of these warrants.

Due to the reduction of the par value of the shares, the warrants issue to the directors and employees will be adjusted to 14,300,000 units, with the exercise ratio to be 1 warrant per 1 ordinary shares and the exercise price at par value.

17. STATUTORY RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5% of its net earnings for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. The statutory reserve could not use for dividend payment.

18. DIVIDEND PAYMENT

On 29 April 2003, a meeting of the Annual General Shareholders approved the appropriation of 5 percent of retained earnings, or a total of Baht 12,042,329, to the statutory reserve (the Company had already recorded such statutory reserve at year-end 2002) and approved the payment of a dividend of Baht 0.50 per share from its earnings for the year ended 31 December 2002 to its shareholders, a total of Baht 34,225,537, net of the reversal of accrued dividend payable to foreign shareholders.

19. FEES AND SERVICE INCOME

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Underwriting fees	192,754	3,763	192,754	3,763
Financial advisory fees	93,165	58,913	93,165	58,913
Private fund management	18,835	2,734	-	-
Others	1,268	454	1,268	454
Total	306,022	65,864	287,187	63,130

20. FEES AND SERVICE EXPENSES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Brokerage fees paid to the Stock Exchange of Thailand	33,839	16,357	33,839	16,357
Amortization of underwriting fee licence and private fund fee licence	20,433	20,375	20,000	20,000
Others	57,468	5,781	58,688	5,764
Total	111,740	42,153	112,527	42,121

21. DIRECTORS' REMUNERATION

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

During the year 2003, the Company issued 1,254,000 free warrants for the purchase of the Company's ordinary shares to the Company's directors and executive department manager level up, as discussed in notes 15.1 and 16.2 to the financial statements, the warrant has a right to subscribe for an ordinary share at a price of Baht 10.

22. OTHER EXPENSES

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Foreign representative office expenses	14,793	13,546	14,793	13,546
Entertainment expenses	14,138	11,672	13,589	11,545
Others	37,090	34,267	35,527	30,376
Total other expenses	66,021	59,485	63,909	55,467

23. CORPORATE INCOME TAX

Corporate income tax has been calculated based on the earnings for the years after adding back disallowable expenses and provision deducting taxable expenses, tax-exempted income and tax losses brought forward from prior years.

24. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to both by the employees and the Company and will be paid to employees upon termination in accordance with the rules of the fund. During the year 2003, approximately Baht 4.8 million (2002: Baht 3.3 million) had been contributed to the fund by the Company.

25. STATEMENTS OF CASH FLOWS

For the purposes of the Statements of Cash Flows to the format of the financial statements, cash and cash equivalents include cash in hand, current, saving and fixed deposits and promissory note maturities less than 3 months but not include deposits pledged. Beside include short-term investments with high liquidity which could be liquidated at a certain cash amount and insignificantly in the risk of valuation change. The objective for holding such amount is rather for payment of a short-term obligation than for investment.

26. RECONCILIATION OF DILUTED EARNINGS PER SHARE (AFTER CHANGING PAR VALUE TO BAHT 1 PER SHARE)

	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2003	2002	2003	2002	2003	2002
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net earnings	730,223	240,847	697,142	616,259	1.05	0.39
Effect of dilutive potential ordinary shares						
Warrants	-	-	5,371	28,844		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	730,223	240,847	702,513	645,103	1.04	0.37

Basic earnings per share for the year 2002 as presented for comparative purposes is recalculated to reflect the impact of the increase in the number of ordinary shares as a result of the change in the par value of the share from Baht 10 to Baht 1. It is assumed that the change in the number of share occurred at the beginning of the year 2002.

27. RELATED PARTY TRANSACTIONS

During the years, the Company had significant business transactions with its subsidiary, associated and related companies (related by way of common shareholders and/or common directors). The Company's management believes that the pricing policies the Company charged to related parties were equivalent to the fair value applied in the normal course of business. These transactions can be summarised as follows:-

