

SEAMICO

SECURITIES



Annual Report 2005

Seamico Securities Public Company Limited

รายงานประจำปี 2548
บริษัทหลักทรัพย์ ซีมิโก้ จำกัด (มหาชน)

Message from the Chairman

There were several factors that impacted the Company in 2005, such as the tsunami at the end of 2004, unrest in the three southern provinces, increases of the US Fed interest rate and rising oil prices. These factors also impacted the stock market, as evidenced by the reduction in average daily turnover from Baht 20,508 million in 2004 to Baht 16,454 million at the end of 2005, a decrease of 19 per cent. Market turnover is the major source of Company's income. Because of the highly competitive securities industry, our performance weakened in 2005. Despite this, we are continuing to focus on improving our services, administration and technology and to provide human resource training to ensure that our capabilities are up to date.

In 2005, the Company launched the Seamico Zian Line marketing service for our customers, while income from our underwriting business outperformed that of the previous year. We are pleased that we were able to achieve a profit amid the severe competition in the securities industry.

In terms of reputation and potential, the Company is well accepted locally and overseas as being among the top securities brokers in Thailand. For example, we received the "200 Best Small Companies for Asia/Pacific 2005" award from Forbes Asia for the third consecutive year since 2003, and received the "Best Performance Financial SET Awards 2005" award from Money and Banking magazine. In addition, on 3rd May 2005, Seamico entered the SET 100 Index.

We were able to expand our market last year to a wider variety of customers, such as general Individual investors and Institutional investors while at the same time continuously developing the quality of our service and research. We have entered a new era of services for investors that will better serve their needs, as well as of the extensive investment markets. The Company believes that our endeavours to improve the quality of our human resources and management team under the concept of good corporate governance will enable the Company to remain among the top brokerage organisations and create outstanding value for our shareholders.

Finally, on behalf of the Board of Directors, I would like to express my gratitude to our shareholders, our customers and all those who have supported us, as well as to our employees and management team, who have demonstrated their continued dedication to the Company.



Mr. Paron Israsena
Chairman

Report of the Board of Directors' Responsibilities for Financial Statements

Seamico Securities Public Company Limited and its subsidiaries

The Board of Directors' is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries, which reported in conformity with the generally accepted accounting principle of Thailand. Those financial statements were prepared by the appropriated accounting policy with consistency basis and the adequate disclosure in the note to the financial statements.

The Board of Directors has appointed an Audit and Risk Management Committee, which comprises three Independent Directors. The Committee is in charge of review the Company's financial reports, evaluate the internal control and internal audit systems. The Committee has expressed its opinions with regard to the stated matters in the Report of Audit and Risk Management Committee, which is presented in the annual report.

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2005 are reasonably reliable.



Mr. Paron Israsena
Chairman

Management Report

Business Report for the year ended 31st December 2005

We are pleased to report that Seamico Securities recorded a net profit of Baht 186 million for its 2005 performance, a market share of 4.28% and ranked the fifth amongst all securities firms in Thailand. Our Balance Sheet further strengthened with Shareholders' Equity of Baht 3,062 million with an NCR at year-end of 205% compared to the SEC's requirement of 7%.

Last year was a difficult period to operate a securities business because of several factors, beginning with unrest in the three southern provinces, increases in US interest rates and rising oil prices and ending with the increasingly competitive market. We lost a marketing team to a competitor, while the number of securities firms increased from 36 to 39 houses.

Summary of the Industry and Thai Market

- The market volume of the SET decreased in 2005 from Baht 5,059 billion in 2004 to Baht 4,067 billion, or a decrease of 19.6%.
- The daily market volume decreased from Baht 20,508 million in 2004 to Baht 16,454 million.

However, we were successful in the following:

- Expanding our customer to increase the Institutional Sector.
- Developing a new "Seamico Zian Line" service to provide investors a wider range of knowledge and obtain the ability to search for potential customers.
- Increasing our Investment Banking and Underwriting fees by 36% with a total of 32 underwriting cases amounting to a volume of Baht 2,919 million.

Future Opportunities - Growth Despite Competition

- The low market P/E ratio of 9 times is much more attractive than that of other Asian markets.
- Forecasted 2006 economic growth is 5%.
- Expectation of a continuation of the government's privatisation programme. Successful privatisations will provide a boost to the securities market.
- Expectations of listings by large market capitalised stocks, such as Thai Beverage.
- The launch of derivative trading in April 2006.

International Awards

- Best Performance Financial SET Awards 2005 from Money and Banking magazine
- Best Under a Billion from Forbes Asia (for the third consecutive year)

Management Comments

We wish to thank our clients, the Board of Directors and our entire staff for their support during the year, which was vital in enabling us to expand shareholders' wealth, particularly amid the difficult market conditions.

It is expected that 2006 and beyond will see increased competition, as a freely negotiable commission rate system is nearly upon us and as FTA agreements open our markets. We believe, however, that our policy to diversify our services, such as by our PDA trading service and plan to obtain a securities borrowing and lending licence. Our continuous training provided to our staff and our strong financial position will enable us to cope with this competition.

With our emphasis on good corporate governance and an expanding client base, we are confident that Seamico will remain a significant player in Thailand's securities sector.



Mr. Reungvit Dusdeesurapot
Executive Chairman & Chief Executive Officer

Audit & Risk Management Committee's Report

Seamico Securities Public Company Limited

The Board of Directors of Seamico Securities Public Company Limited appointed an Audit Committee, which comprises of :-

1. Mr. William Hang Man Chao Chairman
2. Ms. Korbsook Iamsuri Member
3. Mr. Chatchawal Eimsiri Member (appointed on 23 August 2005 instead previous member)

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

In 2005, the Audit & Risk Management Committee held four meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, the head of Risk Management Office and the Company's auditor to review the quarterly and annual financial statements for 2005 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system which includes the review of the Risk Management Policy and the progression and sometimes we have also invited the senior management or head of department to attend the meeting to explain further on the related agenda.

The Audit & Risk Management Committee is of the opinion that the Company has prepared all of its financial reports in accordance with established accounting standards. Sufficient information is disclosed, and no transaction is found that might materially affect the reports. The internal audit, control systems and risk management are appropriate and effective, and all significant laws and regulations have been complied with. Furthermore, corrections were made in a number of significant issues according to the audit report for good corporate governance and for the benefit of the Company and shareholders.

For 2006, the Audit & Risk Management Committee has proposed to the Board of Directors that Mr. Boonmee Ngotngamwong, Ms. Unakorn Phruithithada and Mr. Kajornkiet Aroonpirodkul of PricewaterhouseCoopers ABAS Limited be nominated as the Company's auditors for at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



(Mr. William Hang Man Chao)

(Chairman, Audit & Risk Management Committee)

FINANCIAL HIGHLIGHTS

Million Baht

	2002	2003	2004	2005
TOTAL ASSETS	1,720.02	6,168.71	3,993.33	4,313.43
PAID-UP SHARE CAPITAL	683.75	715.39	822.33	829.51
TOTAL SHAREHOLDERS' EQUITY	1,346.72	2,165.93	3,067.82	3,062.17
SECURITIES BUSINESS INCOME	892.53	2,121.66	1,748.53	1,085.42
SECURITIES BUSINESS EXPENSES	45.32	118.27	67.84	54.04
NET INCOME (LOSS)	240.85	730.22	503.34	186.31
<u>PROFITABILITY RATIO</u>				
GROSS PROFIT MARGIN (%)	94.93	94.43	96.12	95.02
NET PROFIT MARGIN (%)	26.49	34.23	27.46	16.36
RETURN ON EQUITY (%)	21.75	45.59	17.98	6.24
INVESTMENT YIELD (%)	18.41	33.64	5.51	(0.57)
<u>EFFICIENCY RATIO</u>				
RETURN ON TOTAL ASSETS (%)	13.39	22.31	10.66	4.61
ASSET TURNOVER (TIMES)	0.51	0.65	0.37	0.27
<u>FINANCIAL POLICY RATIO</u>				
LIQUID ASSETS TO BORROWING (TIMES)	369.44	242.88	370.48	369.44
EARNING ASSETS TO BORROWING (TIMES)	435.76	922.96	397.19	435.76
LIQUID ASSETS TO TOTAL ASSETS (%)	36.13	19.69	46.39	42.82
EARNING ASSETS TO TOTAL ASSETS (%)	60.69	74.81	49.73	50.51
DEBT TO EQUITY (TIMES)	0.28	1.85	0.30	0.41
PAYOUT RATIO (%)	14.21	35.76	51.88	N/A
<u>OTHERS RATIO</u>				
INVESTMENT IN SECURITIES TO TOTAL ASSET (%)	18.74	8.01	16.39	13.09
NET LIQUID EQUITY (%)	246	46	270	205
<u>PER SHARE</u>				
BOOK VALUE (BAHT)	19.63	3.02	3.72	3.68
EARNING PER SHARE (BAHT)	3.91	1.05	0.62	0.23
DIVIDEND PER SHARE (BAHT)	0.50	0.32	0.32	N/A
PAR VALUE (BAHT)	10.00	1.00	1.00	1.00

GENERAL INFORMATION

Name	: Seamico Securities Public Company Limited.
Type of Business	: A securities company in accordance with the Securities and Exchange Act B.E.2535.
Address	: 8 th - 9 th , 15 th - 17 th , 20 th - 21 st Floor, Liberty Square Building, Silom Road, Bangrak, Bangkok 10500
Registration No	: 0107537002460
Home page	: www.seamico.com
Telephone	: 66 (0) 2695-5000
Fax	: 66 (0) 2631-1709

Capital as of 31st December 2005

Registered Capital	Baht 1,078,357,550
Paid-up Capital:	Baht 829,506,109

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
<u>Subsidiary</u>						
Seamico Knight Fund Management Securities Company Limited	82 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Private Fund Management	Ordinary	2,000,000	1,020,000	51.00
<u>Associated</u>						
Raimon Land Public Company Limited	62 The Millennia Tower, 22 nd Floor, Unit 2201-2203, Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	Property Development	Ordinary Warrant	1,349,583,678 1,499,206,580	306,254,287 -	22.69 -
<u>Other</u>						
Burda (Thailand) Limited	17 th Floor, Unit No. 1702, 208 Wireless Road, Lumpini, Pathumwan, Bangkok	Publisher Women's Magazines	Preferred & Ordinary	500,000	255,000	51.00

OTHER REFERENCES

(a) **Warrant Registrar**

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

(b) **Share Registrar**

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

(c) **Auditor**

1. Mr. Boonmee Ngotngamwong Certified Public Accountant (Thailand) No. 3673
 2. Mrs. Unakorn Phruithithada Certified Public Accountant (Thailand) No. 3257
 3. Mr. Kajornkiet Aroonpirodkul Certified Public Accountant (Thailand) No. 3445
- PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower,
179/74-80 South Sathorn Road, Bangkok 10120
Telephone: 66 (0) 2286-9999 Fax: 66 (0) 2286-5050

(d) **Legal Advisor**

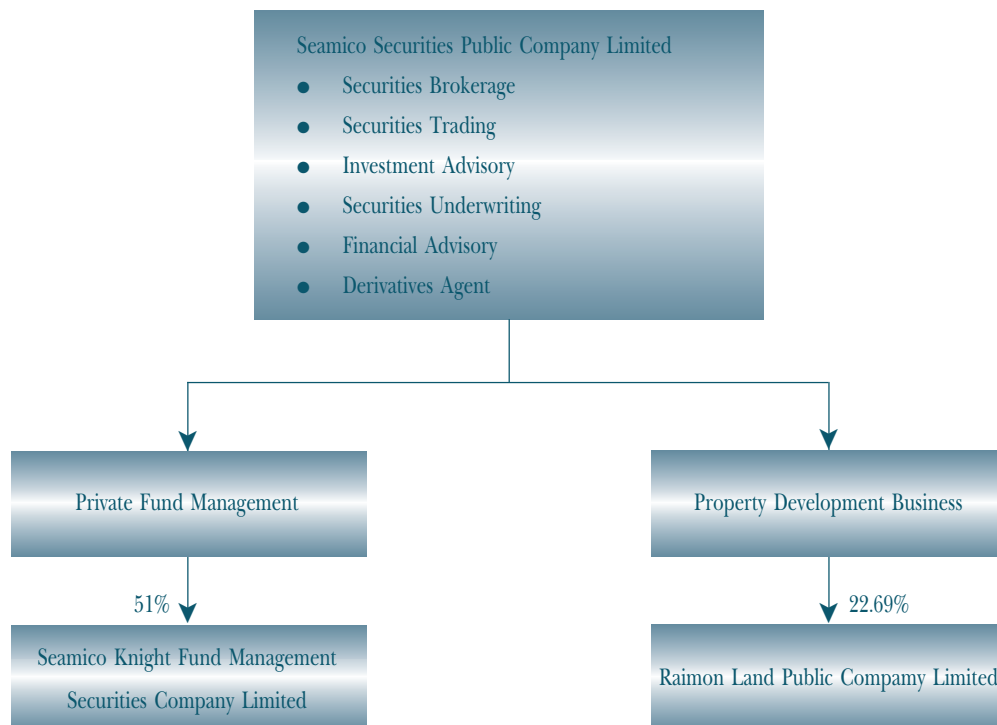
- Siam Premier International Law Office Limited
26th Floor of the Offices at Central World,
No. 999/9 Rama I Road, Khwaeng Pathumwan,
Khet pathumwan, Bangkok 10330
Telephone: 66 (0) 2646-1888 Fax: 66 (0) 2646-1919
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road,
Dindaeng, Bangkok 10310
Telephone: 66 (0) 2246-6061 Fax: 66 (0) 2641-8267

NATURE OF BUSINESS

Seamico Securities Public Company Limited has been approved by the Ministry of Finance and the Securities and Exchange Commission to engage in business activities related to the securities industry in the following categories:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory
4. Securities Underwriting
5. Financial Advisory
6. Derivatives Agent

A BUSINESS OVERVIEW OF THE COMPANY AND ITS SUBSIDIARY COMPANIES



Note: As of 31st December 2005, the Company had invested in 255,000 non-cumulative preference shares of Burda (Thailand) Limited, which represents 51% of the total shares of that company but only 17% of its total voting rights. The Company has not recorded the 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 the company and no right to receive profits except for 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 announcement was made for the periods of 2002 to 2005.

REVENUE STRUCTURE BY SOURCE

	2003		2004		2005	
	Baht million	%	Baht million	%	Baht million	%
<u>Securities business income</u>						
Brokerage fees	1,681.15	78.80	1,498.51	81.76	860.38	75.54
Fees and service income	306.02	14.34	177.81	9.70	191.72	16.83
Interest on margin loans	30.33	1.42	28.82	1.57	36.62	3.21
Gains (losses) on securities trading	93.79	4.40	17.89	0.98	(55.58)	(4.88)
Interest and dividends on securities	10.36	0.49	25.51	1.39	52.29	4.59
Total securities business income	2,121.65	99.45	1,748.54	95.41	1,085.42	95.29
<u>Securities business expense</u>						
Interest on borrowing	6.53	0.31	7.79	0.43	12.69	1.11
Fees and service expenses	53.05	2.49	47.79	2.61	22.71	1.99
Brokerage and fee expenses	58.69	2.75	12.26	0.67	16.38	1.44
Total securities business expenses	118.27	5.54	67.84	3.70	51.77	4.55
Net securities business income	2,003.38	93.90	1,680.70	91.70	1,033.65	90.75
Allowance for investment devaluation	-	-	-	-	-	-
Provision for possible loan losses	(2.12)	(0.10)	(0.73)	(0.04)	(2.27)	(0.20)
Securities business income - net	2,001.26	93.80	1,679.97	91.66	1,031.39	90.55
Gains (losses) on exchange rate	0.01	-	0.02	-	-	-
Other income	11.83	0.55	84.18	4.59	53.63	4.71
Total Income (loss) - Net	2,013.10	94.36	1,764.17	96.26	1,085.01	95.26
Total Income	2,133.49	100.00	1,832.74	100.00	1,139.05	100.00

REVENUE OF SUBSIDIARY COMPANY

	2003		2004		2005	
	Baht million	%	Baht million	%	Baht million	%
- Fee and Service Income	20.11	100.00	19.28	100.00	20.64	98.84
- Other Income	-	-	-	-	0.24	1.16
Total Income	20.11	100.00	19.28	100.00	20.88	100.00

TYPES OF BUSINESS

Seamico Securities Public Company Limited has been authorised to operate a securities business in the following categories:

1. Securities Brokerage

Securities brokerage is the Company's core business. Seamico is a leading independent brokerage firm providing a comprehensive range of quality services to local and foreign institutional and retail clients with highly experienced marketing and research teams. Investment advisory services on both a fundamental and technical basis comprise a major activity.

The types of services provided include:

1. Cash and cash balance accounts.
2. Cash accounts - TSFC (Thailand Securities Finance Corporation).
3. Credit balance accounts.
4. Internet accounts, which enable clients to trade on their own via the Internet. The Company has made continual updates in technology since the service was launched in 1998.

The Company provides vital information to aid our investors in their decision-making through our website, www.seamico.com. Investors are able to access information about their stocks online 24 hours a day from anywhere in the world. The Company has continuously added services available on the website, such as providing real-time trading position reporting to enable clients to monitor their stocks from their desktops, daily technical research updates, in-depth stock analyses, investment advisory and investment portfolio reporting, an IPO centre, market summaries, online trading accounts and an online question and answer room.

The Company established Seamico Zian Line in 2005 with the objective to provide a full range services related to securities trading whereby clients have immediate access to information. The Company provides staff with financial skill and knowledge to assist and serve clients in securities trading. Staff utilise a special telephone system linked to a central database, which provides clients convenient and rapid information. Moreover, staff can serve clients' needs and receive feedback immediately. This provides the Company a means to expand its customer base of general investors with low marketing expense and provide staff training at a low cost.

The Company is concerned about the increasing competition in the securities industry. In a move to ensure the Company remains competitive, there is a plan to enhance the high margin client base, such as Internet accounts and clients who are knowledgeable about securities investing. Besides this, the Company plans to expand its customer base to new investors apart from building market share from current clients. The Company also plans to proactively expand its target market by having staff make presentations to potential investors or arrange road shows for institutional investors. Furthermore, there is another team of staff who continuously provide after-sales services. The Company also has a plan to evaluate feedback from clients to better serve their needs.

Moreover, to provide increased convenience in the trading of securities via the Internet, the Company implemented a system and additional channels for clients to trade securities via mobile phones in the beginning of 2006.

The Company provided loans for securities trading to increase client liquidity, including increasing the Company's trading volume. The Company managed risk by reviewing credit lines according to its policy in regard to loans for securities trading and the Company's guidelines. The Company has a high level of quality control made possible by closely following clients' trading transactions, limiting investment proportions and reviewing whether the Company should call for more collateral. In case of a default payment, the operations service department follows up overdue clients so that payment is made in full. The Company continuously increases loan amounts for clients in 2005, and thus the Company proportion of loans increased, and the same is planned for and tend to increase in 2006.

Market Share

Market share and trading volume classified by client type in 2003-2005 is as follows:

Trading Volume	2003		2004		2005	
	Baht million	%	Baht million	%	Baht million	%
Market Turnover	4,670,281		5,024,399		4,031,240	
Seamico's Trading Volume	672,910		598,549		344,066	
Seamico's Market Share	7.20%		5.96%		4.27%	
Classified by type of clients						
- Seamico's Portfolio	1,937	0.29%	1,167	0.19%	997	0.29%
- Fund	3,653	0.54%	4,324	0.72%	3,807	1.11%
- Sub Broker	-	-	-	-	-	-
- Retail clients	622,605	92.52%	551,038	92.07%	310,322	90.19%
- Foreign Clients	44,716	6.65%	42,020	7.02%	28,939	8.41%
Total	672,910	100.00%	598,549	100.00%	344,066	100.00%
Classified by type of account						
- Cash Account	586,467	87.41%	559,841	93.72%	306,257	89.27%
- Credit Balance Account	84,507	12.59%	37,541	6.28%	36,811	10.73%
Total*	670,974	100.00%	597,382	100.00%	343,069	100.00%

Note: * The total amount classified by type of account, excluding trading volume for proprietary portfolios of the Company and trading volume of the MAI.

The percentage of the top 10 securities trading clients to the Company's total securities trading volume in 2003-2005

Details	2003		2004		2005	
	Baht million	%	Baht million	%	Baht million	%
Top 10 securities trading clients	101,060	15.02%	91,757	15.33%	46,351	13.33%
Total company's securities trading	672,910	100.00%	598,549	100.00%	344,066	100.00%

Note: Excludes clients with a trading volume of more than 10% of the Company's total trading volume or persons who have an interest in the Company.

The Company's Client Types

The majority of Seamico's clients are local retail clients who trade on a cash basis. In 2005, the proportion of credit balance rose from 6% in 2004 to 11% in 2005 due to a policy to increase loans for securities, and this should continue to increase in 2006. The following table shows the proportion of client types in 2003-2005.

Client Proportion	2003	2004	2005
Retail : Institution	97 : 3	96 : 4	95 : 5
Local : Foreign	93 : 7	93 : 7	92 : 8
Cash Account : Credit Balance	88 : 12	94 : 6	89 : 11

Policy concerning the opening of new accounts

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

2. Derivatives Agent Business

The Company considers that to be a derivatives agent represents an added channel to increase the Company's income in the long term, as derivatives can be used as a standard and efficient tool to manage risk (hedging instrument) with a low cost. Moreover, as it is a new alternative for investors, the Company submitted an application for a derivatives licence to the SEC to act as a derivatives agent, which included applying to be a member of the Thailand Futures Exchange Public Company Limited (TFEX) and Thailand Clearing House Company Limited. The Company intends to engage in derivatives transactions together with the capital market to develop the derivatives market. Furthermore, the Company is qualified and prepared according to defined regulations that state that applicants need to have a system to prevent conflicts of interest and prevent insider trading, and are able to maintain a NCR as required. In addition, the Company meets the requirement for applicants to have efficient internal control and risk management measures. The Company is also among a few local securities firms that were granted a derivatives agent licence from the three institutions.

From the end of 2005 to the beginning of 2006, the Company has been preparing a derivatives trading operating plan, information technology, internal control and risk management system, guidelines for implementation, staff training on product risk and working processes (both marketing staff and support staff). Additionally, the Company will be providing information on derivatives to clients and investors to ensure that the Company is ready to commence operations efficiently on 28th April 2006 as planned by Thailand Futures Exchange Public Company Limited.

3. Securities Trading

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

- Policy concerning authorised persons for securities dealing, e.g. an investment committee and dealers
- Policy on risk management
- Policy on preventing conflicts of interest
- Policy on compliance
- Policy on the authority of approving investments
- Policy on proper capital allocation to each securities
- Policy on the investment objectives and expected return targets compared with benchmark returns

The Company has a policy to invest in high return investment types and be able to control the level of risk. In 2005, investments in securities were classified into four types:

- 1) Investment in private funds managed by professional Asset Management Company with a total Baht 260 million. Private funds are managed by Seamico Knight Fund Management (the Company's subsidiary), which is a former fund manager, and by Asset Management, which the Company appointed at the end of 2005. The Company defines expected return to both asset management companies and authorises the fund manager on investment decisions. The Company invests in two private funds to compare returns between the two and solve problems related to conflicts of interest.
- 2) Investments managed by the Company are considered to be strategic investments, since these provide an opportunity to gain high returns. This includes investments in securities that are left over from underwriting
- 3) Investments aimed to manage liquidity of the Company, which are investments in debt with high returns and low risk, such as government bonds, treasury bills or others guaranteed by financial institutions or with a credit rating of BBB+ or higher in the short term (1-3 months). The Company also considers the time required to use the funds (matching).
- 4) Investments in subsidiary and associated companies, SKFM (private fund business) in which the Company holds a 51% stake, and Raimon Land (real estate business) in which the Company holds a 22.69% stake.

Investment in Securities in 2003-2005

(Unit: Baht millions)

Investment types classified by investment objectives	Amount		
	2003	2004	2005
Trading securities	104.42	104.13	1.99
Available-for-sale securities	376.96	537.80	550.17
Investment in subsidiary and associated companies	146.46	300.50	327.40
General investment	12.48	12.48	12.48
Total	640.32	954.91	892.04

4. Underwriting Business

Seamico Securities 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 and joins with financial institutions and other securities firms in offering a variety of securities products, including government bonds, state enterprise bonds, common shares, preferred shares, debentures and convertible debentures. Seamico is actively engaged in the underwriting business and has extensive experience in the role of lead and co-underwriter, underwriter and selling agent.

Revenues from the Underwriting Business

Year	No. of clients	Underwriting value (Baht millions)	Fee charged (Baht millions)
2003	29	4,821.96	192.75
2004	36	3,065.75	72.24
2005	32	2,919.12	98.35

5. Financial Advisory Business

The Company offers a number of financial advisory services, which include the following:

- Issuing equity instruments through initial public offerings, private placements, convertible debentures, rights issues and debentures with warrants, and new listings on the SET and the MAI.
- Mergers and acquisition services, including joint ventures, takeovers, the introduction of strategic partners, privatisations and delistings.
- Specialised advisory services, such as business valuations, providing independent opinions and special reports to shareholders, the SEC or the SET.
- Advice for the rehabilitation of a business and negotiations with bankers and other debtors.
- Issuing debt instruments, such as debentures, offshore loans and syndicated loans.
- Advice on joint venture investments in both local and foreign companies.
- Advice on investments for both listed and non-listed companies in Thailand.

The Company has professional investment bankers joining so as to strengthen our investment banking teams. The Company's strategy is to provide professional financial advisory services to cover every client type, including small, medium and large-sized businesses by customising services related to client needs based on the expertise and know-how of each investment banking team. Adhering to strict business ethics and maintaining good client relationships are highly valued, as is providing professional advisory services that comply with the Company's policies. However, in 2005 economic and political circumstances fluctuated, such as continuous increases in oil prices and unrest in the south of Thailand. Many companies slowed down business expansion and postponed listing on the SET, and therefore, income from investment banking was below the Company's forecast. Financial advisory service fees from 2003 to 2005 are shown in the table below.

(Unit: Baht millions)	2003	2004	2005
Revenue	93.17	85.44	71.61

6. Private Fund Management

Seamico Securities Public Company Limited has a strategy to expand the scope of its securities business to private fund management through holding a 51 per cent stake of Seamico Knight Fund Management Company Limited (SKFM), which has been engaged in private fund management since 26th July 2002. SKFM provides private fund management to personal, group and juristic clients, both local and foreign, in accordance with the rules and of the Securities Exchange Commission. SKFM's offices are located on the 32nd Floor, Sang Thong Thani Building, Sathorn Road, Bangkok, telephone (662) 639-2965.

Seamico plans to invest in SKFM in order to strengthen its securities business and for the following benefits:

- To obtain investment returns in the form of dividends and profit sharing.
- To utilise SKFM as a channel to broaden the securities brokerage client base to large clients with a high net worth, such as fund managers.
- To diversify into fund management in order to provide a full range of securities services.
- To obtain a professional proprietary portfolio management system by setting expected relative returns.

INDUSTRY OUTLOOK AND FUTURE COMPETITION

Industry and Competition

In 2005, the return from the SET increased by 6.83 per cent with the SET index having risen from 668.10 points at the end of 2004 to 713.73 points at the end of 2005. Total trading volume of the SET and the MAI declined from 2005 by 19.6 per cent from Baht 5,059 billion to Baht 4,067 billion, while daily market turnover decreased by 19.6 per cent from Baht 20,508 million to Baht 16,454 million. Behind the decline were various factors that affected the Thai capital market during 2005, such as the tsunami in the six southern provinces at the end of 2004, prolonged terrorism in the three southern provinces with no signs of abating, high oil prices in the global market, rises in US interest rates, which influenced Thai interest rates, protests over the listing on the SET of large companies, such as Electricity Generating Authority of Thailand (EGAT) and Thai Beverage Public Company Limited.

There were 35 new companies listed on the SET in 2005 with a total market capitalisation of Baht 27,744¹ million and 14 new companies listed on the MAI with a total market capitalisation Baht 1,477 million.

¹ Exclude PTTCH which was merged between TOC and NPC, approximately market capitalization of Baht 90,000 million.

Primary Market

(Unit:Baht millions)

Public Offering	2003	2004	2005
Initial Public Offering	330,489	407,651	1,003,943
Classified by Instrument Type			
- Equity	133,047	99,946	84,827
- Fixed Income	197,442	307,705	919,116
Classified by Investment Type			
- Initial Public Offering	21,032	37,671	21,967
- Public Offering	218,694	307,345	909,124
- Private Placement	88,823	61,063	71,107
- ESOP	1,940	1,572	1,745
Classified by Investor Type			
- Local	330,489	391,375	957,903
- Foreign	-	16,276	46,040

Source: Corporate Governance Department, Securities and Exchange Commission (SEC)

Secondary Market

SET	2003	2004	2005
Market Capitalisation (Baht millions)	4,789,857	4,521,895	5,105,113
Market Turnover (Baht millions)	4,670,281	5,024,399	4,031,240
Daily Average Turnover (Baht millions)	18,908	20,508	16,454
SET Index at the end of year (points)	772.15	668.10	713.73
Market P/E(times)	13.65	9.40	9.40
Market P/BV (times)	2.71	2.00	1.91
Dividend Yield (%)	1.81	2.75	3.37

Source: The Stock Exchange of Thailand

MAI	2003	2004	2005
Market Capitalisation (Baht millions)	13,691	11,703	14,314
Market Turnover (Baht millions)	30,191	34,221	35,941
Daily Average Turnover (Baht millions)	122	140	147
SET Index at the end of year (points)	343.70	188.07	158.23

Source: The Stock Exchange of Thailand

Key Financial Figures in 2003-2005

Details	2003	2004	2005
SET Index - end of year (points)	772.15	668.10	713.73
MAI Index - end of year (points)	343.70	188.07	158.23
Number of Broker (Companies)	37	36	39
Market Share of Top 10 Brokers (%)	51.14	51.59	50.08
Number of Listed Company in SET (Companies)	408	440	468
Number of Listed Company in MAI (Companies)	13	24	36

Source: The Stock Exchange of Thailand

Market Turnover in the SET in 2003-2005

(Unit: Baht millions)

Month	2003		2004		2005	
	Total Value	Daily Average	Total Value	Daily Average	Total Value	Daily Average
January	151,050	6,866	823,445	41,172	472,643	23,632
February	111,574	5,872	558,863	27,943	462,916	24,364
March	108,200	5,152	377,393	17,154	382,993	16,652
April	143,354	7,545	410,657	22,814	255,214	15,013
May	159,814	8,411	355,460	18,708	318,771	16,777
June	311,220	14,820	339,985	16,190	327,104	14,868
July	413,543	19,693	318,954	15,188	264,860	13,940
August	428,924	21,446	246,519	12,326	328,544	14,934
September	685,732	31,170	459,778	20,899	421,978	19,181
October	617,012	28,046	407,242	20,362	248,674	12,434
November	672,820	33,641	385,079	17,504	260,473	11,840
December	867,027	41,287	341,024	17,051	287,070	14,354

Source: The Stock Exchange of Thailand

Market Turnover classified by Investors

(Unit: Baht millions)

Investor	2003		2004		2005	
	Value	%	Value	%	Value	%
Foreign Investors	1,666,015	18	2,121,230	21	2,248,626	28
Local Institutions	575,416	6	846,053	8	839,492	10
Local Investors	7,099,131	76	7,081,516	71	4,974,362	62
Total	9,340,562	100	10,048,799	100	8,062,480	100

Source: The Stock Exchange of Thailand

During the year 2005, even though overall market turnover of the SET decreased from previous year, value of foreign investment still continuously increased since 2003. Foreign investors were interested to invest in Thai capital market since they expected higher return due to cheap prices of Thai securities compared to other Asian markets (P/E ratio of Thai capital market was at 9 times).

A competition during 2005 became stronger, there were new companies move into securities business which result in a total of 39 brokerage firms. Each securities company had a strategy to increase efficiency on online service and improve a quality of securities analysis and research to maintain and increase market share. However, there were some companies that use a strategy of catching marketing officer from others. Therefore, market share and performance of many securities companies grow in less proportion. Large securities companies, particularly with financial institution shareholders or foreign partners, will have competitive advantage in terms of customer base, marketing network, capital, economy of scale, technology and know-how.

In 2005, top 10 brokers gained market share 50.08% of total market turnover which slightly decreased from 2004. The brokerage firms with higher market share were SCBS and PHATRA, from rank 5 and 6 in 2004 to rank 3 and 4 in 2005 respectively. For the Company, market share decreased to rank 5, one reason was marketing officers moved to the competitor's firm. Moreover, most of customer base (more than 95%) was local retail investor which market turnover of local retail investor continuously decreased since 2003.

Market Share of Brokerage Business

Detail	2003		2004		2005	
	Rank	%	Rank	%	Rank	%
Seamico's Market Share	2	7.20	3	5.96	5	4.27
Top 10 Brokers' Market Share	1-10	51.14	1-10	51.59	1-10	50.08

Source: The Stock Exchange of Thailand

Industry Trend and Future Competition

There are positive signs for the Thai capital market in 2006 from the following factors:

- Economic forecasts in 2006 are for growth of 5 per cent driven by domestic consumption, private investment and exports, including investments in government mega projects.
- Continued privatisation of state enterprises, liberalisation of the telecom industry and FTAs with Japan and the US will boost the investment climate.
- Overall corporate earnings in 2006 will grow according to economic conditions.
- Interest rate announced by Fed which caused the 14-day repurchase rate to nearly reach its highest level in the middle of 2006.
- The Thai stock market will generate returns for investors, as Thai securities are still cheap with an average P/E ratio of 9 times, which is relatively low compared to other Asian stock markets. During the first week of 2006, foreign investors continuously bought Thai stocks with net buying of Baht 40,000 million. More foreign investment is expected as investments in US dollar assets decrease and are spread to other currencies, particularly in Asia, a benefit for Thailand.

Competition among securities companies looks set to intensify further, as many broking firms continue to focus on increasing the quality of their services rather than on cutting commission fees in order to maintain a competitive advantage when commission fee liberalisation occurs in 2007. In this regard, the Company plans to proactively expand its customer base by implementing cross selling via co-ordinating among its business units.

The Company also plans to emphasise providing quality and rapid services to assist investors in their decision-making, which include creating customer relations to expand its customer base to high margin clients, such as institutional clients and new investors, with a proactive marketing plan. Besides this, the Company plans to improve the quality of its entire range of products in the next few years. Moreover, the Company will endeavour to develop related businesses with the aim to boost its market share as well as prepare for related securities businesses, such as derivatives trading. The Company was granted a derivatives agent licence and will start operations on 28th April 2006, as the date on which the Thailand Futures Exchange is expected to open.

The Company has successfully provided a variety of investment banking services with its professional and experienced teams and has been able to serve an increasing number of clients as well as act as a selling agent, since the Company aims to provide a full range of services. In addition, the Company efficiently manages costs to obtain economies of scale. Moreover, the Company continuously develops technology related to our securities trading system and the quality of our fundamental and technical research reports. Our aim to keep up with current events and to provide timely advice to our customers enables them to make the best investment decisions, and this will strengthen the Company's operations and ensure its survival in the long term.

Product and Service Providing

1) Source of Fund

Mostly the Company's source of fund is from shareholders, however, the Company is allocated short-term loan from financial institutions to support short-term needs by considering liquidity, worth of capital and business continuity.

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

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

3) Net Capital Rule (NCR)

The Company maintained NCR in higher rate than the SEC required which was not less than 7% of general liabilities. During the past 3 years Net Liquid Capital and NCR ratio are as follows:

Fund	31 Dec 2003	31 Dec 2004	31 Dec 2005
Net Liquid Capital (Baht million)	1,462	2,219	2,289
NCR (%)	46	270	205

RISK FACTORS

1. Risk from volatility of economic factors

The brokerage business is sensitive to economic factors. Fluctuations in the capital market and confidence of investors in the Stock Exchange of Thailand (SET) are the major risk factors that impact the overall performance of the brokerage business. In 2005, the capital market was affected by various negative factors, such as rising oil prices, the US Fed's interest rate increases, which led to the Thai central bank raising the 14-day repurchase rate in order to reduce the interest rate gap between both countries and to reduce inflation. Domestic factors are still directly impacting the capital market, i.e. the postponements of listings of large market capitalisation stocks and unrest in the three southern provinces. Nevertheless, the Company foresees that these negative factors will subside. Prospects for the economy in 2006 look positive driven by continuing investments in government mega projects and an increase in new investments by the private sector, which will be catalysts for earnings growth of listed companies.

The Company's policy is to reduce the effects of negative factors by diversifying, enhancing the client base to institutional clients, expanding to engage in the derivatives market, enlarging the investment banking and fixed income trading teams, as well as selling agents in order to minimise the proportion of brokerage fee income. The Company is concerned about the quality of all of the businesses the Company provides, and emphasise quality, timeliness and an effective response to clients' needs.

In addition, fluctuations of the economy directly cause a diminishing of the Company's portfolio investments. However, the Company has been managing such risk by strictly pursuing its policies and procedures in regard to investment and underwriting, while monitoring its investment status.

2. Risk from competition and liberalisation of brokerage commission fees

The minimum securities brokerage commission rate as set by the Stock Exchange of Thailand (SET) will expire on 14th January 2007. When that time is reached, price cutting may reoccur as in 2001 and lead to the brokerage industry experiencing a decline in profitability.

Although there is no price cutting in the brokerage industry at present, competition in the securities industry remains stiff. In 2005, three new securities firms obtained broking licenses. All brokers attempt to maintain their existing client base and simultaneously seek new clients in order to increase market share. Although the SET and the Association of Securities Companies have issued a regulation relating to the rotation of marketing staff, some brokers attempt to boost market share by acquiring key marketing staff from other brokers.

According to commission fee liberalisation and strong competition in the securities industry, the Company has taken steps to improve our competitiveness by improving the quality of our research, develop new financial products, provide services to better meet clients' needs, create an even more efficient customer relation system and enhance the Company's client base. In 2005, the Company established "ZMICO ZIANLINE", which is a new distribution channel to provide clients knowledge of the capital

market and securities. It consists of a new younger generation of marketing staff who are provided special training programmes related to investing and the capital market. The aim is to provide investment information to both the Company's clients and to general investors. In addition, the Company is ready to diversify to the derivatives market. The Company has already received a futures agent license from the SEC, Thailand Futures Exchange (TFEX) and Thailand Clearing House (TCH). This should strengthen the Company's income base and help cushion the effects of fluctuations in the brokerage industry.

3. Risk from customer concentration

Seamico is concerned about a risk associated with being dependent on large securities trading account clients, as this may have a considerably adverse effect on the Company. To minimise this risk, the Company has been focusing on expanding its client base, increasing its securities marketing teams and enhancing its distribution channel through online trading. The establishment of "ZMICO ZIANLINE" was established in order to provide investment information to both the Company's clients and general investors who might be potential clients in the future.