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Outstanding as at the balance sheet date				
Subsidiary company - Seamico Knight fund				
Management Securities Co., Ltd.				
Investment in subsidiary company	-	-	6,006	3,683
Investment in private fund managed by subsidiary company	126,770	30,177	126,770	30,177
Securities business receivable	31,584	-	31,584	-
Other receivable	-	8	595	8
Securities business payable	-	217	-	217
Associated company - Raimon Land Plc.				
Investment in ordinary shares	140,457	95,679	140,457	95,679
Investment in warrants	34,465	38,388	34,465	38,388
Related companies				
Related by way of common directors				
The Brooker Group Plc.				
Investment in ordinary shares of associated company (provision for loss)	58,592	(1,718)	58,592	(1,718)
Prepaid expenses - fee for financial market news	88	134	86	29
Other payable/Accrued expenses	3	69	-	69
Burda - Rizzoli (Thailand) Limited				
Investment in preference shares	2,550	2,550	2,550	2,550
Accrued advisory fee	120	113	120	113
Eastern Star Real Estate Plc.				
Accrued advisory fee	45	-	45	-
Knight Asset Management Ltd.				
Fee and service accounts receivable	7,979	1,686	-	-
Knight Thai Strategic Investment Ltd.				
Borrowing	2,500	-	-	-
Accrued interest payable	101	-	-	-
Knight Asian Investment Ltd.				
Securities business receivable	-	1,111	-	1,111
Securities business payable	-	414	-	414

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2003	2002	2003	2002
Outstanding as at the balance sheet date (Continued)				
<i>Knight Asset (Thailand) Co., Ltd.</i>				
Other assets	33	58	-	-
Accrued expenses	-	18	-	-
<i>MCL Co., Ltd.</i>				
Accrued expenses - financial advisory fee	750	-	750	-
Related by way of common major shareholders				
<i>Quam Securities Nominee (Singapore) Pte. Ltd.</i>				
Securities business payable	25,517	-	25,517	-
Other liabilities	973	-	973	-
<i>Quam Asset Management Limited</i>				
Borrowing	2,500	-	-	-
Accrued interest payable	51	-	-	-
Related persons				
Securities business receivable	1,257	-	1,257	-
Securities business payable	3,220	-	3,220	-

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy (Only in 2003)
	2003	2002	2003	2002	
Transactions occurring during the year					
Subsidiary companies					
<i>Strategic Property Co., Ltd.</i>					
(Previous subsidiary company of which the Company sold out during October 2002)					
Interest income	-	-	-	465	
Purchase of fixed assets	-	-	-	270	
<i>Seamico Knight Fund</i>					
<i>Management Securities Co., Ltd.</i>					
Service fee income	-	-	-	2,683	
Sales of fixed assets	-	-	-	1,290	
(with gain on sales of Baht 1.2 million)					
Volume of securities trade	748,825	47,726	748,825	47,726	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
(with the commission received by Baht 1.87 million and 2002: Baht 0.14 million)					
Private fund management fee expense	-	-	1,277	88	At the rate of 1-2 percent of the net asset value as determined under the contract
Other income	-	-	60	-	At rate agreed by each part

	(Unit : Thousand Baht)				
	Consolidated		The Company Only		Pricing policy
	2003	2002	2003	2002	(Only in 2003)
Transactions occurring during the year (Continued)					
Associated company - The Raimon Land Co.,Ltd.					
Purchase ordinary shares issuance	43,372	-	43,372	-	At the offering price to other investors
Financial advisory fee income	3,149	-	3,149	-	At the rate determined under the contract at 1.5% of the shares issuance
Other expenses	10	-	10	-	At actual expenses
Related company					
Related by way of holding					
The Brooker Group Plc.					
Purchase of ordinary share issuance	8,326	-	8,326	-	At the offering price to other investors
Volume of securities trade (with the commission received by Baht 0.08 million)	30,383	-	30,383	-	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Financial advisory fee income	1,271	-	1,271	-	At the rate determined under the contract of 2 percent of the placement value and Baht 250,000 per year plus related expenses
Amortisation fee for financial market news	575	470	351	180	At rate agreed by each part
Commission expenses	1,287	68	1,287	68	At the rate of 15 percent of fee income as determined under the contract
Other expenses	539	-	119	-	At rate agreed by each part
Related by way of common directors					
Burda-Rizzoli (Thailand) Co., Ltd.					
Financial advisory fee income	225	225	225	225	At the rate determined under the contract of Baht 225,000 per year
Raimon Land Planner Co., Ltd.					
Financial advisory fee income	3,927	3,294	3,927	3,294	At the rate determined under the contract at 2.75% of the shares issuance
Sale of office building of a subsidiary company (with gain on sales of Baht 6.25 million)	-	53,000	-	-	
Sale of property foreclosed (with gain on sales of Baht 1.06 million)	-	7,300	-	7,300	