Consequently, the Company's client base has expanded from 19,898 trading accounts in 2003 to 29,145 accounts in 2005. The proportion of top 10 clients ranked by securities trading volume declined to 13.33% in 2005. The proportion of top 10 clients in 2003 to 2005 is shown in table below:

Details	2003	2004	2005
Top 10 securities trading clients to Company's total securities trading	15.02%	15.33%	13.33%

4. Risk from payment defaults by clients

This risk is incurred by clients' failure to make their settlement on the due date within 3 days after securities is purchased for cash accounts, which might be caused by market fluctuations and a cash shortfall among clients. This also includes the failure to make payment on credit balance loans.

To manage this risk, the Company established a policy to select only quality clients, set an appropriate trading limit for individual clients based on their qualifications, normal income, financial status and settlement ability. In addition, the Company follows up client trading and payment behaviour, and regularly reviews client positions and trading limits. Also, the SET's rules and procedures in regard to cash account trading requires clients to make, before trading, a deposit of at least 10% of the trading limit approval, which helps mitigate this risk.

Regarding credit balance accounts, the Company has a policy and procedures relating to credit balance accounts of setting a proper credit loan limit for each client based on their financial status, identification of marginable securities and the setting of an appropriate initial margin by considering their fundamentals, liquidity and price volatility of the securities, setting a proper concentration limit of securities as well as regularly following up clients' trading history and their current financial status.

As of 31st December 2005, accounts receivable in cash accounts totalled Baht 631.41 million and accounts receivable in credit balance was Baht 987.24 million.

5. Risk with regard to key staffs

As a securities business is highly dependent on key staff, particularly marketing staff in the broking business, Seamico established “ZMICO ZIANLINE”, a new, young marketing team, by providing them training programmes relating to finance and the capital market, the method of servicing clients and other investors in order to minimise the risk of depending on key staff. This strategy highlights Seamico’s culture of emphasising ethics, prudent management, quality of service and looking toward a new younger generation. In addition, the Company has set a policy to convince capable staff to remain with the Company on a long-term basis, by, for example, establishing a plan to develop human resources, implement a fair and competitive performance evaluations and a reward system. The Company also conducts regular reviews of remuneration packages and staff benefits to ensure they are competitive within the industry with the aim to maintain key personnel.

6. Risk of providing underwriting and financial advisory services

The Company may suffer from its remaining unallocated shares being transferred to the Company’s investment portfolio. As a result, this may affect the Company’s liquidity as well as result in a loss from the diminution of the market price of said securities. The cause of this risk might be a result of underwriting shares at an inappropriate price or number of shares, volatility of the money market or stock market, all of which could possibly undermine investors’ interest in a new issuance. In a attempt to minimise such risk, the Company conducts studies, analyses and investigates the securities issues, industry trends and prospects, and carefully considers the market’s potential response to an offered securities. In 2005, the Company succeeded in underwriting as guaranteed, with no remaining shares transferred to the Company’s portfolio.

In providing financial advisory services, the Company and the client must be mutually responsible for disclosing accurate, sufficient information to the public. This is in the event of a new securities issuance and offering, a filing for listing, and other financial advisory services. The Company emphasises the selection of clients based on the specialisation of each investment banking team. Before accepting a deal, the investment banking team will conduct a due diligence in order to ensure that the service provided by the Company to prospective clients is in their best interest.

7. Risk in regard to information technology

Information technology is a fundamental part of the infrastructure of a securities company. An effective information technology system makes it possible to provide efficient services and to respond effectively to the needs of customers. The Company selects international standard systems that are geared especially toward connecting with clients. The systems selected enable the Company to ensure that clients’ losses are minimised to their lowest possible level. Regarding derivatives trading, which a complicated market and entails high risk, the Company plans to implement a system that enables clients to analyse the risk and returns in their portfolios by themselves.

The Company has policies and procedures in place relating to minimising the risk pertaining to information technology, which includes having a contingency plan and having a backup centre located outside the Company's headquarters. Moreover, the Company has been preparing for liberalisation of commission fees by managing costs effectively and utilising information technology to support the expansion of our client base with competitive costs.

8. Risk concerning an insufficiency of capital

The Company's source of funds normally derive from shareholders. Before fund raising, the Company forecasts its capital needs to support its future business in order to minimise the cost of fund raising in the long term. Nevertheless, the Company realises the value of facilities from financial institutions for short-term needs. The Company maintains good relations with other financial institutions and has reserve facilities with them. In addition, to obtain a source of funds for various types of future business expansion, e.g. structured product, the Company raises funds by project financing in order to increase shareholders' returns and to minimise the impact on the capital adequacy level.

The Company's net liquidity capital ratio is currently above 100 per cent. The Company has an internal NCR rate as a cushion, which is used as a warning signal rather than to maintain a higher rate than the SEC's requirement. In addition, the Company monitors changes in net liquid capital and the ratio, regularly monitors the effect on the NCR level in case a crisis event occurs (stress testing), and regularly reviews capital allocations to each business in order to minimise possible losses and to ensure that capital can generate the highest return.

9. Risk from the changing in regulation

The Company is concerned about a possible adverse effect from not complying with regulations or not keeping up with changes in regulations. The Company minimises this risk by setting out operating procedures for its overall business that emphasises good corporate governance, checks and balances, and the exercise of a high degree of care in carrying out all business functions and regularly keeps abreast of changes in regulations involving its functions. This is positive in that it maximises economic value to the Company and generates attractive returns to shareholders in the long term.

SHAREHOLDER STRUCTURE AND MANAGEMENT

1. SHAREHOLDERS

1.1 MAJOR SHAREHOLDERS AS AT 31st DECEMBER 2005

Name	No. of shares held	Percentage of paid-up capital
1. Thai NVDR Company Limited	44,305,485	5.34
2. Mr. Songsak Jitjuejoon	27,652,600	3.33
3. HSBC (Singapore) Nominees Pte Ltd	14,600,000	1.76
4. Mrs. Nonthaya Apithanothai	9,828,444	1.18
5. Raffles Nominees (Pte) Limited	9,742,637	1.17
6. Mr. Vithaya Narathassajun	7,450,011	0.90
7. Mrs. Pennipa Tuangsithsombat	7,300,033	0.88
8. State Street Bank and Trust Company	6,576,400	0.79
9. Mr. Pornchai Vechakorn	6,288,857	0.76
10. Mr. Boonlert Viboonlarb	6,210,000	0.75
11. Other	689,551,642	83.13
Total	829,506,109	100.00

Paid-up capital as at 31st December 2005 was Baht 829,506,109

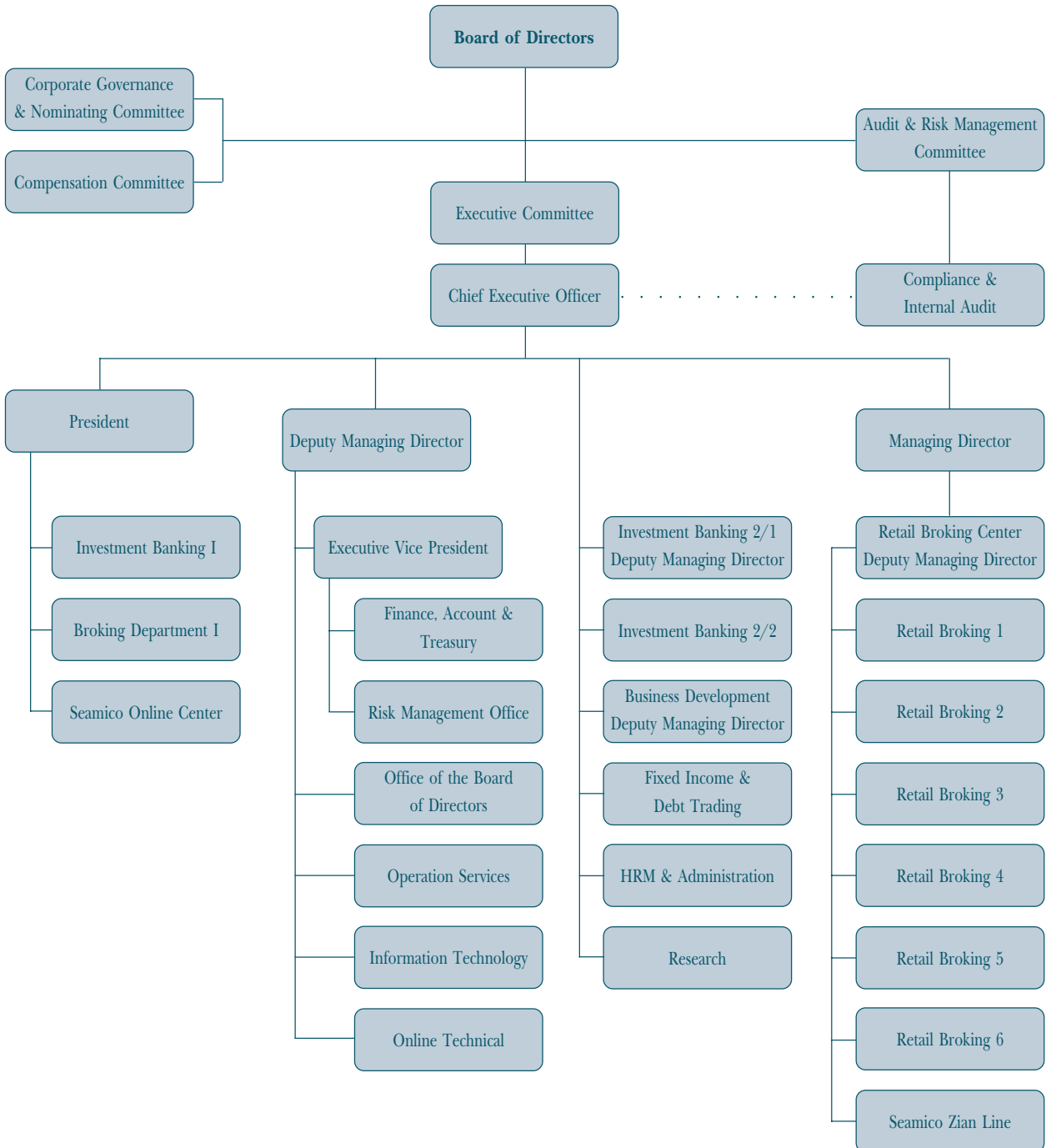
Investors can find information on major shareholders as at the closure date of share registered book from the Company's website before the Annual General Meeting.

1.2 MAJOR SHAREHOLDER GROUP

- None-

2. MANAGEMENT

ORGANISATION CHART AS AT 31ST DECEMBER 2005



2.1 MANAGEMENT STRUCTURE

2.1.1 COMMITTEE OF THE COMPANY

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

2.1.2 COMMITTEE AND RESPONSIBILITIES

1. BOARD OF DIRECTORS

1. Mr. Paron Israsena	Independent Director and Chairman
2. Mr. Reungvit Dusdeesurapot	Authorized Director
3. Mr. Robert W. McMillen	Authorized Director
4. Mr. Chao Arunyawat	Authorized Director
5. Mrs. Duangrat Watanapongchat	Authorized Director
6. Mr. Kenneth K.H. Lam	Director
7. Mr. Bernard Pouliot	Director
8. Mr. William H.M. Chao	Independent Director
9. Miss Korbsook Iamsuri	Independent Director
10. Dr. Sorajak Kasemsuvan	Independent Director
11. Mr. Chatchawal Eimsiri	Independent Director
Mrs. Duangrat Watanapongchat	Secretary to the Board of Directors

DEFINITION OF INDEPENDENT DIRECTOR OF THE COMPANY

1. An independent director must not hold any shares in the listed company exceeding 5 per cent of the total shares with voting rights.
2. An independent director must not have any relations with the listed company in terms of managing the company or an affiliated company, an associated company, a related company, or with a person who may have a conflict of interest, such as the auditor or solicitor. Such relations include being an employee or staff member or an adviser who receives a regular salary. The independent director should be free from such relations for more than 1 year before being an independent director of the Company.
3. An independent director should not have any business relation, either direct or indirect, with the financial and operational management of the Company or related company or person who may have a conflict of interest.

Business relation includes being a major client, supplier, creditor or debtor whose transaction value is more than Baht 10 million or 3 per cent of the total tangible assets.

4. The independent director is to disclose any relationship that may result in his/her position being not independent.

INDEPENDENT DIRECTOR SELECTION

The Company shall select a potential person to be appointed as an independent director, and his/her qualification shall not conflict with the above definition.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

Directors Authorization and Limitation thereof

- 1) Mr. Reungvit Dusdeesurapot or Mr. Robert William McMillen or Mr. Chao Arunyawat or Mrs. Duangrat Watanapongchat any two of four directors signing together with the Company's seal being affixed.
- 2) 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 a 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 operations, business or assets of the Company; and
 - d) The release of obligations or liabilities of any Shareholder of the Company, and the proceeding must be approved by the resolution of a Board of Directors' Meeting or shareholders' meeting if required.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

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

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

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

2. EXECUTIVE COMMITTEE

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Executive Committee has the power, duty and responsibility to manage on a day-to-day basis the Company's administrative activities and transactions and assist the Board of Directors, as follows:

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

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

3. AUDIT AND RISK MANAGEMENT COMMITTEE

1. Mr. William H.M. Chao	Chairman of Audit and Risk Management Committee
2. Miss Korbsook Iamsuri	Member
3. Mr. Chatchawal Eimsiri	Member
Mrs. Aree Termwatanapakdee	Secretary to the Audit and Risk Management Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. To review the sufficiency, credibility and objectivity of the financial reporting by co-ordinate with the external auditors and management responsible for preparing the quarterly and annual 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 co-ordinate with the external auditors and internal auditors.
3. To review the adequacy and efficiency of the risk management system by co-ordinate with the Risk Management Unit or the Risk Management Committee.
4. To review compliance with the Securities and Exchange Act, regulations of the SET and any other relevant laws.
5. To consider and advise on the appointment of external auditors, including the audit fee, by considering the creditability, the adequacy of the firm's resources, its audit engagements and the experience of its supervisory and professional staff.
6. To consider compliance with all connected transaction disclosures or the conflict of interest disclosures.
7. 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.).
8. To report the activities of the audit committee in the Company's annual report, that 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 external auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Act, 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 of Directors.

4. COMPENSATION COMMITTEE

1. Mr. Bernard Pouliot	Chairman of Compensation Committee
2. Mr. Kenneth K.H. Lam	Member
3. Dr. Sorajak Kasemsuvan	Member
Mr. Reungvit Dusdeesurapot	Secretary to the Compensation Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE COMPENSATION COMMITTEE

- To consider, make decision and submit the remuneration of Top management level as specified below for the Office of the Board and/or Shareholders' meeting approval.
 - Board of Directors' Remuneration
 - Senior Management Compensation
 - Senior Management Contracts
 - Overall Remuneration Increase
- To consider, comment, judgement on the ESOP Schemes for employees and Directors which provided by the Executive Committee ("ExCo"), this final ESOP Schemes must submit to Board of Directors and/or Shareholders' meeting approval.

5. CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

1. Mr. Chatchawal Eimsiri	Chairman of Corporate Governance and Nominating Committee
2. Miss Korbsook Iamsuri	Member
3. Mr. William H.M. Chao	Member
Mrs. Aree Termwatanapakdee	Secretary to Corporate Governance and Nominating Committee

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

- Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the company's business.
- Review and evaluate the practical results of Corporate Governance at least once a year.
- Report to the Board of Directors on matters related to Corporate Governance and suggest the improvements, as deem appropriate.
- Propose the director evaluation process to the Board of Directors as well as evaluate and follow up the improvement as evaluation results.

2.1.3 ATTENDANCE RECORD IN 2005**Board of Directors**

In 2005 there are the Board of Directors met six times. Details of the attendance are as follows:

Name	No. of Meetings Attended
1. Mr. Paron Israsena	6
2. Mr. Reungvit Dusdeesurapot	6
3. Mr. Robert W. McMillen	6
4. Mr. Chao Arunyawat	6
5. Mrs. Duangrat Watanapongchat	6
6. Mr. Kenneth K.H. Lam	3
7. Mr. Bernard Pouliot	4
8. Mr. William H.M. Chao	4
9. Miss Korbsook Iamsuri	5
10. Dr. Sorajak Kasemsuvan	4
11. Mr. Chatchawal Eimsiri*	2

* Appointed as a director by resolution of the Annual General Meeting of Shareholders for the Year 2005 dated 28th April 2005.

Executive Committee

In 2005 there are the Executive Committee met forty one times. Details of the attendance are as follows:

Name	Position	No. of Meetings Attended
1. Mr. Reungvit Dusdeesurapot	Chairman of Executive Committee	36
2. Mr. Robert W. McMillen	Member	40
3. Mr. Chao Arunyawat	Member	41
4. Mrs. Duangrat Watanapongchat	Member	40
5. Mr. Kenneth K.H. Lam*	Member	12
6. Mr. Bernard Pouliot*	Member	7

* Non-resident director

Other committee meetings held in 2005 are as follows:

- 4 Audit and Risk Management Committee meetings were held.
- 1 Compensation Committee meeting was held.
- 1 Corporate Governance and Nominating Committee was held.