	(Unit : Thousand Baht)				
	Consolidated		The Company Only		Pricing policy
	2003	2002	2003	2002	(Only in 2003)
Transactions occurring during the year (Continued)					
Sale of investment in Strategic Property Co., Ltd. (with gain on sales of Baht 0.89 million)	-	1,650	-	1,650	
Syn Mun Kong Insurance Plc.					
Volume of securities trade (2003 : with the commission received by Baht 0.28 million and 2002 : Baht 0.16 million)	112,168	63,020	112,168	63,020	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Volume of bill of exchange trade (with gain on sales of Baht 0.04 million)	62,548	-	62,548	-	At rate agreed by each party
Wing Wah Advisory (Thailand) Limited					
Sales of fixed assets	49	-	49	-	At the rate agreed by each party whereby the Company does not lose any interest
Ticon Industrial Connection Plc. ⁽¹⁾					
Financial advisory fee income	-	2,569	-	2,569	
Underwriting fee income	-	828	-	828	
United Boardcasting Corporation Plc. ⁽¹⁾					
Financial advisory fee income	-	611	-	611	
Eastern Star Real Estate Plc.					
Financial advisory fee income	876	-	876	-	At the rate determined under the contract of Baht 1 Million
Knight Thai Strategic Investment Ltd.					
Financial advisory fee income	142	200	142	200	At the rate of 1 percent of the value of shares issued plus related expenses
Interest expenses from borrowings	101	-	-	-	Interest charged at the rate of 5 percent per annum
Knight Asian Investment Ltd.					
Volume of securities trade (with commission received by Baht 1.25 million and 2002 : Baht 0.30 million)	499,486	83,142	499,486	83,142	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Knight Asset Investment Ltd.					
Fee and service income	13,018	2,137	-	-	At rate agreed by each party
Knight Asset (Thailand) Ltd.					
Fee and service income	416	-	-	-	At rate agreed by each party
Purchase of fixed assets	-	1,940	-	-	
Personnel expenses	-	1,269	-	-	
Other expenses	-	2,827	-	-	

⁽¹⁾ : As at 31 December 2003, those companies are not related companies

					(Unit : Thousand Baht)
	Consolidated		The Company Only		Pricing policy
	2003	2002	2003	2002	(Only in 2003)
Transactions occurring during the year (Continued)					
<i>MCL Co., Ltd.</i>					
Commission expenses	23,910	-	23,910	-	At the rate of 30 percent of advisory income, 2 percent of the value of share issued and 15 percent of underwriting fee income
Related by way of common directors					
<i>Quam Asset Management Limited</i>					
Interest expenses	51	-	-	-	Interest charged at the rate of 5 percent per annum
<i>Quam Securities Co., Ltd.</i>					
Volume of securities trade (2003 : with commission received by Baht 1.76 million and 2002 : Baht 2.21 million)	788,084	968,665	788,084	968,665	Commission charged at 0.25 percent from cash account and 0.20 - 0.21 percent of volume trade via internet, which is normal rate charged to other customers
Financial advisory fee income	142	150	142	150	At the rate of 1 percent of the value of shares issued plus related expenses
Rental and services expense for representative Offices	3,016	3,122	3,016	3,122	At the rate of HKD 47,000 per month as determined under the contract
Underwriting fee expenses	431	305	431	305	At actual expenses
Commission expenses	373	-	373	-	At the rate determined under the contract at 0.5-0.75 of the shares issuance
Other expenses	26	-	26	-	At actual expenses
<i>Quam Capital (Holdings) Limited.</i>					
Advisory fee expenses	14,118	24,706	14,118	24,706	At the rate determined under the contract but no more than Baht 1 million per month plus related tax and expenses
<i>Quam (H.K.) Limited</i>					
Fee for financial market news	977	1,040	977	1,040	At the rate of HKD 22,400 - 60,000 per month as determined under contract