2.1.4 MANAGEMENT AND COMPANY SECRETARY

1. Mr. Reungvit Dusdeesurapot	Authorized Director and Chief Executive Officer
2. Mr. Robert W. McMillen	Authorized Director and President
3. Mr. Chao Arunyawat	Authorized Director and Managing Director
4. Mrs. Duangrat Watanapongchat	Authorized Director and Deputy Managing Director And Company Secretary
5. Mr. Somchai Kanjanapetcharat	Deputy Managing Director
6. Mr. Chupong Tanasettakorn	Deputy Managing Director
7. Miss Patarin Tananart	Deputy Managing Director
8. Mrs. Banchit Chittanusart	Executive Vice President, Finance, Account and Treasury Department

DIRECTORS AND MANAGEMENT PROFILES AS OF 31st DECEMBER 2005

Name-Surname	Mr. Paron Israsena
Position	Independent Director and Chairman
Age	78 Years
Education	<ul style="list-style-type: none"> - Honorary Doctoral, Suranaree University (2002) - Ph.D. Honorary Doctor of Philosophy, Chiang Mai University (1992) - DBA., Honoris Cause, Chulalongkorn University (1986) - SM.ME., Massachusetts Institute of Technology, USA (1954) - B. Eng. ME., Chulalongkorn University (1951) - B. Eng., with Honors, Chulalongkorn University (1950) - Director Accreditation Program (DAP) (2003)
% of Shareholding	0%
Experience	
1993 - Present	Independent Director and Chairman, 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 of the Board, Shin Sattelite Plc.
Present	Director and Member of Audit Committee, Padaeng Industry Plc.
Present	Board of Directors, National Competitiveness Development
Present	Board of Directors, Management and Knowledge Development Policy
Present	Board of Directors, National Economic and Social Development
Present	Director, Thai Red Cross Society
Present	Director, Darunsikhalai of King Mongkut's University of Technology Thonburi
Name-Surname	Mr. Reungvit Dusdeesurapot
Position	Authorized Director, Executive Chairman and Chief Executive Officer
Age	47 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) - Director Accreditation Program (DAP) (2003)
% of Shareholding	0.42%
Experience	
24 Aug. 2005 - Present	Authorized Director, Executive Chairman and Chief Executive Officer Seamico Securities Plc./Securities Business
1 Jun. 2000 - 23 Aug. 2005	Authorized Director and Chief Executive Officer Seamico Securities Plc./ Securities Business
2002 - Present	Director, Raimon Land Plc./Property Business
2002 - Present	Director, Raimon Land Planner Co., Ltd./Raimon Land Consultant
2002 - Present	Director, Contemporary Property 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
2000 - 2001	Chairman, Brooker Group Plc./Consultant Business
1997 - 31 May 2000	Executive Director and Managing Director, Seamico Securities Plc./Securities Business

Name-Surname	Mr. Robert William McMillen
Position	Authorized Director and President
Age	50 Years
Education	- Chartered Accountant, Major - Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major - Accounting, The New South Wales University of Technology (1982)
% of Shareholding	0%
Experience	
24 Aug. 2005 - Present	Authorized Director and President, Seamico Securities Pl./Stock Broker and Financial Advisor
1 Jun. 2000 - 23 Aug. 2005	Authorized Director and Chief Executive Officer Seamico Securities Pl./Stock Broker and Financial Advisor
2002 - Present	Director, Raimon Land Pl./Property Business
2002 - Present	Director, Contemporary Property Co., Ltd./Property Business
2001 - Present	Director, Raimon Land Planner Co., Ltd./Raimon Land Consultant
2001 - Present	Director, Burda-Rizzoli (Thailand) Co., Ltd./Publishing Women's Magazine
1 Oct. 2003 - Present	Director (Authorized) and Member of Executive Committee, Brooker Group Pl./Consultant, Publisher and Advisor
1998 - Present	Chairman and Director, Strategic Property Company Limited/Property Business
Present	Director, Knight Pacific Fund Limited/Fund Management
Present	Director, Quam Fund (SPC) Limited/Fund Management
Present	Director, Orient Select Investments Limited/Fund Management
Present	Director, Taksin Properties Co., Ltd./Property Development
Present	Director, Taksin Hotel Holding Co., Ltd./Property Development
Present	Director, Mcmillen Advantage Capital Limited
2003 - 15 Jan. 2005	Independent Director and Member of Audit Committee, Eastern Star Real Estate Plc.
8 Aug. - 30 Sep. 2003	Director (Authorized) and Chairman of Executive Committee, Brooker Group Pl./Consultant, Publisher and Advisor
1998 - 7 Aug. 2003	Director (Non-authorized) and Chairman of Executive Committee, Brooker Group Pl./ Consultant, Publisher and Advisor
1997 - 31 May 2000	Executive Director and Managing Director, Seamico Securities Pl./Stock Broker and Financial Adviser
Name-Surname	Mr. Chao Arunyawat
Position	Authorized Director and Managing Director
Age	53 Years
Education	- Master Degree of Financial Management The National Institute of Development Administration (1979) - Director Accreditation Program (DAP) (2003) - Certificate of Derivatives 1 Program (2005)
% of Shareholding	0%
Experience	
1 June 2000 - Present	Authorized Director and Managing Director, Seamico Securities Pl./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	Authorized Director and Deputy Managing Director
Age	48 Years
Education	<ul style="list-style-type: none"> - Master Degree of Accounting, Thammasat University (1983) - Directors Certification Program (2002) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.09%
Experience	
25 Apr. 2002 - Present	Authorized Director and Deputy Managing Director, Seamico Securities Plc./Securities Business
1 Jun. 2000 - 2002	Deputy Managing Director, Seamico Securities Plc./Securities Business
1994 - 31 May 2000	Authorized Director and Deputy Managing Director Seamico Securities Plc./Securities Business
Name-Surname	Mr. Kenneth Kin Hing Lam
Position	Director, Member of Executive Committee and Member of Compensation Committee
Age	52 Years
Education	Master Degree, Major - Business Administration Chinese University of Hong Kong (1983)
% of Shareholding	0%
Experience	
1998 - Present	Director, Member of Executive Committee, Seamico Securities Plc./Securities Business
2001 - Present	Member of Compensation Committee, Seamico Securities Plc./Securities Business
2002 - Present	Director, Raimon Land Plc./Property Business
2000 - Present	Director, Quam Limited and Its Group/Investment Business
Present	Independent Director, Hon Kwok Land Investment Co., Ltd./Investment Business
Name-Surname	Mr. Bernard Pouliot
Position	Director and Member of Executive Committee and Member of Compensation Committee
Age	54 Years
Education	Bachelor Degree, Major - Commerce, University of Quebec (1974)
% of Shareholding	0%
Experience	
1998 - Present	Director and Member of Executive Committee, Seamico Securities Plc./Securities Business
2001 - Present	Member of Compensation Committee, Seamico Securities Plc./Securities Business
2000 - Present	Chairman, Quam Limited/Investment Business
1994 - Present	Director, Distacom Communication Ltd/Investment Business
2002 - 15 Aug. 2003	Director, Brooker Group Plc./Consultant Business

Name-Surname	Mr. William Hang Man Chao
Position	Independent Director, Chairman of Audit and Risk Management Committee and Member of Corporate Governance and Nominating Committee
Age	48 Years
Education	Master of Business Administration, Major - Finance / Marketing University of Chicago (1985)
% of Shareholding	0.07%
Experience	
24 Aug. 2005 - Present	Member of Corporate Governance and Nominating Committee, Seamico Securities Pl./Securities Business
1998 - Present	Independent Director and Chairman of Audit and Risk Management Committee, Seamico Securities Pl./Securities Business
2000 - Present	Independent Director, Cal-Comp Electronics (Thailand) Pl./Electronics
1998 - Present	Director, Wing Wah Advisory (Thailand) Limited/Investment Support
Present	Director, Bangkok Garden Property Fund/Real Estate Holding
Present	Director, City Realty Co., Ltd./Real Estate Developer
Name-Surname	Miss Korbsook Iamsuri
Position	Independent Director, Member of Audit and Risk Management Committee and Member of Corporate Governance and Nominating Committee
Age	48 Years
Education	- Master of Business Administration, Major - Finance University of Wisconsin, Madison (1984) - Directors Certification Program (DCP) (2001)
% of Shareholding	0.01%
Experience	
24 Aug. 2005 - Present	Member of Corporate Governance and Nominating Committee, Seamico Securities Pl./Securities Business
1 Jun. 2001 - Present	Independent Director and Member of Audit and Risk Management Committee Seamico Securities Pl./Securities Business
Present	Director, Kamol Kij Group/Agriculture Business
Present	Director, Black and White Co., Ltd./Audio Visual Business
Present	Director, Amornchai Co., Ltd./Agriculture Business
Present	Director, Better Rice Co., Ltd./Trading Business
Present	Director, Farm Kirikan Co., Ltd./Real Estate Business
Present	Director, Lanna Agribusiness Co., Ltd./Agriculture Business
Present	Director, Kasikit Singha Co., Ltd./Agriculture Business
15 Aug. 2003 - 2004	Independent Director and Member of Audit Committee Raimon Land Pl./Property Business

Name-Surname	Dr. Sorajak Kasemsuvan
Position	Independent Director and Member of Compensation Committee
Age	51 Years
Education	PhD, International Law, London School of Economics and Political Science University of London, U.K. (1987)
% of Shareholding	0%
Experience	
24 Aug. 2005 - Present	Independent Director and Member of Compensation Committee, Seamico Securities Pl./ Securities Business
2002 - 23 Aug. 2005	Independent Director and Member of Audit Committee Seamico Securities Pl./Securities Business
Present	Vice Minister for the Prime Minister's Office
Present	Senior Vice President for Corporate Communication and International Trade Law Charoen Pokphand Group Co., Ltd./Investment Business
Present	Director, Kantana Group Plc.
Present	President, Traffic Corner Holdings Plc.
Mar. 2003 - Mar. 2005	Vice Minister for Foreign Affairs
1999 - 2002	Director - General, Mass Communication Organization of Thailand
1999	Dean, Faculty of law, Assumption University
1996 - 1999	Vice President, Institute of Social and Economic Policy
1996 - 1999	Managing Director, Magna Pictures Co., Ltd.
1996 - 1999	Vice President, Federation of National Film Association of Thailand
Name-Surname	Mr. Chatchawal Eimsiri
Position	Independent Director, Chairman of Corporate Governance and Nominating Committee and Member of Audit and Risk Management Committee
Age	46 Years
Education	- Master of Science, Operation Research, London School of Economics and Political Science, University of London (1982)
% of Shareholding	0%
Experience	
24 Aug. 2005 - Present	Independent Director, Chairman of Corporate Governance and Nominating Committee and Member of Audit and Risk Management Committee, Seamico Securities Pl./Securities Business
28 Apr. - 23 Aug. 2005	Independent Director, Seamico Securities Pl./Securities Business
2001 - Present	Vice President, Finance and Accounting - PTT Exploration and Production Public Co., Ltd.
2002 - 2005	Director, Seamico Knight Fund Management Securities Co., Ltd./Investment Business
1998 - 2001	Director, Seamico Securities Pl./Securities Business
1997 - 2001	Senior Manager, Finance - PTT Exploration and Production Public Co., Ltd.

Name-Surname	Mr. Somchai Kanjanapetcharat
Position	Deputy Managing Director
Age	50 Years
Education	- MBA, The National Institute of Development Administration (1991) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.01%
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	48 Years
Education	MBA (Finance) University of Detroit (1982)
% of Shareholding	0.02%
Experience	
2003 - Present	Deputy Managing Director, Seamico Securities Plc./Securities Business
Present	Non-authorized Director, EMC Plc./Construction 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	45 Years
Education	- MBA (MIS) University of Texas (1986) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0%
Experience	
1 Dec. 2003 - Present	Deputy Managing Director, Seamico Securities Plc./Securities Business
2003 - 2003	Managing Director, Siam City Securities Co., Ltd.
1 May 2001 - 30 Apr. 2003	Executive Director, UOB Kayhian Securities (Thailand) Co., Ltd.

Name-Surname	Mrs. Banchit Chittanusart
Position	Executive Vice President - Finance, Account and Treasury Department
Age	44 Years
Education	<ul style="list-style-type: none">- Master Degree of Accounting, Thammasat University (1989)- Certificate of Derivatives 1 Program (2005)- Certificate of Derivatives 2 Program (2005)- Certificate of Derivatives Guide Program (2005)
% of Shareholding	0%
Experience	
Apr. 2004 - Present	Executive Vice President, Seamico Securities Plc./Securities Business
Feb. 1998 - Mar. 2004	Senior Director of Finance and Accounting Department, Government Pension Fund

DETAILS OF SUBSIDIARY COMPANY'S DIRECTORS AS AT 31st DECEMBER 2005

Company Name	Seamico Knight Fund Management Securities Company Limited
Location	82 North Sathorn Road, Silom, Bangrak, Bangkok
Type of Business	Private Fund Management
Date of Establishment	29 th March 2002

Director	Position
1. Mr. Jeremy Lechemere King	Authorized Director
2. Mr. Hamish Brush Macpherson	Director
3. Mr. Supakorn Vejajiva	Director

2.2 DIRECTOR SELECTION

Each member of the Board of Directors may propose a suitable person to the Corporate Governance and Nominating Committee as a centre, and the Corporate Governance and Nominating Committee shall propose said person to a meeting of the Board of Directors and/or shareholders for consideration in accordance with the Company's Articles of Association.

ARTICLES OF ASSOCIATION OF THE COMPANY REGARDING DIRECTOR SELECTION

The Company shall have a Board of Directors that 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 officer as they deem fit. At least half of the directors shall be resident in the Kingdom.

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

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

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

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. Directors retiring on the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, directors who have been in office the longest shall retire. A retiring director is eligible for re-election.

Shareholders' meetings may resolve to remove any director before the expiration of his/her 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 the shares held by all shareholders attending the meeting and having the right to vote.

2.3 REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2005

2.3.1 Monetary Remuneration

Directors

Name	Responsibilities	Type of Remuneration	
		Fee	Bonus
1. Mr. Paron Israsena	<ul style="list-style-type: none"> ● Independent Director ● Chairman 	1,000,000	1,680,000
2. Mr. Reungvit Dusdeesurapot*	<ul style="list-style-type: none"> ● Authorized Director ● Executive Chairman ● Chief Executive Officer 	0	0
3. Mr. Robert W. McMillen*	<ul style="list-style-type: none"> ● Authorized Director ● President ● Member of Executive Committee 	0	0
4. Mr. Chao Arunyawat*	<ul style="list-style-type: none"> ● Authorized Director ● Managing Director ● Member of Executive Committee 	0	0
5. Mrs. Duangrat Watanapongchat*	<ul style="list-style-type: none"> ● Authorized Director ● Deputy Managing Director ● Member of Executive Committee 	0	0
6. Mr. Kenneth K. H. Lam	<ul style="list-style-type: none"> ● Director ● Member of Executive Committee ● Member of Compensation Committee 	200,000	540,000
7. Mr. Bernard Pouliot	<ul style="list-style-type: none"> ● Director ● Member of Executive Committee ● Member of Compensation Committee 	200,000	540,000
8. Mr. William H.M. Chao	<ul style="list-style-type: none"> ● Independent Director ● Chairman of Audit and Risk Management Committee ● Member of Corporate Governance and Nominating Committee 	280,000	540,000
9. Miss Korbsook Iamsuri	<ul style="list-style-type: none"> ● Independent Director ● Member of Audit and Risk Management Committee ● Member of Corporate Governance and Nominating Committee 	280,000	420,000
10. Dr. Sorajak Kasemsuvan	<ul style="list-style-type: none"> ● Independent Director ● Member of Compensation Committee 	280,000	300,000
11. Mr. Chatchawal Eimsiri**	<ul style="list-style-type: none"> ● Independent Director ● Chairman of Corporate Governance and Nominating Committee ● Member of Audit and Risk Management Committee 	187,500	180,000

Note * Four authorized directors of the Company are not entitled to director fees and bonus.

** Appointed as a director by resolution of the Annual General Meeting of Shareholders for the Year 2005 dated 28th April 2005.

Directors (Authorized) and Management totaling 7 persons

Type of Remuneration	Remuneration (Baht)
Salary	30,845,160
Bonus	18,344,372
Total	49,189,532

2.3.2 Other Remuneration

Warrants	Amount (Units)	Term (Year)	Ratio (Unit : Share)	Exercise Price (Baht : Share)	Exercised	Un-exercised	Approved by
Offering to directors and employees of the Company and its subsidiary. (ESOP II Warrants)	6,600,000	5	1 : 10*	1 : 1*	6,564,500	35,500	The Extraordinary General Meeting of Shareholders No. 1/2001 dated 15 th June 2001
Offering to employees who have never been allotted ESOP. (ESOP III Warrants)	14,300,000	5	1 : 1	1 : 1	8,398,575	5,901,425	The Extraordinary General Meeting of Shareholders No. 1/2003 dated 16 th December 2003

Note * Exercise ratio was adjusted from 1 warrant for 1 ordinary share at the price of Baht 10 per share in accordance with a change in par value from Baht 10 each to Baht 1 each.

Conditions for exercise

- 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.

Other restrictions and features

The selected director or employee who joins the Company after the first date of the program 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 of ESOP Warrants, the Board of Directors in co-operation 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.

THE CHANGE OF SECURITIES HOLDING BY DIRECTORS AND MANAGEMENT

Director/Management	No. of shares held		Change Increase / (Decrease)	No. of ESOP II Warrants		Change Increase / (Decrease)	No. of ZMICO-W 3		Change Increase / (Decrease)
	31 Dec. 04	31 Dec. 05		31 Dec. 04	31 Dec. 05		31 Dec. 04	31 Dec. 05	
Mr. Paron Israsena	0	0	0	0	0	0	0	0	0
Mr. Reungvit Dusdeesurapot	3,460,039	3,460,039	0	0	0	0	0	0	0
Mr. Robert W. McMillen	700,033	0	(700,033)	0	0	0	0	0	0
Mr. Chao Arunyawat	125,000	0	(125,000)	0	0	0	0	0	0
Mrs. Duangrat Watanapongchat	738,000	738,000	0	0	0	0	242,500	242,500	0
Mr. Kenneth K.H. Lam	0	0	0	0	0	0	0	0	0
Mr. Bernard Pouliot	0	0	0	0	0	0	0	0	0
Mr. William H.M. Chao	569,444	569,444	0	0	0	0	142,361	142,361	0
Miss Korbsook Iamsuri	130,000	100,000	(30,000)	0	0	0	0	0	0
Dr. Sorajak Kasemsuvan	0	0	0	0	0	0	0	0	0
Mr. Chatchawal Eimsiri	0	0	0	0	0	0	0	0	0
Mr. Somchai Karnjanapetcharat	310,000	120,000	(190,000)	8,000	8,000	0	0	0	0
Mr. Chupong Tanasettakorn	125,000	0	(125,000)	17,500	5,000	(12,500)	0	0	0
Miss Pattarin Thananart	2,000	7,000	5,000	30,000	17,500	(12,500)	500	500	0
Mrs. Banchit Chittanusart	0	0	0	0	51,200	51,200	0	0	0

2.3.3 PROVIDENT FUND

For 2005, the Company contributed Baht 1,728,407 for the management to the Company's provident fund.

2.4 CORPORATE GOVERNANCE 2005

The Company has realized the importance of Good Corporate Governance and compliance with the SET principles as well as the evaluation of criteria based on the Organization for Economic Co-operation and Development (OECD) for the principle of corporate governance to upgrade the Company's standard, 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 maximize 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.

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

2. The equitable treatment of shareholders

The Company emphasizes 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, and also obtain a notice of attending AGMs with details provided on our website, to ensure that shareholders have timely and sufficient information regarding the issues to be decided at meetings.
- Voting rights
All shareholders have the right to attend shareholders' meetings and vote in accordance with the articles of association of the Company. Besides this, the Company also provides a proxy form for shareholders who cannot attend meetings to appoint an independent director as a grantee in which the shareholder can specify their vote for each matter on the meeting's agenda.
- The right to be treated equally
All shareholders shall be treated equally concerning the rights and benefits they deserve.

3. The rights of stakeholders

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

3.1 Shareholders

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

3.2 Clients

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

3.3 Employees

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

The Company also promotes the activities to harmonize, good relationship among the employees such as an Annual Spirit Ceremony, recreation activities, sport days giving awareness of health and hygiene.

3.4 Governance office, Government, Public corporate

The Company adheres to rules and regulations of the finance sector, SET and SEC. and we give them co-ordination.

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

The others, Company give them co-operation such Thai institute of Directors Association (IOD) which we were a member since 2004 and our Company's directors have been joined the seminar and training continuously.

3.5 Society, Community, Environment

The Company is aware of its social responsibility and participates in social activities. In 2005, the Company made a donation of Baht 5 million for the victims of the tsunami, as well as donations to charities for the Buddhist Pagoda Foundation, and Educational Support, Health & Hospitality, and Government-Funded Charities.

Meanwhile, the Company plays a role in environmental protection, as all activities undertaken are required to be environment and natural resource friendly.

3.6 Creditors, Suppliers, Competitors

The Company recognizes a responsibility to outside organizations and agents that we deal with, such as creditors, suppliers and competitors. We treat them fairly and equitably on the negotiation basis and base on generally business conditions, do not have any disadvantage among the competitors.

4. Shareholders meetings

The Company arranges meetings of shareholders by setting the place, registration procedure and the method of voting and vote counting in advance of meetings.

Shareholders are informed of the date, time and place of meetings, including details of the agenda, in a notice of shareholder meetings together with an annual report and they can search the information via internet.

The Chairman encourages shareholders to ask questions or express an opinion at meetings. Executive Directors, Management, Audit Committee Members, the External Auditor and Lawyers attend meeting to answer questions.