	Consolidated		The Company Only		(Unit : Thousand Baht)
	2003	2002	2003	2002	Pricing policy (Only in 2003)
Transactions occurring during the year (Continued)					
<i>Quam Securities Nominee (Singapore) Pte. Ltd.</i>					
Volume of securities trade (with commission received by Baht 1.18 million)	545,950	-	545,950	-	Commission charged at 0.25 percent from cash account and 0.20 - 0.21 percent of volume trade via internet, which is normal rate charged to other customers
Commission expenses	973	-	973	-	At the rate determined under the contract at 0.75-1 of the shares issuance
<i>Well Foundation Limited</i>					
The amount of sale of investments in Raimon Land Plc. (with the gain on sales by Baht 0.58 million)	-	13,585	-	13,585	
<i>Newer Challenge Holding Limited</i>					
Financial advisory fee income	-	200	-	200	
Related persons					
Total volume of securities trade (2003 : with total commission received by Baht 0.40 million and 2002 : Baht 0.68 million)	161,233	277,947	161,233	277,947	Commission charged at 0.25 percent of the value of trades or 0.20 - 0.21 percent of volume trade via internet, which is normal rate charged to other customers
The amount of sale of investments in Raimon Land Plc. (with the gain on sales by Baht 0.22 million)	-	5,225	-	5,225	

In addition, during 2003 the Company allotted warrants to directors and employees, free of charge, as discussed in notes 15.1 and 16.2.

28. FINANCIAL INFORMATION BY SEGMENT

The Company principally operates a securities business, while the subsidiary company principally operates real-estate rental, service businesses and fund management business. The business of these companies is primarily conducted in Thailand.

Revenue and operation information of the Company and its subsidiaries are divided between the securities business, fund management business and other business as of and for the years ended 31 December 2003 and 2002, as follows :-

(Unit : Million Baht)

For the years ended 31 December

	Securities business		Investment business		Other business		Elimination entry		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Income	2,116	906	20	2	-	8	(3)	(7)	2,133	909
Expenses	(1,227)	(665)	(16)	(13)	-	(5)	1	10	(1,242)	(673)
Income tax	(159)	-	-	-	-	-	-	-	(159)	-
Loss from										
minority interest	-	-	-	-	-	-	(2)	5	(2)	5
Net earnings (loss)	730	241	4	(11)	-	3	(4)	8	730	241

(Unit : Million Baht)

As at 31 December

	Securities business		Investment business		Other business		Elimination entry		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Investments	640	326	-	-	-	-	(6)	(4)	634	322
Trading transactions with securities companies	435	2	-	-	-	-	-	-	435	2
Net securities business receivable and accrued interest receivable	4,121	721	-	-	-	-	-	-	4,121	721
Building improvement and equipment - net	118	127	2	3	-	-	(1)	(1)	119	129
Others	840	539	19	7	-	-	-	-	859	546
Total	6,154	1,715	21	10	-	-	(7)	(5)	6,168	1,720

29. COMMITMENTS

Transactions with related parties

- On 21 June 1999, the Company entered into a rental and service agreement to rent a representative office in Hong Kong from QUAM Securities Company Limited. Such agreement is annually extended. Starting from 1 July 2003 the Company agreed to extend an agreement period for another one year, and to pay a monthly fee at the rate of HKD 47,000.
- On 1 January 2002, the Company entered into an advisory service agreement with QUAM Capital (Holdings) Limited, a company related by way of having common major shareholders. Under the agreement, QUAM Capital was to provide advice, support and other services to develop the technical expertise of the Company, particularly in the areas of cross-border investment banking, the research capabilities of the Company, and the distribution of such research, both within Thailand and internationally, through the QUAM Capital network. Under the terms of the agreement, starting from October 2002, the Company agreed to pay a monthly service fee not exceeding Baht 1 million plus related tax and expenses.

- 3) On 16 December 2002, the Company entered into a one-year fee allocation agreement with Brooker Group Plc., under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. The Company must pay advisory fees to that company at a percentage of the fee income earned from the introduction of that company. Currently, it is in the process of negotiations to extend the contract period.
- 4) On 27 January 2003, the Company entered into a private fund management agreement with a subsidiary company. Such company is to manage private funds invested by the Company. Under the agreement, the Company agreed to pay a monthly management fee at rates of 0.25 - 2.00 percent per annum of the net asset value of the fund, and to pay an additional incentive fee if that subsidiary company managed to achieve an actual return greater than an agreed rate (such incentive fee will be effective when that company grants an approval from SEC).
- 5) On 4 and 18 November 2003, the Company entered into a fee allocation agreement with Quam Securities Nominee (Singapore) Pte. Ltd. to appoint this company as the agent for sales of securities to the Company's clients. The Company must pay a fee at a certain percentage of the fee income the Company received from customers.
- 6) On 28 March 2002, the Company entered into a one-year fee allocation agreement with MCL Company Limited, under which the Company agreed to appoint that company to introduce financial advisory clients to the Company or to act as agent for sales of securities to the Company's clients. The Company must pay fees at certain percentages of the fee income the Company receives from the clients. The term of the agreement has been extended to until 31 December 2004.

Transactions with other business parties

- 1) The Company entered into an agreement with a company for management services for its representative office in Hong Kong. The Company agreed to pay a monthly fee of HK\$ 136,000 from January 2002.
- 2) The Company sold all of its investment in a subsidiary company (Marlin Partners Jersey Limited) and that subsidiary company's group on 31 August 1999. Under the relevant agreement, the Company is committed to pay any taxes of one of the companies in this group should additional tax be assessed in respect of the year when the Company was a shareholder of that company. However, to date no additional tax assessment has been made in respect of that year.
- 3) The Company sold all of its investment in a subsidiary company (Strategic Property Company Limited) on 3 October 2002. Under the relevant agreement, the Company is obliged to compensate the buyer if any events or circumstances occur which result in damage to the buyers because the Company did not fully disclose information at the time the sale was agreed.
- 4) The Company entered into fee allocation agreements with three local companies and another one foreign company under which the Company agreed to appoint those companies as the agents to introduce its clients to the Company as a financial adviser and the placement of shares for its clients.

The Company must pay agency fees to those companies at a percentage of the fee income earned from the introduction of those companies.

- 5) In addition, as at 31 December 2003, the Company had outstanding capital commitments totalling approximately Baht 0.3 million for the purchase of computer and office equipment for its branches, and had the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment:-

<u>Year</u>	<u>Amount (Million Baht)</u>
2004	33.9
2005	29.3
2006 Onwards	26.0

30. BANK GUARANTEES

- 30.1 As at 31 December 2003, there were outstanding bank guarantees of approximately Baht 4.0 million and Baht 2.0 million, respectively required in the normal course of business of the Company and a subsidiary company (2002 : Baht 2.4 million and Baht 2.0 million, respectively) .
- 30.2 As at 31 December 2003, there was no outstanding guarantee issued by the Company to assure payment of its affiliated or related companies and there was no liabilities of the Company guaranteed by its subsidiary or related companies.

31. CONTINGENT LIABILITIES

- 31.1 In March 2001, the Company was sued by a securities business customer (plaintiff) claiming damages of approximately Baht 11.9 million (including interest at the rate of 15%) as a result of the Company's refusal to return securities. The Company contested the claim with the civil court, on the grounds that the Company had the right to appropriate these securities as surety. On 31 January 2003, the court dismissed the plaintiff's case. However, the plaintiff lodged an appeal with the court on 27 February 2003 and the case is therefore being reheard.
- 31.2 In April 2003, the Company was examined by the Revenue Department and has been assessed for additional value added tax of approximately Baht 1.7 million. The Company had lodged an appeal to such assessment and it is now in the process of being considered by the Revenue Department.

32. FINANCIAL INSTRUMENTS

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company and its subsidiary company do not speculate or trade in any derivative financial instruments.

32.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to discharge an obligation and cause the Company and its subsidiary company to incur a financial loss, the financial assets of the Company and its subsidiary company are not subject to significant concentrations of credit risk. The maximum exposure to credit risk is the carrying amount of the financial assets, less provision for losses as stated in the balance sheets.

32.2 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.

Outstanding balance of financial instruments as at 31 December 2003

	Consolidated						
	Fixed interest rate and remaining period before maturity date or repricing date				Average interest rate (Percent)		Effective interest rate (Percent)
	Floating Interest rate	Less than 1 year	Without Interest	Total	Floated	Fixed	(Percent)
	Million Baht	Million Baht	Million Baht	Million Baht			
Financial instruments - assets							
Cash and cash equivalents	107	-	626	733	0.72	-	0.18
Investments in debt securities	-	88	-	88	-	4.25	7.69
Trading transactions with securities companies	-	-	435	435	-	-	-
Securities business receivable and accrued interest receivable ⁽¹⁾	-	982	3,139	4,121	-	4.50	4.39
Total	107	1,070	4,200	5,377			
Financial instruments - liabilities							
Borrowings	-	5	-	5	-	5.00	5.00
Trading transactions with securities companies	-	-	432	432	-	-	-
Securities business payable	-	-	2,914	2,914	-	-	-
Total	-	5	3,346	3,351			

⁽¹⁾ Securities business receivable without interest is included customers' cash accounts, past due receivable and other receivable.