For the minutes of Meetings to elect the Company's directors, each proposed person is announced one by one, and shareholders vote for each person.

The annual remuneration of Company directors is presented for approval at a meeting of shareholders every year.

The minutes of shareholder meetings are presented at the next meeting to be certified.

The minutes of shareholder meetings are kept securely and are accessible only by concerned persons.

5. Leadership and vision

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

The Board of Directors participates in developing the vision, strategy, goals and plans of the Company.

The Board of Directors monitors the members of management by:

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

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

Directors will continuously receive information by attending the seminars arranged by the SET or SEC in order to update and acknowledge the progressive in businesses, they can act their roles to conduct the Company to the right path.

6. Conflict of interest

The Company guards against conflicts of interest, as follows:

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

7. Code of ethics

The Board of Directors performs their duties in accordance with the law, the Company's objectives and articles of association, as well as by resolutions of 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 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 |
| Consists of: | | |
| ● Independent Director | 5 | persons |
| ● Outside Director | 2 | persons |

The Chairman is selected from independent directors. The Chairman does not act as a director and is not a member of any subcommittee of the Company in order to remain independent.

The Appointment of Audit and Risk Management Committee

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

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 of directors and management**

Director Remuneration : All director remuneration is presented clearly, transparently and the amount is appropriate with each one responsibility. The total amount is not excess the approval figure setting by the shareholders meeting.

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

Remuneration as at 31st December 2005 : See details in 2.3 "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

Refer to good corporate governance the Company will consider the format of annual self-assessment for the Board of Directors, CEO and finally propose the evaluation method for the Board of Directors' approval.

11. **Board of Director meetings**

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

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

An attendance record for Directors for 2005 is set out in 2.1.3.

12. Committees

Various committees have been established, such as:

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

These assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of the Audit Committee and Compensation Committee is composed of independent directors in order to be independent and transparent. (Details of each committee are set out in 2.1.2)

13. Controlling system and internal audit

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

In relation to operational controls:

The Company emphasizes 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 authorization to ensure a proper check and balance system and regular financial reports to relevant management.

In relation to internal audits:

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

In relation to risk management:

In 2005, the Board of Directors established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to obtain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system in order to be efficient. This was accomplished by co-ordinate with executives in all business functions to identify, measure and assess risks as well as review and monitor the results of risk identification and report the and related risk information to the Risk Management and Audit & Risk Management committees. There will be a revision of the policies, procedures and measures in regard to risk management every two years. The Compliance and Internal Audit department monitor and audit all business activities for strict adherence to the Company's risk management policy and reports discrepancies in practices to the Audit and Risk Management Committee.

14. Directors' reporting

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

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

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

15. Investor Relations

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

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

Seamico Securities Public Company Limited
8th-9th, 15th-17th, 20th-21st Floor, Liberty Square Building,
287 Silom Road, Bangrak, Bangkok 10500
Telephone: (66-2) 695-5000 Fax: (66-2) 631-1709 <http://www.seamico.com>

To conform to the OECD recommendation, the Company has prepared the "Good Corporate Governance Principle" which is approved by the Board of Directors. It is summarized and reported as following.

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1. Philosophy of Work of the Company

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

2. Policies Concerning the Board of Directors

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

3. Structure of Board of Directors

Board of Directors comprises of Executive and Non-Executive Director appropriately and balanced as well as appointed sub-committees to take charge of particular matters to supervise and refine work, for example,

- The Executive Committee
- The Audit & Risk Management Committee
- The Corporate Governance & Nominating Committee
- The Remuneration Committee

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

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

4. Duties and responsibilities of the Board of Directors

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

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

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

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

5. Work Performance of the Board of Directors

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

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

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

6. Duties and Responsibilities of the Management

The Executive Management shall have responsibilities assigned by the Board of Directors to the most efficient and conduct the duties with an honest in compliance with the vision, mission and corporate value as determined by the Board of Directors and shall report the operational results regularly to the Board of Directors.

7. Policy on the Conflict of Interest

The Company provided Compliance Manual which specify the ethics for the Company, the executives and the employees is the principles which all employees shall sign the acknowledgement and strictly practice as the guidelines for transparent and fair treatment with the interested persons in every group such as

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

The company has a policy to supervise the use of internal information, regulations of the trading of securities of directors and employees.

8. Policy on the Internal Control and Risk Management System

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

9. Policy on the Accounting and Financial Transactions

The company provides the preparation of report on accounting and finance correctly, timely and accountably. There shall be complete documents and evidence, which sufficiently support, appropriate and timely information. The accounting and financial report prepared to be based on the appropriate and regularly governing accounting policies, and to be in line with the generally acceptable accounting principles, as well as to encourage the sufficient disclosure of significant information.

10. Policy on the Trading of Securities

The Board of Directors and Executive Management shall have the duty to report their securities holding in compliance with the rules and regulations of the Securities Exchange of Thailand and the Securities and Exchange Commission and also prohibits the relevant persons who have known or may know any internal information from

trading the shares if the information has not been disclosed to the public including prohibited the directors, Management Department and employees participating in the preparation or having known the significant internal information sell or purchase of the Company shares at some certain time. For the person violating the restrictions shall be subject to the disciplinary punishment and/or the law, as the case may be.

11. Policy on the Social Responsibility

Our organization has the social responsibility and support social contribution by allocating certain amount of annual budget to support social activities such as Education, Public Benefits, or when the nation faces natural disaster.

2.5 SUPERVISION ON USING INSIDE INFORMATION

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

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

1. In reference to the Company's organization, each department is clearly divided according to its particular function. Also, a securities entry system is applied by departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:
 - 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
 - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities before such information is disclosed to the public during the period. Also, they have to report changes in securities holding during Company Board meetings so as to promote transparency and fairness.
 - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.

- 2.4 In order to monitor the Company, management and all officers subscribe to securities in which the Company is the underwriter during the specified period to promote fairness.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, those persons are not allowed to trade securities in predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

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

2.6 INTERNAL CONTROL AND RISK MANAGEMENT

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

In 2005, the Audit Committee held four meetings with the heads of the Account and Finance, Compliance & Internal Audit and Risk Management departments, and the Company's auditor to review the quarterly and annual financial statements for 2005 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems which might violate applicable laws and regulations, as well as the sufficiency of the internal control system. Including a review of the Risk Management Policy and progress related thereto, we at times also invite senior management or heads of departments to attend meetings to provide a further explanation of a related matter.

After consideration, the Audit Committee is of the opinion that the Company has prepared its 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, internal control and risk management systems are appropriate and effective, and significant laws and regulations have been complied with. Furthermore, corrections were made to significant issues according to the audit report for good corporate governance for the benefit of the Company and shareholders.

RELATED PARTIES AND CONNECTED TRANSACTIONS

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approval of related party transactions were in compliance with rule and regulations of The SEC and SET. As at 31 December 2005, the Company did not change policies or increase in related parties contracts.

1. Purchase/Sale of goods and/or services

Connected Party/Relationship	Description	Value (Baht Million)		Price / Fee	Notes
		2003	2004		
1) Quam Securities Co., Ltd. (Formerly named APC Securities Co., Ltd.) A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Share trading value - Brokerage fee - Underwriting fee expense - Public relations expense - Brokerage fee expense - Financial advisory fee income	788.08 1.76 0.43 0.03 0.37 0.14	- - 0.05 - - -	- - - - - -	- With market rate or fair value reference to SET's regulation - 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 0.75-2.00 per cent of the shares issued - Fee at the rate 1 per cent of the value of shares issued plus related expenses
2) Quam Securities Nominees (Singapore) Pte. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Share trading value - Brokerage fee - Securities business payable - Other liabilities - Brokerage fee expense - Other income	545.95 1.18 25.52 0.97 0.97 -	1,803.68 4.30 - 0.26 0.26 0.01	2,460.44 5.76 7.15 - - -	- Fee was determined 0.25 per cent from cash account and 0.21 per cent of volume trade via internet, which is normal rate charged to other customers. - At the rate determined under the contract at 0.40 per cent of the shares issued. - At actual expenses

Connected Party/Relationship	Description	Value (Baht Million)		Price / Fee	Notes
		2003	2004		
3) Syn Mun Kong Insurance Plc. Related by way of common director, Mr. Reungvit Dusdeesurapot, CEO and authorised director of Seamico and at the same time a director (non-authorised) of Syn Mun Kong	- Providing financial instrument trading service	62.55	-	-	- Fee in accordance with the contract with reference to the bond dealing market price
	- Share trading value	112.17	101.93	73.38	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.
	- Brokerage fee	0.28	0.25	0.18	
	- Gain on sales of financial instrument	0.04	-	-	- At rate agreed by each party
	- Securities business payable	-	-	0.01	
4) Seamico Knight Fund Management Securities Co., Ltd (SKFM) A subsidiary of Seamico at present	- Securities business payable	-	1.17	4.49	
	- Securities business receivable	31.58	-	-	
	- Other receivable	0.60	0.02	0.63	- Actual value outstanding in account
	- Share trading value	748.83	797.55	600.68	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.
	- Brokerage fee	1.87	1.99	1.50	
5) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen Mr. Reungvit Dusdeesurapot Mr. Kenneth Kin Hing Lam and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King.	- Private fund management expense	1.28	2.75	2.85	- 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
	- Other expenses	0.01	-	-	- Actual expense incurred
	- Advisory fee income	3.15	1.77	-	- At the rate determined under the contract at 1.5 per cent of the shares issued

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
6) Raimon Land Planner Co., Ltd. Related by way of common Directors. Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot	- Advisory fee income	3.93	-	-	At the rate determined under the contract at 2.75 per cent of the shares issued	
7) Brooker Group Plc. Related by way of common director with Seamico Mr. Robert W. Mcmillen and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co.,Ltd.) Mr. Jeremy Lechemere King.	- Accrued expense - Other account payable - Prepaid expense - Fee for financial market news - Brokerage fee expense - Share trading value - Brokerage fee - Financial advisory fee income	0.03 - 0.09 0.58 1.29 30.38 0.08 1.27	- 0.46 0.09 0.49 0.46 - - -	- - - 0.11 0.16 - - 0.04	- At the rate determined under the contract 30 per cent - As agree on invoice - As agree on invoice - At the rate determined under the contract 30 per cent of fee income. - Brokerage fee of 0.25 per cent, which is normal rate charged to other customers - At the rate determined under the contract of 2 per cent of the placement value and Baht 250,000 per year plus related expenses. - At rate agreed by each party	
8) Knight Asian Investment Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Share trading value - Brokerage fee - Securities business receivable - Securities business payable	499.49 1.25 - -	241.24 0.60 - 1.27	130.47 0.33 9.06 -	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
9) 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	0.14	-	-	- Fee at the rate determined under the contract 1 per cent of the share issuance plus related expenses	

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
10) 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	7.98	10.84	14.80	- At the rate agreed by the contract	
	- Fee and service income	13.02	10.21	12.45		
11) Knight Asia 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 income	-	0.27	-	- At the rate agreed by the contract	
	- Accrued expenses	-	0.27	-		
12) 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	- Fee and service accounts receivable	-	-	0.002	- At the rate agreed by the contract	
	- Other assets	0.03	-	-		
	- Fee and service income	0.42	0.01	0.01		
13) Knight P.F 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	-	2.18	3.25	- At the rate agreed by each party	
	- Fee and service income	-	2.21	1.30		

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
14) Knight Pacific Fund Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Securities business payable	-	3.94	-		
	- Securities business receivable	-	-	5.16		
	- Share trading value	-	340.89	220.78	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Brokerage fee	-	0.85	0.55		
15) Charoen Pokphand Group Co.,Ltd. Related by way of common Director, Dr. Sorajak Kasemsuvan	- Advisory fee income	-	1.13	-	- At the rate agreed by each party	
16) Mr. Reungvit Dusdeesurapot Director	- Brokerage fee	0.13	0.15	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	50.95	60.31	-		
17) Mr. Robert W. McMillen Director	- Brokerage fee	0.07	0.02	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	29.25	7.15	6.77		
18) Mr. Chao Arunyawat Director	- Brokerage fee	0.04	0.04	0.002	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	14.91	14.27	0.63		
	- Securities business payable	2.93	-	-		
19) Miss Korbsook Iamsuri Director	- Brokerage fee	0.02	0.01	0.005	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	6.14	4.26	2.00		
	- Securities business receivable	0.37	-	-		
	- Securities business payable	0.20	-	-		
20) Mrs. Duangrat Watanapongchat Director	- Brokerage fee	0.09	0.06	0.009	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	36.34	22.46	3.46		
	- Securities business receivable	0.89	-	-		
	- Securities business payable	-	0.53	-		

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
21) Mr. William Hang Man Chao Director	- Brokerage Fee	0.05	0.13	0.04	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
	- Share trading value	23.42	50.80	14.16		
	- Securities business payable	0.09	-	-		
22) Mr. Bernard Pouliot Director	- Brokerage Fee	0.0005	-	-	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
	- Share trading value	0.23	-	-		
	- Other payable	-	0.06	-		
23) Dr. James Sai Wing Wong Director	- Other payable	-	0.31	-		Dr. James Sai Wing Wong resigned from Seamico effective March 4, 2005
24) Mr. Kenneth Kin Hing Lam Director	- Other payable	-	0.49	-		
25) Mr. Somchai Kanjanapetcharat Deputy Managing Director	- Brokerage Fee	-	0.02	0.004	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
	- Share trading value	-	6.34	-		
	- Brokerage Fee	-	0.03	0.007	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
26) Ms. Patarin Thananart Deputy Managing Director	- Share trading value	-	12.18	2.87		
	- Brokerage Fee	-	-	0.004	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
27) Mr. Chupong Tanasettakorn Deputy Managing Director	- Share trading value	-	-	1.66		
	- Brokerage Fee	-	0.07	0.01	- Brokerage fee of 0.25 per cent ,which is normal rate charged to other customers.	
28) Mr. Panudech Boonsong Mrs. Duangrat Watanapongchat's brother	- Brokerage Fee	-	26.58	4.97		
	- Share trading value	-	0.52	-		
	- Securities business payable	-	-	-		

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
29) Mr. Decha Watanapongchat Mrs. Duangrat Watanapongchat's spouse	- Brokerage fee	-	0.0006	0.01	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	0.25	5.19		
	- Securities business payable	-	-	0.05		
30) Ms. Jarupa Arunyawat Mr. Chao Arunyawat's spouse	- Brokerage fee	-	0.02	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	6.77	8.22		
31) Ms. Samornitp Arunyawat Mr. Chao Arunyawat's sister	- Brokerage fee	-	0.01	0.004	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	4.58	1.43		

2. Purchase / Sale assets and investments

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
1) Seamico Knight Fund Management Securities Co., Ltd. (SKFM) (A subsidiary of Seamico at present)	- Investment in common shares	6.01	6.40	7.38	- Investment portion 51 per cent	
	- Investment in private fund	126.77	222.11	175.57	- Determined under the contract	
	- Additional investment in private fund managed by subsidiary company	35.00	111.19	-	- At invested value	
	- Withdrawal cash from private fund	-	-	50.00	- At invested value	

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
2) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen Mr. Reungvit Dusdeesurapot Mr. Kenneth Kin Hing Lam and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King.	- Investment in common shares	140.46	294.10	320.02	- Investment portion 22.69 per cent	
	- Investment in warrants	34.47	10.19	-	- Investment portion 3.40 per cent	
	- Investment in Bill of Exchange	-	-	200.00	- At the rate 7.00 - 7.50 per cent per annum	
	- Purchase ordinary shares issuance	43.37	81.25	-	- At the offering price to other investors	
	- Dividend income	-	-	14.39	- At the rate 0.047 per share	
	- Interest from Bill of Exchange	-	-	3.79	- At the rate 7.00 - 7.50 per cent per annum	
3) Brooker Group Plc. Related by way of common director with Seamico Mr. Robert W. McMillen and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King.	- Investment in common shares	58.59	24.46	14.22	- Investment portion 5.12 per cent	
	- Purchase ordinary shares issuance	8.33	-	6.89	- At the offering price to other investors	
4) Burda (Thailand) Co., 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(Thailand) Co., Ltd. representing 51 per cent of the total shares but only 17 per cent of the total voting rights.	
	- 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		
	- Purchase of fixed assets	0.05	-	-	- At the rate agreed by each party whereby the Company does not lose any interest	
5) Wing Wah Advisory (Thailand) Limited Related by way of common director, Mr. William H.M. Chao						

3. Lending

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
<u>Transaction between Seamico's subsidiary and related companies</u>						
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	2.50 0.10 0.10	2.50 0.15 0.11	2.50 0.15 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.
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	- Borrowing 5 years - Accrued interest payable - Interest expense from borrowing	2.50 0.05 0.05	2.50 0.04 0.15	2.50 0.04 0.15	- 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) 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	- Securities business receivable - Securities business payable - Accrued interest receivable - Accrued interest payable - Interest income - Interest expense	- - - - - -	77.70 - 0.0005 0.03 1.05 0.04	- 0.0005 0.0003 - 1.89 0.01	- Interest charged at the rate of 0.25 percent per annum - Interest charged at the rate of 5.50 - 6.50 percent per annum - Interest charged at the rate of 0.25 percent per annum	

4. Management contracts or agreements to provide assistance

Connected Party/Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2003	2004	2005		
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	- Agreement to provide advisory services - Annual advisory fee	14.12	14.12	13.76	- Fee in accordance with the contract Baht 1 million per month before related tax. Since November 2005, the fee charged reduced to Baht 0.85 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.
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	- Agreement to provide registration service and monitoring of securities companies - Annual expense	3.02	2.92	2.72	- Fee in accordance with the contract HKD 51,975 per month.	- The transaction is determined as market or fair value. It also provide the company with assistance in relation to compliance function, including company registry and business registration compliance, tax compliance and inland revenue correspondence, employer/employee compliance issues and bank account opening and correspondence. The representative office was closed down from October 31, 2005.
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	1) Fee for financial market news - Annual fee	0.98	-	-	- Fee in accordance with the contract fee charged HKD 60,000 per month	The contract was cancelled from November 2003.

Audit Committee's opinion in regard to related parties and connected transaction as of 31st December 2005

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods and/or services	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 on the Company's management in any case. Legal action had been taken as with other clients.
4. Management contracts or agreements to provide assistance	The transactions are determined to be reasonable to develop and expand its international business.

Policy and Related Parties and Connected Transactions in the Future

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall operating results in the year 2005 ended 31st December 2005

Seamico Securities recorded a net consolidated profit of Baht 186 million, a decrease of 63 per cent from Baht 503 million recorded in 2004. In 2005, the company had a market share 4.28 per cent and a trading volume ranked 5th among the 39 securities firms operating in Thailand.

MAJOR ACHIEVEMENTS WHICH AFFECTED THE RESULTS IN 2005

In the first quarter of 2005, the SET's performance was the same as in the last quarter of 2004. In the remaining period of 2005, the stock market declined continuously. The daily average market volume decreased from Baht 20.65 billion in 2004 to Baht 16.60 billion, or a decrease of 19.60 per cent. The main factors behind the decline were as follows:

- terrorism in the south of Thailand
- the impact from the tsunami
- protests against the listing of state enterprises on the SET
- the global economic slowdown due to the continuous increase in oil prices, an increase in US interest rates, a strong US dollar and measures implemented by the Chinese government to cool the economy

The Securities Industry and the Thai Market

- The SET Index rose by 6.80 per cent in 2005, or from 668.10 points at the end of 2004 to 713.73 points.
- The combined market capitalisation of the SET and MAI increased from Baht 4,534 billion in 2004 to Baht 5,119 billion in 2005, or an increase of 13 per cent.
- The overall average daily volume of the market decreased from Baht 20.65 billion in 2004 to Baht 16.60 billion in 2005, or a decrease of 19.60 per cent.
- There were 39 broker members in 2005. This increased by 3 members from 2004. This will give rise to stronger competition in the sector.