Outstanding balance of financial instruments as at 31 December 2003

The Company Only

	Fixed interest rate and remaining period before maturity date or repricing			Total	Average interest rate (Percent)		Effective interest (Percent)
	Floating Interest rate	Less than 1 year	Without Interest		Floated	Fixed	
	Million Baht	Million Baht	Million Baht		Million Baht	Million Baht	
	Million Baht	Million Baht	Million Baht		Million Baht	Million Baht	
Financial instruments - assets							
Cash and cash equivalents	107	-	619	726	0.72	-	0.18
Investments in debt securities	-	88	-	88	-	4.25	7.69
Trading transactions with securities companies	-	-	435	435	-	-	-
Securities business receivable and accrued interest receivable ⁽¹⁾	-	982	3,139	4,121	-	4.50	4.39
Total	107	1,070	4,193	5,370			
Financial instruments - liabilities							
Trading transactions with securities companies	-	-	432	432	-	-	-
Securities business payable	-	-	2,914	2,914	-	-	-
Total	-	-	3,346	3,346			

⁽¹⁾ Securities business receivable without interest is included customers' cash accounts, past due receivable and other receivable.

32.3 Liquidity risk

The maturity dates of financial instruments held as at 31 December 2003 were, counting from the balance sheet date, as follows:-

(Unit : Million Baht)

Outstanding balances of financial instruments as at 31 December 2003

	Consolidated			The Company Only		
	Within 1 year	No 1 - 5 years maturity	Total	Within 1 year	No 1 - 5 years maturity	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Financial instruments - assets						
Cash and cash equivalents	-	-	733	-	-	726
Investments	88	-	546	88	-	552
Trading transactions with securities companies	435	-	435	435	-	435
Securities business receivable and accrued interest receivable ⁽¹⁾	3,096	-	1,025	3,096	-	1,025
Total	3,619	-	2,304	3,619	-	2,303

(Unit : Million Baht)

Outstanding balances of financial instruments as at 31 December 2003

	Consolidated			The Company Only		
	Within	No	Total	Within	No	Total
	1 year	1 - 5 years maturity		1 year	1 - 5 years maturity	
Financial instruments - liabilities						
Borrowings	-	5	5	-	-	-
Trading transactions with securities companies	432	-	432	432	-	432
Securities business payable	2,914	-	2,914	2,914	-	2,914
Total	3,346	5	3,351	3,346	-	3,346

¹⁾ Securities business receivable without interest is included customers' cash accounts, past due receivable and other receivable.

32.4 Foreign exchange risk

As at 31 December 2003, the Company and its subsidiary company had no significant financial instruments in foreign currencies.

32.5 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company and its subsidiary company have estimated the fair value of financial instruments as follows:-

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated at their book value.

Long-term deposits with financial institutions/borrowings

The fair value of long-term deposits with financial institutions/borrowings is estimated at their book value, taking into consideration the current interest rate and the life of the contract.

Investments

The fair value of investments in securities is estimated at their book value in accordance with the basis of valuation of investments as discussed in Note 3.6.

Trading transactions with securities companies/securities business payables

The fair value of those assets is estimated at their book value since the maturity dates are in the short-term.

Securities business receivable

The fair value of securities business receivable is estimated at their book value except for other receivables which are mainly past due, which are estimated at the fair value of the collateral.

As at 31 December 2003, there were no material differences between the book value and the fair value of the Company and its subsidiary's financial instruments except for investment in an associated company (Raimon Land Plc.) of which the investment value at equity method is Baht 140.5 million while the fair value is Baht 355.5 million.

33. PRESENTATION

The presentation of the financial statements has been made in compliance with requirements of the Notification No. Sor. Thor/Nor. 46/2545 of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies, dated 19 December 2002.

In addition, certain amounts in the financial statements as at 31 December 2002 and for the year then ended have been reclassified to conform to the current year's classification, with no effect on previously reported shareholders' equity.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors.

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