Expanded customer base

- In 2005, our total number of brokerage trading accounts increased by 14 per cent, and online trading accounts operating under www.seamico.com rose by 26 per cent.
- We opened a new stock trading service, "Seamico Zian Line", that incorporates a total integration of our marketing team, research database and customer relationship management system, all of which are connected by an intelligent telephone network. It is the first one-stop service in Thailand accessible by a single telephone number, 02-695-5555.
- We launched our latest "IPO Centre" service on our website, which provides clients with information concerning upcoming IPOs and POs of stocks on the SET and the MAI, and the Thai government's proposed privatisation programme.

- Of the 71 firms that listed on the SET in 2005, Seamico had 32 investment banking clients, or 45 per cent.
- The Company was approved by the Thailand Futures Exchange Plc and Thailand Clearing House Co Ltd to act a derivative broker in the Thai Futures Exchange Market. The market will begin trading in April 2006.

Corporate and Investment activity

- Raimon Land Plc increased its share capital in 2005, which resulted in Seamico's holding thereby decreasing from 27.23 per cent at the end of 2004 to 22.69 per cent.
- Investment in private funds increased by Baht 56 million, or from Baht 176 million to Baht 232 million. The private funds were managed by Seamico Knight Fund Management Securities Co Ltd, and another private fund management firm was assigned in order to maximise benefits to the Company.

We continue to win International Awards

- In 2005, Seamico won "The Best Under A Billion", Forbes Global 200 Best Small Companies for Asia/Pacific Awards" in 2005. We have won the award for the last three years.
- We were selected to be included in the SET 100 Index that was launched on 3rd May 2005. We are one of 14 finance and securities companies on Index.

Our Balance Sheet Strengthened

- Shareholders' equity decreased from Baht 3,068 million on 31st December 2004 to Baht 3,062 million on 31st December 2005.
- Our Net Capital Ratio (NCR) at the end of December 2005 was 205 per cent (well above the SEC's requirement of 7 per cent).
- We remain free of external debt.

2. Operating Results

(1) Securities Business Income

1.1) Brokerage Fee

In 2005, the Company's trading volume decreased by 42 per cent from the previous year, which caused our brokerage income to decrease by Baht 638 million. However, we were successful in expanding our client base by 14 per cent.

1.2) Fee and Service Income

The Company earned fee and service income in 2005 of Baht 192 million, which increased by Baht 14 million from 2004 or by 8 per cent. Fee and service income comprised Underwriting Fees of Baht 98 million, Advisory Fees of Baht 72 million and Private Management Fees of Baht 18 million. In 2005, we had 70 financial advisory clients and 32 underwriting clients.

1.3) Gain on Trading in securities

In 2005, the company realised a loss on securities trading of Baht 56 million, which was generated by a loss on the impairment of investments in securities, as follows:

- Bangkok Land Plc Baht 70 million
- Siam Sport Syndicate Plc Baht 17 million

The remainder was a gain on the disposal of investments in securities, as follows:

- Cal-Comp Electronics (Thailand) Plc Baht 14 million
- Brooker Group Plc Baht 6 million
- Raimon Land Plc-Warrants Baht 9 million
- Debt instruments such as bills of exchange, promissory notes, government bonds Baht 9 million

1.4) Interest on Margin Loans

The amount of margin loans rose by 29 per cent from 2004, which resulted in an increase in net interest income by Baht 8 million, or by 27 per cent from 2004. In addition, the Company earned commission income from credit balance accounts of Baht 93 million in 2005.

(2) Securities Business Expenses

2.1) Interest on Borrowing

Interest from borrowing totalled Baht 12.7 million, Baht 2.1 million of which arose from normal day-to-day cash management to help maximise the use of the Company's resources. The remaining Baht 10.6 million was interest paid for cash deposits from customers.

2.2) Fee and Service Expenses

Fee and service expense amounted to Baht 39 million in 2005, which comprised the following:

- Fee and service expense for an underwriting licence of Baht 6 million and a private fund licence of Baht 0.3 million, or 16 per cent of the total expense. (The underwriting fee licence was fully amortised in 2005.)
- Fees paid to the Stock Exchange of Thailand that were variable according to trading volume, or accounting for 49 per cent of the total expense.
- Fees paid incurred from advisory and underwriting activity and other were 35 per cent of the total expense.

(3) Operating Expense

- Most operating expenses were for personnel and premises and equipment, which accounted for 64 per cent and 16 per cent of total operating expenses, respectively. These expenses were semi-variable in line with the Company's income. However, personnel expense declined by Baht 266 million as a result of a decrease in incentives according to trading volume.

- Other significant operating expenses
- Communication and information expense, accounting for 5 per cent of the total operating expense.
- Public and marketing expense for Seamico Zian Line, accounting for 3 per cent of total operating expense.

(4) Corporate Income Tax

Corporate Income Tax is calculated from the Company's net profit excluding all revenues and expenses in accordance with conditions prescribed by the Revenue Code. In 2005, corporate income tax in the amount of Baht 37 million was recorded in the income statement. This marks a decrease of Baht 125 million, or 77 per cent, from 2004. This was due to a decline in net profit of 66 per cent from 2004. The Company also disposed of an investment, for which an allowance was fully set aside for a loss on impairment. Such loss was a taxable expense.

The Company has not recorded deferred income tax in its financial statement. As at 31st December 2005, it had deferred income tax of approximately Baht 19 million, which will likely be recovered from taxation authorities in the foreseeable future.

(5) Profit Margin

The gross profit margin for 2005 was 95 per cent, which decreased from 96 per cent in 2004. The net profit margin in 2005 also declined from 27 per cent to 16 per cent, as the percentage of operating expense in 2005 was higher than the previous year. In 2005, an increase in premise and equipment expense was due to office renovation, computer equipment and software improvements for our Internet trading service. The increase was also due to the advertising of the new "Seamico Zian Line" stock trading service.

(6) Return on Equity

The return on equity ratio decreased from 18 per cent in 2004 to 6 per cent in 2005, which occurred from a decrease in net profit.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Combination of Assets

As at 31st December 2005, the Company maintained total assets of Baht 4,313 million, 93 per cent of which was current assets and 7 per cent non-current assets.

Assets which had a major change were as follows:

- Securities Business Receivable

The securities business receivable as at 31st December 2005 was Baht 1,614 million, or an increase of 21 per cent from 31st December 2004. The increase occurred as the Company's trading volume at the end of 2005 was much higher than at the end of 2004. (Average daily trading volume at the end of 2005 was Baht 1,326 million compared with Baht 861 million at the end of 2004.) However, 40 per cent of the receivable comprised cash accounts due within three days after the trading date, and 60 per cent comprised credit balance accounts.

- Investment in Associated Company

The amount of investment in the Company's associated company at the end of 2005 increased from 2004 by Baht 26 million owing to the realisation of shared profits from an investment in Raimon Land Plc accounted for under the equity method of Baht 40 million and a dividend earned of Baht 14 million.

- Investment in Securities

During 2005, the Company decreased its investment in listed securities and debt securities, but increased its investment in private funds. As at 31st December 2005, the net asset value of investments in private funds was Baht 49 million higher than its original cost. However, the investment showed a deficit of 13 per cent as at 31st December 2005 due to an impairment of investments. The proportion of short-term investments and long-term investments as at 31st December 2005 was 38:62.

- Cash and Cash Equivalent

Cash and cash equivalents as at 31st December 2005 was Baht 1,295 million, an increase of Baht 85 million or 7 per cent from 2004.

1.2 Quality of Assets

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

- Investment

As at 31st December 2005, the Company had total investments of Baht 564 million (original cost Baht 648 million), or 13 per cent of total assets. Investments comprised 14 per cent in listed securities, 36 per cent in debt instruments and 30 per cent through private funds.

- Securities Business Receivable and Accrued Interest Receivable

The Company maintained a total securities receivable and accrued interest receivable as at 31st December 2005 of Baht 1,614 million with allowance for doubtful debt of Baht 9 million, or 0.56 per cent of its related loans.

The Company's policy is to closely monitor all securities receivables and will engage in negotiations in the first step if any client fails to settle a transaction. If any receivable cannot be negotiated or if a debtor refuses to settle a debt, legal steps will be taken.

As at 31st December 2005, Baht 5 million was awarded as a judgement.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at 31st December 2005 totalled Baht 1,295 million, or an increase from 2004 by Baht 85 million. The ratio of cash-in flow and cash-out flow from various activities are shown in the following table.

	Baht Millions
Cash from Operating Activities	415
Cash used in Investing Activities	(85)
Cash used in Financing Activities	(245)
Net increase from Cash and Cash Equivalent	85

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

- Operating Activities

Investments in bills of exchange and promissory notes as at 31st December 2005 totalled Baht 200 million. These were short-term investments bought and sold. The longest investment term was not more than six months. The investment was covered by collateral. In addition, during 2005, an increase in cash from operating activities is due to disposals of short-term investments.

- Investing Activities

The Company invested in office equipment, vehicles and office renovations to support additional revenue generated during 2005 of roughly Baht 65 million.

In 2005, net investment increased by Baht 56 million. During 2005, the Company hired another private fund management company. As at 31st December 2005, the net asset value of one fund managed by Seamico Knight Fund Management Securities Co Ltd. was Baht 44 million higher than the original cost. The net asset value of the fund managed by the other private fund management company was Baht 5 million higher than the original cost.

2.2 Significant Liquidity Ratios

The Company had very high liquidity with respect to significant liquidity ratios, as seen in the table below.

	2005	2004
Liquid Assets to Total Assets Ratio (%)	43	46
Net Liquid Capital Ratio (NCR) (%)	205	270

As at 31st December 2005, no funds were borrowed by the Company except for a convertible loan of Baht 5 million, which was a loan of a subsidiary company, Seamico Knight Fund Management Securities Co., Ltd.

3. Investment Expenses

Investment

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

4. Sources of Capital

4.1 Capital Increase

In 2005, the Company’s share capital increased by Baht 18 million as a result of the exercise of warrants by directors, employees and existing shareholders.

4.2 Adequacy of Capital Structure

The debt to equity ratio as at 31st December 2005 was 0.41 times, which is higher than the ratio as at 31st December 2004 of 0.30 times. This was due to an increase in the amount of trading transactions with securities companies and securities business payables from 2004 resulting from a rise in trading volume at the end of 2005 compared with 2004.

4.3 Shareholders’ equity

As at 31st December 2005, shareholders’ equity totalled Baht 3,062 million, a decrease of Baht 6 million, or 0.18 per cent from 31st December 2004. This occurred as a result of a net profit in 2005 of Baht 186 million, a capital increase of Baht 18 million, a dividend payment of Baht 263 million and a decrease in the revaluation of a deficit in investments of Baht 53 million.

4.4 Liabilities

The Company maintains no loans that will be future contingent liabilities.



SEAMICO SECURITIES PUBLIC COMPANY LIMITED
CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
31 December 2005 And 2004

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company balance sheets as at 31 December 2005, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the year then ended of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company financial statements of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited for the year ended 31 December 2004 presented herewith for comparative purposes, were audited by another auditor from a different firm to myself whose report dated 21 January 2005, expressed an unqualified opinion on those statements.

I conducted my audit in accordance with the 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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2005 and the consolidated and company results of operations and cash flows for the year then ended of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Boonmee Ngotngamwong
Certified Public Accountant (Thailand) No. 3673
PricewaterhouseCoopers ABAS Limited

Bangkok
28 February 2006

Balance Sheets

Seamico Securities Public Company Limited

As at 31 December 2005 and 2004

(Unit : Baht)

	Notes	Consolidated		The Company Only	
		2005	2004	2005	2004
Assets					
Cash and cash equivalents	3	1,295,055,625	1,210,480,036	1,294,627,897	1,207,109,519
Investments in debt and equity securities	4				
Short-term investments, net		214,379,519	395,352,694	214,379,519	395,352,694
Long-term investments, net		350,254,383	259,055,234	350,254,383	259,055,234
Net investments		564,633,902	654,407,928	564,633,902	654,407,928
Investments in subsidiary and associated companies	5	320,021,521	294,099,816	327,397,261	300,499,226
Trading transactions with securities company		231,262,283	190,958,545	231,262,283	190,958,545
Securities business receivables and accrued interest receivables	6				
Securities business receivables		1,618,653,397	1,335,733,049	1,618,653,397	1,335,733,049
Accrued interest receivables		4,555,513	2,622,814	4,555,513	2,622,814
Total securities business receivables and accrued interest receivables		1,623,208,910	1,338,355,863	1,623,208,910	1,338,355,863
Less Allowance for doubtful accounts	7	(9,049,128)	(6,792,915)	(9,049,128)	(6,792,915)
Securities business receivables and accrued interest receivables, net		1,614,159,782	1,331,562,948	1,614,159,782	1,331,562,948
Building improvements and equipment, net	8	177,964,606	180,617,729	175,962,124	178,103,769
Intangible assets, net	9	6,240,396	11,917,785	5,950,437	11,471,542
Foreclosed properties, net	10	2,938,663	44,705,744	2,938,663	44,705,744
Other assets	11	101,149,448	74,577,620	80,527,480	59,685,477
Total assets		4,313,426,226	3,993,328,151	4,297,459,829	3,978,504,698

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Balance Sheets (Continued)

Seamico Securities Public Company Limited

As at 31 December 2005 and 2004

(Unit : Baht)

	Notes	Consolidated		The Company Only	
		2005	2004	2005	2004
Liabilities and shareholders' equity					
Liabilities					
Convertible borrowings	12	5,000,000	5,000,000	-	-
Trading transactions with securities companies		315,759,317	-	315,759,317	-
Securities business payables		779,752,284	666,939,096	779,752,284	666,939,096
Accrued corporate income tax		8,572,379	50,633,966	8,572,379	50,633,966
Accrued expenses		117,389,297	168,100,991	115,206,159	166,036,480
Other liabilities		24,781,465	34,831,211	23,463,166	33,829,036
Total liabilities		1,251,254,742	925,505,264	1,242,753,305	917,438,578
Shareholders' equity					
Share capital					
Registered					
1,078,357,550 ordinary shares of Baht 1 each					
(2004 : 1,037,157,550 ordinary shares of					
Baht 1 each)					
	13	1,078,357,550	1,037,157,550	1,078,357,550	1,037,157,550
Issued and fully paid-up share capital					
829,506,109 ordinary shares of Baht 1 each					
(2004 : 822,328,201 ordinary shares of					
Baht 1 each)					
		829,506,109	822,328,201	829,506,109	822,328,201
Premium on share capital		1,115,943,655	1,105,100,602	1,115,943,655	1,105,100,602
Share subscriptions received in advance		34,700	184,100	34,700	184,100
Revaluation surplus (deficit) in investments		4,430,157	(48,180,909)	4,430,157	(48,180,909)
Retained earnings					
Appropriated - Legal reserve					
	15	107,835,755	103,715,755	107,835,755	103,715,755
Unappropriated					
		996,956,148	1,077,918,371	996,956,148	1,077,918,371
Equity attributable to company's shareholders		3,054,706,524	3,061,066,120	3,054,706,524	3,061,066,120
Minority interest-equity attributable to minority		7,464,960	6,756,767	-	-
Total shareholders' equity		3,062,171,484	3,067,822,887	3,054,706,524	3,061,066,120
Total liabilities and shareholders' equity		4,313,426,226	3,993,328,151	4,297,459,829	3,978,504,698

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Statements of Income

Seamico Securities Public Company Limited

For the years ended 31 December 2005 and 2004

(Unit : Baht)

	Notes	Consolidated		The Company Only	
		2005	2004	2005	2004
Revenues					
Brokerage fees		860,384,758	1,498,505,182	860,384,758	1,498,505,182
Fees and services income	17	191,716,369	177,812,784	173,732,519	161,277,055
Gains (losses) on trading in securities		(55,582,518)	17,888,015	(55,582,518)	17,888,015
Interest and dividend income		52,288,432	25,508,874	52,288,432	25,508,874
Interest on margin loans		36,615,931	28,819,244	36,615,931	28,819,244
Share of profit in subsidiary and associate		40,315,657	72,391,632	41,291,987	72,784,724
Other income		13,309,979	11,814,862	13,066,861	11,814,862
Total revenues		1,139,048,608	1,832,740,593	1,121,797,970	1,816,597,956
Expenses					
Expense on borrowings		12,686,542	7,788,168	12,392,542	7,536,561
Fees and services expenses	18	39,083,495	60,053,744	41,368,120	62,417,810
Bad debts and doubtful accounts		2,266,997	730,822	2,266,997	730,822
Operating expenses					
Personnel expenses		549,690,410	815,717,910	540,264,193	808,118,227
Premises and equipment expenses		139,128,726	127,577,589	136,334,578	124,947,648
Taxes and duties		6,224,266	3,550,462	6,224,266	3,550,462
Directors' remuneration	19	7,967,500	9,760,000	7,447,500	8,860,000
Consulting fee		19,131,389	17,619,105	19,131,389	17,619,105
Communication and information expenses		42,315,056	41,962,808	38,555,306	38,921,716
Other expenses	20	96,741,980	82,806,483	94,709,025	78,869,301
Total operating expenses		861,199,327	1,098,994,357	842,666,257	1,080,886,459
Total expenses		915,236,361	1,167,567,091	898,693,916	1,151,571,652
Income before income tax and minority interest		223,812,247	665,173,502	223,104,054	665,026,304
Income tax		(36,791,122)	(161,681,818)	(36,791,122)	(161,681,818)
Net income before minority interest		187,021,125	503,491,684	186,312,932	503,344,486
Net income attributable to minority interest		(708,193)	(147,198)	-	-
Net income for the year		186,312,932	503,344,486	186,312,932	503,344,486
Basic earnings per share (Baht)	22	0.23	0.62	0.23	0.62
Diluted earnings per share (Baht)	22	0.22	0.59	0.22	0.59

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

Seamico Securities Public Company Limited

For the years ended 31 December 2005 and 2004

(Unit : Baht)

	Consolidated							Total
	Issued and paid-up share capital	Premium on share capital	Share subscription received in advance	Revaluation surplus (deficit) in investments	Legal reserve (Note 15)	Unappropriated retained earnings	Minority interest	
Balance as at 1 January 2005	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	6,756,767	3,067,822,887
Revaluation surplus in investments	-	-	-	52,611,066	-	-	-	52,611,066
Net profit for the year	-	-	-	-	-	186,312,932	708,193	187,021,125
Increase in share capital	7,177,908	10,843,053	(184,100)	-	-	-	-	17,836,861
Share subscription received in advance	-	-	34,700	-	-	-	-	34,700
Appropriation of legal reserve (Note 15)	-	-	-	-	4,120,000	(4,120,000)	-	-
Dividends (Note 16)	-	-	-	-	-	(263,155,155)	-	(263,155,155)
Ending balance as at 31 December 2005	829,506,109	1,115,943,655	34,700	4,430,157	107,835,755	996,956,148	7,464,960	3,062,171,484
Balance as at 1 January 2004	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
Revaluation deficit in investments	-	-	-	(145,690,459)	-	-	-	(145,690,459)
Net profit for the year	-	-	-	-	-	503,344,486	147,198	503,491,684
Increase in share capital	106,934,161	699,165,268	(1,060,000)	-	-	-	-	805,039,429
Share subscription received in advance	-	-	184,100	-	-	-	-	184,100
Appropriation of legal reserve (Note 15)	-	-	-	-	55,162,290	(55,162,290)	-	-
Dividends (Note 16)	-	-	-	-	-	(261,129,747)	-	(261,129,747)
Ending balance as at 31 December 2004	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	6,756,767	3,067,822,887

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

Seamico Securities Public Company Limited

For the years ended 31 December 2005 and 2004

(Unit : Baht)

	The Company Only						Total
	Issued and paid-up share capital	Premium on share capital	Share subscription received in advance	Revaluation surplus (deficit) in investments	Legal reserve (Note 15)	Unappropriated retained earnings	
Balance as at 1 January 2005	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	3,061,066,120
Revaluation in investments	-	-	-	52,611,066	-	-	52,611,066
Net profit for the year	-	-	-	-	-	186,312,932	186,312,932
Increase in share capital	7,177,908	10,843,053	(184,100)	-	-	-	17,836,861
Share subscription received in advance	-	-	34,700	-	-	-	34,700
Appropriation of legal reserve (Note 15)	-	-	-	-	4,120,000	(4,120,000)	-
Dividends (Note 16)	-	-	-	-	-	(263,155,155)	(263,155,155)
Ending balance as at 31 December 2005	829,506,109	1,115,943,655	34,700	4,430,157	107,835,755	996,956,148	3,054,706,524
Balance as at 1 January 2004	715,394,040	405,935,334	1,060,000	97,509,550	48,553,465	890,865,922	2,159,318,311
Revaluation deficit in investments	-	-	-	(145,690,459)	-	-	(145,690,459)
Net profit for the year	-	-	-	-	-	503,344,486	503,344,486
Increase in share capital	106,934,161	699,165,268	(1,060,000)	-	-	-	805,039,429
Share subscription received in advance	-	-	184,100	-	-	-	184,100
Appropriation of legal reserve (Note 15)	-	-	-	-	55,162,290	(55,162,290)	-
Dividends (Note 16)	-	-	-	-	-	(261,129,747)	(261,129,747)
Ending balance as at 31 December 2004	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	3,061,066,120

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Statements of Cash Flows

Seamico Securities Public Company Limited

For the years ended 31 December 2005 and 2004

(Unit : Baht)

Notes	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from operating activities				
Net profit for the year	186,312,932	503,344,486	186,312,932	503,344,486
Adjustments to reconcile net earnings to net cash provided by (paid for) operating activities				
Share of profit in subsidiary and associate	(40,315,657)	(72,391,632)	(41,291,987)	(72,784,724)
Profit attributable to minority interest	708,193	147,198	-	-
Depreciation and amortisation	72,670,595	79,589,474	71,758,650	78,833,904
Bad debts and doubtful accounts	2,266,997	730,822	2,266,997	730,822
Losses on investments in private fund	2,427,186	196,538	2,427,186	196,538
Losses on revaluation of investments in securities	198,560	4,095,289	198,560	4,095,289
Losses (reversal) of impairment of investment in securities	88,167,234	(3,131,851)	88,167,234	(3,131,851)
Gains on disposals of long-term investment	(5,650,690)	-	(5,650,690)	-
Gains on disposals of equipment	(1,202,885)	(1,899,281)	(1,202,885)	(1,905,752)
Gains on disposals of property foreclosed	(5,513,049)	-	(5,513,049)	-
Reversal of impairment of foreclosed property	-	(6,134,993)	-	(6,134,993)
Operating profit before changes in operating assets and liabilities	300,069,416	504,546,050	297,472,948	503,243,719
(Increase) decrease in operating assets				
Short-term investments	105,919,511	(210,528,203)	105,919,511	(210,528,203)
Trading transactions with securities companies	(40,303,738)	243,829,303	(40,303,738)	243,829,303
Securities business receivables and accrued interest receivables	(284,863,831)	2,788,642,687	(284,863,831)	2,788,642,687
Other assets	7,997,532	(23,006,241)	13,727,357	(19,754,712)
Increase (decrease) in operating liabilities				
Trading transactions with securities companies	315,759,317	(432,465,551)	315,759,317	(432,465,551)
Securities business payables	112,813,188	(2,246,814,921)	112,813,188	(2,246,814,921)
Accrued corporate income tax	(42,061,587)	(98,991,667)	(42,061,587)	(98,991,667)
Accrued expenses	(50,711,694)	(276,178,273)	(50,830,321)	(275,866,919)
Other liabilities	(10,049,746)	(22,822,330)	(10,365,870)	(23,356,272)
Net cash provided by operating activities	414,568,368	226,210,854	417,266,974	227,937,464

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Statements of Cash Flows (Contunited)

Seamico Securities Public Company Limited

For the years ended 31 December 2005 and 2004

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from investing activities				
Purchase of associated company	-	(81,250,857)	-	(81,250,857)
Purchases of long-term investments	(106,886,400)	(96,868,149)	(106,886,400)	(96,868,149)
Purchases of equipment	(64,700,480)	(115,313,927)	(64,456,297)	(113,892,441)
Purchases of intangible assets	(3,261,688)	(2,323,279)	(3,261,688)	(2,277,779)
Dividend earned	14,393,952	-	14,393,952	-
Proceeds from disposals of long-term investment	58,209,691	-	58,209,691	-
Proceeds from disposals of equipment	4,824,970	2,084,454	4,824,970	2,082,117
Proceeds from disposals of property foreclosed	12,710,770	-	12,710,770	-
Net cash used in investing activities	(84,709,185)	(293,671,758)	(84,465,002)	(292,207,109)
Cash flows from financing activities				
Cash paid for dividend	(263,155,155)	(261,129,747)	(263,155,155)	(261,129,747)
Cash received from increase in share capital	17,836,861	805,874,161	17,836,861	805,874,161
Cash received from advance for share subscription	34,700	184,100	34,700	184,100
Net cash provided by (used in) financing activities	(245,283,594)	544,928,514	(245,283,594)	544,928,514
Net increase in cash and cash equivalents	84,575,589	477,467,610	87,518,378	480,658,869
Cash and cash equivalents, at beginning of the year	1,210,480,036	733,012,426	1,207,109,519	726,450,650
Cash and cash equivalents, at end of the year	1,295,055,625	1,210,480,036	1,294,627,897	1,207,109,519
Supplementary cash flows information				
Interest paid	8,457,258	5,208,796	8,163,359	5,056,431
Income tax paid	78,947,353	265,966,391	78,852,709	265,878,653
Non-cash item				
Receivables from disposal of property foreclosed	34,569,360	-	34,569,360	-

The notes to financial statements on pages 185 to 207 form an integral part of these financial statements.

Note to the Financial Statements

Seamico Securities Public Company Limited

1 General information

Seamico Securities Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The company is listed on the Stock Exchange of Thailand. The address of its registered office is as follows:

8th - 9th , 15th - 17th , 20th - 21st Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

The company has 6 licenses for the securities business, which are brokering, trading, investment advisory, underwriting, on-line securities trading, and derivative trading.

As at 31 December 2005, the Company employed 571 staff and has 9 branches (As at 31 December 2004: 558 staff and 9 branches).

These consolidated and company financial statements have been approved for issue by Board of Directors on 28 February 2006.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with the Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying consolidated and company financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Thailand. Consequently, these consolidated and company financial statements are only addressed to those who are informed about Thai generally accepted accounting principles and practices.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

As a result of the Federation of Accounting Profession (FAP) approval of three new accounting standards on 12 May 2005, the Company has adopted TAS 52, “Events After Balance Sheet Date” and TAS 53, “Provisions, Contingent Liabilities, and Contingent Assets” in the second quarter of 2005. For

TAS 54, “Discontinuing Operations” the Company did not apply it as it is not applicable to the Company.

2.2 Group Accounting - Investments in subsidiary and associate

Subsidiaries, which are those entities in which the Group has power to govern the financial and operating policies are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. The outstanding balances and transactions between the Company and its subsidiary company, investments in subsidiary, and shareholders’ equity of the subsidiary have been eliminated from the consolidated financial statements.

Investments in associates are accounted for by the equity method of accounting in the consolidated and company financial statements. Under this method the Group’s share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of investment. Associate are entities over which the Group generally has significant influence, but which it does not control. Unrealised gains or losses between the Group and its associate are eliminated to the extent of the Group’s interest in the associates.

These consolidated financial statements include the balance sheets as at 31 December 2005 and 31 December 2004 and the related consolidated and company statements of income for the year ended 31 December 2005 and 2004 of Seamico Securities Public Company Limited (“the Company”), and the Seamico Knight Fund Management Securities Company Limited (“the Subsidiary”), a Company registered under Thai law and engaged in managing a private fund business.

2.3 Income and expenses recognition

General income and expenses are recognised on an accrual basis.

Brokerage fees

Brokerage fees on securities trading are recognised as income when the securities are executed for customers.

Fee and services income

Fee and services income are recognised as income when the significant service has been rendered.

Underwriting income is recognised as income when securities are arranged.

Interest and dividend income

Interest income from investments is recognised on a time proportion basis that takes into account the effective yield on investment. Dividend income from investments is recognised when the dividend is declared that establish the company’s right to receive payment.

Interest on credit balance transactions

Interest on credit balance transaction is recognised as income on the time proportion basis except for interest income from certain securities business receivables, which is recognised on a cash basis in accordance with an announcement of the office of the Securities and Exchange Commission in Notification No. Kor. Thor. 33/2543 dated 25 August 2000, updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001, regarding the accounting for sub-standard loans.

2.4 Foreign currency translation

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

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, current and savings deposits negotiable certificates of deposits, promissory notes and other short-term highly liquid investments maturing within 3 months or under.

2.6 Use of estimates

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

2.7 Investments in debt and equity securities

Investments in available-for-sale and trading securities are presented at fair value less allowance for impairment (if any) in the balance sheet. Fair value are calculated on the following basis:

- For debt securities which are traded in the Thai Bond Market Association (Thai BMA), fair values are calculated by referencing to the last bid prices on the last business day of the period. Fair values of other debt securities are calculated by referencing to the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing to last bid prices quoted on the stock exchange on the last business day of the year.

Unrealised gains or losses resulting from changes in fair values of investment in available-for-sale securities and trading securities are included in the shareholders' equity and in the statement of income, respectively.

Held-to-maturity debt securities are stated at amortised cost, less allowance for impairment (if any).

Investment in non-marketable equity securities is classified as general investment and is stated at cost, less allowance for impairment (if any).

An impairment review is carried out when there is a factor indicating that such investment might be impaired. If the carrying amount of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

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

When a particular investment in securities is partly disposed, the carrying amount of the disposed part is determined on the weighted average basis.

2.8 Allowance for doubtful accounts

Allowance for doubtful accounts is determined based on the conditions in announcement of the office of the Securities and Exchange Commission's Notification No. Kor. Thor. 33/2543 dated 25 August 2000, which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001, regarding the accounting for sub-standard loans. The announcement requires the company to categorise its loan portfolio into 3 categories subject to different levels of provisioning. The announcement also imposes policies regarding the collateral valuation for the purpose of setting allowance for doubtful accounts. Moreover, the considerations of the financial position of each debtor based on the experience and opinion of the management are also performed.

Bad debts written off on bad debts recovered are recorded as a decrease or an increase in the allowance for doubtful accounts.

2.9 Building improvements, equipment and depreciation

Building improvements and equipment are initially recorded at cost and is subsequently presented at cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each assets to its residual value over the estimated useful lives.

Building improvement	5 years
Computer equipment	3-5 years
Office equipment	5 years
Motor vehicles	5 years

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

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of

performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset. Repair and maintenance costs are recognised as an expense when incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.10 Foreclosed properties

Foreclosed properties consist of immovable properties and intangible assets which are stated at the lower of cost and recoverable amount. The excess of the carrying amount over recoverable amount is recognised as an impairment loss in statement of income.

Gains or losses on disposals of such properties are recognised in the statement of income at the date of disposal.

2.11 Intangible assets

Acquired intangible assets is initially recorded at cost and amortised using the straight-line method over their useful lives, generally over 5 years.

Intangible assets are subsequently presented at cost less accumulated amortisation. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

2.12 Leases - where the company is the lessee

Lease not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payment made under operating leases (net of any intentions received from the lessor) are charged to the statement income on a straight - line basis over the period of the lease.

2.13 Financial instruments

Significant financial assets carried on the balance sheet include cash and cash equivalents, investments in debt and equity securities, trading transactions with securities companies, securities business receivables and accrued interest receivables. Significant financial liabilities carried on the balance sheet include convertible borrowing, trading transactions with securities companies, securities business payables, accrued bonus expenses and accrued expenses. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The company does not trade or speculate in any financial instruments. The company is not party to other financial instruments which are not recognised in the financial statements.

2.14 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives

them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.15 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when it is virtually certain.

2.16 Provident fund

The company established a contributory registered provident fund for those employees who indicate their willingness to join, in accordance with the Provident Fund Act B.E. 2530. The company operates a provident fund the asset for which are held in a separate trustee-administered fund managed by independent fund manager. The provident fund is funded by payments from employees at the amount equal to 3% - 10% of the employees' basic salary and by the company at the amount equal to 3% - 10% of the employees' basic salary varying based on years of services. The contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.17 Earnings (loss) per share

Basic earnings (loss) per share amount is computed by dividing the net income (loss) for year by the weighted-average number of paid-up ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing net income (loss) for the year by the sum of 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.

3 Cash and cash equivalents

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash on hand	318,195	261,020	308,195	251,020
Current, savings and fixed deposits	1,208,749,152	714,866,735	1,208,331,424	711,506,218
Promissory notes with maturity less than 3 months	700,000,000	700,000,000	700,000,000	700,000,000
Less Cash deposits held for customers	(614,011,722)	(204,647,719)	(614,011,722)	(204,647,719)
Total cash and cash equivalents	1,295,055,625	1,210,480,036	1,294,627,897	1,207,109,519

In addition, as at 31 December 2005, the Company had long-term deposits in terms of promissory notes at financial institutions of Baht 50 million (31 December 2004: Baht 300 million), belonging to customers. The balances are netted and presented at a value of zero in the balance sheets.

4 Investments in debt and equity securities, net

(Unit : Baht)

	Consolidated and the Company Only			
	2005		2004	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Short-term investments				
<u>Trading securities</u>				
Equity securities - Listed securities	-	-	511,000	709,560
Debt securities - Bill of exchange	-	-	52,885,688	52,885,688
Debt securities - Promissory notes	1,986,319	1,986,319	534,391	534,391
Debt securities - Corporate bond	-	-	50,000,000	50,000,000
<u>Available-for-sale securities</u>				
Debt securities - Government bonds	-	-	49,906,496	49,938,296
Debt securities - Bill of exchange	200,000,000	200,000,000	-	-
Equity securities - Listed securities	27,009,919	11,657,080	290,585,306	230,201,393
Other securities - Warrants	2,837,644	736,120	6,905,898	11,083,366
Total	231,833,882	214,379,519	451,328,779	395,352,694
<u>Less</u> Revaluation adjustments	-	-	(55,976,085)	-
<u>Less</u> Allowance for loss on impairment	(17,454,363)	-	-	-
Total short-term investments, net	214,379,519	214,379,519	395,352,694	395,352,694
Long-term investments				
<u>Available-for-sales securities</u>				
Equity securities - Listed securities	150,230,702	57,086,373	83,621,832	24,460,808
Private Fund	231,912,078	280,689,134	176,190,605	222,113,092
<u>General investments</u>				
Ordinary shares	29,609,274	12,270,456	35,609,274	11,412,885
Preference shares	4,658,000	7,518,350	4,658,000	6,465,562
Total	416,410,054	357,564,313	300,079,711	264,452,347
<u>Less</u> Revaluation adjustments	26,343,140	-	(13,238,537)	-
<u>Less</u> Allowance for loss on impairment	(92,498,811)	-	(27,785,940)	-
Total long-term investments, net	350,254,383	357,564,313	259,055,234	264,452,347
Total investments in debt and equity securities	564,633,902	571,943,832	654,407,928	659,805,041

As at 31 December 2005, the Company has debt securities in Government bonds of Baht 99 million (31 December 2004 : Baht 149 million) belonging to cash customers and margin customers, which the Company has to refund to such customers on demand. The balance is presented net in the balance sheets.

Cost and amortised cost of debt securities according to their maturities.

(Unit : Baht)

	Consolidated and the Company Only							
	2005				2004			
	Mature within (year)				Mature within (year)			
	1	2-5	over 5	Total	1	2-5	over 5	Total
Trading securities								
Corporate debt securities	1,986,319	-	-	1,986,319	53,420,079	50,000,000	-	103,420,079
Add Revaluation adjustments	-	-	-	-	-	-	-	-
Total, net	1,986,319	-	-	1,986,319	53,420,079	50,000,000	-	103,420,079
Available-for-sale securities								
Government securities	-	-	-	-	49,906,496	-	-	49,906,496
Corporate debt Securities	200,000,000	-	-	200,000,000	-	-	-	-
Add Revaluation adjustments	-	-	-	-	31,800	-	-	31,800
Total, net	200,000,000	-	-	200,000,000	49,938,296	-	-	49,938,296
Total debt securities - net	201,986,319	-	-	201,986,319	103,358,375	50,000,000	-	153,358,375

The following is the investments in other securities for which the company's holding equals to or is more than 10% of the number of shares issued by the investee companies.

Name of company	Type of Business	Consolidated and the Company Only			
		2005		2004	
		Amount at cost/ book value Baht	% of holding	Amount at cost/ book value Baht	% of holding
General investments					
<u>Preference shares</u>					
Burda (Thailand) Co., Ltd.	Magazine Publisher	2,550,000	51.0	2,550,000	51.0
<u>Ordinary shares</u>					
Electronic Realty					
Associated (Thailand) Ltd.	Real estate	-	-	-	16.7
Available-for-sale securities					
<u>Ordinary shares</u>					
The Brooker Group PLC.	Consultant	14,221,400	5.1	24,460,808	10.2

As at 31 December 2005, the Company has invested in 255,000 non-cumulative preference shares of Burda (Thailand) Co., Ltd. (31 December 2004: 255,000 shares) 51% of investments in Burda (Thailand) Co., Ltd. represents 17% voting rights. The Company has not recorded its investments in that company as an investment in subsidiary or associate as the Company has no control and significant influence over that company and has right to receipt 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 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 2005 and 2004.

During the year ended 31 December 2005 the Company wrote-off 1 million shares of investment in Electronic Realty Associated (Thailand) Ltd. amounting to Baht 6 million, because Electronic Realty Associated (Thailand) Ltd. was delisted from register of Ministry of Commerce and considered inactive since 25 August 2005. The company has already fully set up allowance for loss on impairment.

5 Investments in subsidiary and associated company

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 2005 and 31 December 2004 are summarised below:

(Unit : Million Baht)

Name of	Type of business	Type of relationship	Paid-up share capital		% of holding		Investments			
			2005	2004	2005	2004	Cost method		Equity method	
							2005	2004	2005	2004
<u>Subsidiary company</u>										
Seamico Knight Fund Securities Co., Ltd.	Private fund Management	Subsidiary management	20	20	51	51	10	10	7	6
<u>Associated Company</u>										
Raimond Land Plc.	Real estate	Associate	1,350	1,125	23	27	223	223	320	294

For the year ended 31 December 2005, the Company shared its gain from investment in an associated company amounting to Baht 40 million.

As at 31 December 2005, the fair value of the investments in the associated company, which was calculated based on the latest bid price of the shares on 31 December 2005 as quoted on the Stock Exchange of Thailand, was approximately Baht 349 million.

6 Securities business receivables and accrued interest receivables

(Unit : Baht)

	Consolidated and the Company Only	
	2005	2004
Customers' cash accounts	625,647,870	559,516,363
Credit balance transactions	983,874,699	763,413,330
Other receivables		
Receivable under litigation	4,655,895	4,655,895
Installment receivable	3,625,594	6,365,648
Other receivable	849,339	1,781,813
Total securities business receivables	1,618,653,397	1,335,733,049
<u>Add</u> Accrued interest receivables	4,555,513	2,622,814
<u>Less</u> Allowance for doubtful accounts (Note 7)	(9,049,128)	(6,792,915)
Net securities business receivables and accrued interest receivables, net	1,614,159,782	1,331,562,948

As at 31 December 2005, the Company had loans and receivables totalling approximately Baht 9 million (31 December 2004: Baht 13 million) for which recognition of interest income had been discontinued in accordance with the Office of the Securities and Exchange Commission's notification No. Kor.Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor.Thor. 5/2544 dated 15 February 2001.

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

(Unit : Baht)

Classifications

	Consolidated and the Company Only		
	2005		
	Total debts (including accrued interest receivables)	Allowance for doubtful accounts	
Amount set up by the Company		Amount required by SEC	
Normal debts	1,614,078,082	-	-
Substandard debts	81,700	-	-
Doubtful debts	9,049,128	9,049,128	9,049,128
Total	1,623,208,910	9,049,128	9,049,128

(Unit : Baht)

Classifications

	Consolidated and the Company Only		
	2005		
	Total debts (including accrued interest receivables)	Allowance for doubtful accounts	
Amount set up by the Company		Amount required by SEC	
Normal debts	1,325,552,507	-	-
Substandard debts	6,010,441	-	-
Doubtful debts	6,792,915	6,792,915	6,792,915
Total	1,338,355,863	6,792,915	6,792,915

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

(Unit : Baht)

	Consolidated and the Company Only	
	2005	2004
Up to 3 months	95,818	6,724,047
Over 3 months to 6 months	3,366,794	189,904
Over 6 months to 9 months	46,934	12,355
Over 9 months to 12 months	66,036	130,335
Over 1 year to 3 years	3,268,267	4,424,318
Over 3 years	2,286,979	1,322,397
Total	9,130,828	12,803,356

7 Allowance for doubtful accounts

(Unit : Baht)

	Consolidated and the Company Only	
	2005	2004
Beginning balance of the year	6,792,915	262,689,928
Add Doubtful accounts	2,266,997	730,822
Less Bad debt written-off	(10,784)	(256,627,835)
Ending balance of the year	9,049,128	6,792,915

8 Building improvements and equipment

(Unit : Baht)

	Consolidated				
	Building improvement	Office equipment	Vehicles	Furniture and fixtures in process	Total
As at 31 December 2004					
Cost	94,488,088	227,835,775	70,706,931	8,269,634	401,300,428
Less Accumulated depreciation	(48,872,273)	(143,750,307)	(28,060,119)	-	(220,682,699)
Net book amount	45,615,815	84,085,468	42,646,812	8,269,634	180,617,729
For the year ended 31 December 2005					
Opening net book amount	45,615,815	84,085,468	42,646,812	8,269,634	180,617,729
Additions	8,432,249	16,848,619	17,405,643	22,013,969	64,700,480
Transfers	6,261,373	20,886,819	-	(27,148,192)	-
Disposals	(2,883,172)	(185,901)	(553,012)	-	(3,622,085)
Depreciation charge	(13,737,675)	(35,456,409)	(14,537,434)	-	(63,731,518)
Closing net book amount	43,688,590	86,178,596	44,962,009	3,135,411	177,964,606
As at 31 December 2005					
Cost	92,617,918	261,703,145	82,954,798	3,135,411	440,411,272
Less Accumulated depreciation	(48,929,328)	(175,524,549)	(37,992,789)	-	(262,446,666)
Net book amount	43,688,590	86,178,596	44,962,009	3,135,411	177,964,606

(Unit : Baht)

	The Company Only				Total
	Building improvement	Office equipment	Vehicles	Furniture and fixtures in process	
As at 31 December 2004					
Cost	94,488,088	224,234,869	70,613,086	8,269,634	397,605,677
Less Accumulated depreciation	(48,872,273)	(142,615,101)	(28,014,534)	-	(219,501,908)
Net book amount	45,615,815	81,619,768	42,598,552	8,269,634	178,103,769
For the year ended 31 December 2005					
Opening net book amount	45,615,815	81,619,768	42,598,552	8,269,634	178,103,769
Addition	8,432,249	16,604,436	17,405,643	22,013,969	64,456,297
Transfer	6,261,373	20,886,819	-	(27,148,192)	-
Disposals	(2,883,172)	(185,901)	(553,012)	-	(3,622,085)
Depreciation charge	(13,737,675)	(34,718,813)	(14,519,369)	-	(62,975,857)
Closing net book amount	43,688,590	84,206,309	44,931,814	3,135,411	175,962,124
As at 31 December 2005					
Cost	92,617,918	257,858,055	82,860,954	3,135,411	436,472,338
Less Accumulated depreciation	(48,929,328)	(173,651,746)	(37,929,140)	-	(260,510,214)
Net book amount	43,688,590	84,206,309	44,931,814	3,135,411	175,962,124

9 Intangible assets

(Unit : Baht)

	Consolidated			Balance - end of year
	Balance - beginning of year	Increase	Amount amortised	
2005				
Deferred license fees				
Underwriting business	5,863,014	-	(5,863,014)	-
Private fund management	274,490	-	(109,000)	165,490
Computer software	5,780,281	3,261,688	(2,967,063)	6,074,906
Total	11,917,785	3,261,688	(8,939,077)	6,240,396

(Unit : Baht)

	The Company Only			Balance - end of year
	Balance - beginning of year	Increase	Amount amortised	
2005				
Deferred license fees				
Underwriting business	5,863,014	-	(5,863,014)	-
Computer software	5,608,528	3,261,688	(2,919,779)	5,950,437
Total	11,471,542	3,261,688	(8,782,793)	5,950,437

10 Property foreclosed

(Unit : Baht)

	Consolidated and the Company Only	
	2005	2004
Cost	3,144,799	90,283,182
Less Provision for impairment	(206,136)	(45,577,438)
Net property foreclosed	2,938,663	44,705,744

11 Other assets

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Accrued advisory fee income	9,135,246	18,645,710	9,135,246	18,645,711
Accrued interest income	1,821,716	845,433	1,821,716	845,433
Prepaid Insurance	1,581,555	1,651,217	1,577,235	1,648,258
Prepaid Repair and Maintenance	870,550	1,615,589	870,550	1,615,589
Foreclosed properties receivable	34,665,660	-	34,665,660	-
Deposits	30,223,015	29,012,516	29,776,756	28,505,809
Fee and service income receivables	19,633,191	13,754,708	-	-
Others	3,218,515	9,052,447	2,680,317	8,424,677
Total	101,149,448	74,577,620	80,527,480	59,685,477

12 Convertible borrowings

As at 31 December 2005 and 31 December 2004, borrowings in the consolidated financial statements represent Thai Baht loans of the subsidiary company from foreign related parties. The borrowings are due at call but in not more than 5 years, maturing in August 2008, and carry interest at a rate of 5 percent per annum, payable quarterly. The lenders have the right but not the obligation to convert the borrowings to equity in the subsidiary at par value, up to a maximum of 500,000 ordinary shares, or not more than 20% of the capital of the subsidiary company, from August 2005 until the maturity per the loan agreement. However, their shareholdings in that subsidiary company must be in compliance with the law. In addition, the lenders have the right to receive additional interest payments from the subsidiary company equivalent to what their entitlement to dividends would be if the outstanding loan balance had already been converted into ordinary shares.

13 Share capital

Registered and paid-up capital

During the year 2004, the Company increased its share capital by issuing 100 million new ordinary shares with a par value of Baht 1 at a price of Baht 8 per share and there was an exercise of warrants by shareholders and employees of 6,934,161 shares at a price of Baht 1 each. Expenses related to the issuance of additional share capital amounting to Baht 0.8 million, were presented net against share premium.

On 28 April 2005, the shareholders at the Annual General Meeting passed a resolution to approve an increase of authorised share capital of 41,200,000 shares from 1,037,157,550 shares with a par value of Baht

1 per share to 1,078,357,550 ordinary shares with a par value of Baht 1 per share. The increase in new registered shares is reserved for free warrants distributed to non director or non management.

As at 31 December 2005, the Company had a registered share capital of Baht 1,078,357,550, at Baht 1 each, and paid-up share capital of Baht 829,506,109 (31 December 2004: Baht 822,328,201) at Baht 1 each. The excess of the registered share capital over the paid-up share capital represents the shares reserved for future exercise of warrants.

Net asset value

As at 31 December 2005, the net asset value per share, which was determined by dividing shareholders equity by the number of shares in issue and paid up as at the balance sheet date, was Baht 3.68 per share (31 December 2004 : Baht 3.72 per share). Such net asset value per share does not reflect the dilutive effect of the shares which are to be issued for the conversion of warrants.

14 Warrants

a) Directors and employees' warrants II (ESOP warrant II) - free of charge

On 15 June 2001, the shareholders at an Extraordinary General Meeting of shareholders approved the issuance of 6,600,000 five-year warrants to the Company's directors of 3,040,000 units and employees of the Company and subsidiary of 3,560,000 units, free of charge. The exercise price of the warrants is Baht 10 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant to 1 ordinary share throughout their life. During the year ended 31 December 2005, additional 30,000 of the warrants were exercised, therefore as at 31 December 2005 the outstanding warrants, which have been allotted but not exercised, are 35,500 units.

Due to the change in the par value of the shares, the exercise ratio of the 35,500 unexercised warrants has been adjusted to 1 warrant to 10 ordinary shares, with the exercise price set at Baht 1 per share.

b) Warrants offered to existing shareholders

In December 2003, the shareholders at 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, in a ratio of 4 existing ordinary shares to 1 warrant, free of charge. The exercise price of the warrants is Baht 60 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant to 1 ordinary share, commencing one year after the issue date (exercisable since 30 June 2005).

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

During the year ended 31 December 2005, the warrants were exercised amounting to 2,363,194 units. As at 31 December 2005 the outstanding warrants, which have been allotted but not exercised, are 201,252,923 units.

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

In December 2003, the shareholders at an Extraordinary General Meetings of shareholders approved the issuance of 1,430,000 five-year warrants with a par value of Baht 10 each, to the

Company's directors and employees (other than directors or employees who received a prior allotment of warrants), free of charge. The warrants are exercisable at a price equal to the par value of the shares, in a ratio of 1 warrant to 1 ordinary share, throughout their life, in accordance with certain stipulated conditions.

Due to the reduction of the par value of the shares from Baht 10 per share to Baht 1 per share, the number of warrants issued to the directors and employees is adjusted to 14,300,000 units, with the exercise ratio adjusted to 1 warrant to 1 ordinary share while the exercise price remains at par value, or Baht 1 per share. During August 2004, the 13,790,400 warrants were allotted to the directors and employees, and currently 509,600 warrants had not been allotted. The issue of such free warrants is not recorded as an accounting expense.

During the year ended 31 December 2005, the employees exercised their warrants amounting to 4,365,314 units. As at 31 December 2005 the outstanding warrants, which have been allotted but not exercised, are 5,391,825 units.

d) Free warrants for the purchase of the Company's ordinary shares distributed to non director or non management

On 28 April 2005, the shareholders at the Annual General Meeting passed a resolution to approve the issue of 5 years free warrants for the purchase of the Company's ordinary shares for 41,200,000 units with a par value of 1 Baht. The warrants will be distributed to non director or non management. Exercise price is equal to par value. The exercise ratio is 1 warrant to 1 ordinary share, commencing one year after distribution of the warrant. However, the issuance of such warrants should be approved by the Securities and Exchange Commission before allotment.

However, due to the change of circumstances and competitive environment, the directors at the Board of Directors Meeting No. 6/2548, held on 9 November 2005, passed a resolution to cancel all 41,200,000 warrants.

15 Legal reserve

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Opening balance	103,715,755	48,553,465	103,715,755	48,553,465
Appropriation during the year	4,120,000	55,162,290	4,120,000	55,162,290
Closing balance	107,835,755	103,715,755	107,835,755	103,715,755

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

16 Dividend

At the Board of Directors' meeting held on 11 March 2005, a dividend in respect of the operating result for the year ended 31 December 2004 of Baht 0.32 per share amounting to a total of Baht 263 million was approved to be payable to shareholders whose names were on the registered book on 28 March 2005. Dividends were paid on 12 May 2005.

At the ordinary shareholders' meeting held on 29 April 2004, a dividend in respect of the operating result for the year ended 31 December 2003 of Baht 0.32 per share amounting to a total of Baht 261 million was approved to be payable to shareholders. Dividends were paid in May 2004.

17 Fees and service income

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Underwriting fees	98,346,416	72,243,079	98,346,416	72,243,079
Financial advisory fees	71,612,957	85,444,045	71,612,957	85,444,045
Private fund management	17,983,850	16,535,729	-	-
Others	3,773,146	3,589,931	3,773,146	3,589,931
Total	191,716,369	177,812,784	173,732,519	161,277,055

18 Fees and service expenses

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Brokerage fees paid to the Stock Exchange of Thailand	19,127,735	30,161,726	19,127,735	30,161,726
Amorisation of underwriting fee licence and private fund fee licence	6,172,013	20,309,000	5,863,013	20,000,000
Others	13,783,747	9,583,018	16,377,372	12,256,084
Total	39,083,495	60,053,744	41,368,120	62,417,810

19 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 Company Act.

20 Other expenses

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Entertainment expenses	14,409,591	17,297,464	14,212,123	16,732,083
Foreign representative office expenses	11,817,578	15,314,904	11,817,578	15,314,904
Publication and marketing expenses	24,185,681	9,302,540	24,041,020	9,221,004
Travelling expenses	13,129,140	10,928,258	11,853,940	9,110,125
Donation	6,061,649	2,595,990	6,061,649	2,595,990
SET Fee	5,131,061	4,822,303	5,131,061	4,822,303
Others	22,007,280	22,545,024	21,591,654	21,072,892
Total other expenses	96,741,980	82,806,483	94,709,025	78,869,301

21 Provident fund

For the year ended 31 December 2005, the company's contribution to the provident fund was Baht 8.3 million (2004: Baht 7.3 million).

22 Reconciliation of diluted earnings per share

	Consolidated					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2005 Baht	2004 Baht	2005 shares	2004 shares	2005 Baht	2004 Baht
Basic earnings per share						
Net earnings	186,312,932	503,344,486	824,973,946	811,183,242	0.23	0.62
Effect of dilutive potential ordinary shares						
Warrants	-	-	11,346,648	40,577,521	(0.01)	(0.03)
Convertible borrowings	294,000	-	-	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	181,606,932	503,344,486	836,320,594	851,760,763	0.22	0.59

	The Company only					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2005 Baht	2004 Baht	2005 shares	2004 shares	2005 Baht	2004 Baht
Basic earnings per share						
Net earnings	186,312,932	503,344,486	824,973,946	811,183,242	0.23	0.62
Effect of dilutive potential ordinary shares						
Warrants	-	-	11,346,648	40,577,521	(0.01)	(0.03)
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	186,312,932	503,344,486	836,320,594	851,760,763	0.22	0.59

23 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 the arm's length price applied in the normal course of business. These transactions can be summarised as follows:

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Outstanding as at the balance sheet date				
Subsidiary company				
Investment in subsidiary company	-	-	7,375,741	6,399,410
Investment in private fund managed by subsidiary company	175,568,465	222,113,092	175,568,465	222,113,092
Securities business payable	4,494,903	1,170,058	4,494,903	1,170,058
Other receivable	-	-	629,487	19,260
Associated company				
Investment in ordinary shares	320,021,520	294,099,816	320,021,520	294,099,816
Investment in warrants	-	10,189,506	-	10,189,506
Investment in Bill of exchange	200,000,000	-	200,000,000	-
Related companies				
Under common directors				
Investment in ordinary shares	14,221,400	24,460,808	14,221,400	24,460,808
Investment in preference shares	2,550,000	2,550,000	2,550,000	2,550,000
Securities business receivable				
- Credit balance	-	77,700,889	-	77,700,889
Accrued interest receivable Securities business receivable - Credit balance	-	32,488	-	32,488
Prepaid expenses fee for financial market news	-	91,542	-	91,542
Accrued advisory fee	120,495	120,495	120,495	120,495
Securities business payable	7,165,879	-	7,165,879	-
Securities business payable				
- Credit balance	505	-	505	-
Accrued interest payable Securities business payable - Credit balance	291	458	291	458
Other payable and Accrued expenses	1,378,097	716,427	1,378,097	716,427
Convertible borrowing	2,500,000	2,500,000	-	-
Accrued interest payable	37,052	36,951	-	-
Under common directors with subsidiaries				
Fee and service accounts receivable	18,051,238	13,023,458	-	-
Securities business receivable	14,219,034	-	14,219,034	-
Convertible borrowing	2,500,000	2,500,000	-	-
Securities business payable	-	5,216,009	-	5,216,009
Accrued interest payable	147,000	147,000	-	-
Accrued expenses	-	264,617	-	-
Related persons				
Securities business payable	48,127	1,052,178	48,127	1,052,178
Other payable	-	855,780	-	855,780

(Unit : Baht)

	Consolidated		The Company Only		Pricing policy (Only in 2005)
	2005	2004	2005	2004	
Transactions during the years					
Subsidiary company					
Commission received	1,501,710	1,993,873	1,501,710	1,993,873	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Private fund management fee expenses	-	-	2,846,226	2,746,121	At rate determined under the contract at 1 percent of net asset value of fund managed
Investment in private fund managed by subsidiary company	-	111,190,605	-	111,190,605	
Withdrawal of cash from private fund managed by subsidiary company	50,000,000	-	50,000,000	-	
Associated companies					
Purchase of additional ordinary shares issuance	-	81,250,857	-	81,250,857	
Dividend received	14,393,951	-	14,393,951	-	At rate of 0.047 Baht per share
Financial advisory fee income	-	1,765,070	-	1,765,070	
Investment in Bill of exchange	200,000,000	-	200,000,000	-	Interest charged at the rate of 7-7.50 percent per annum
Interest income in Bill of exchange	3,789,041	-	3,789,041	-	Interest charged at the rate of 7-7.50 percent per annum
Related Companies					
Under common directors					
Purchase of additional ordinary shares issuance	6,886,400	-	6,886,400	-	At the offering price to other investors
Commission received	5,939,226	4,552,658	5,939,226	4,552,658	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Interest income	1,893,686	1,048,154	1,893,686	1,048,154	Interest charged at the rate of 5.50-6.50 percent per annum
Interest expense	7,858	37,299	7,858	37,299	Interest charged at the rate of 0.25 percent per annum
Commission expense	2,279,739	716,427	2,279,739	716,427	At the agreed rate
Financial advisory fee income	266,632	1,358,388	266,632	1,358,388	At the rate of fee income as determined under the contract
Other income	-	9,346	-	9,346	
Advisory fee expenses	13,764,706	14,117,647	13,764,706	14,117,647	At the rate determined under the contract but no more than Baht 0.85 million per month plus related tax and expenses
Rental and services expenses for Representative office	2,715,171	2,922,460	2,715,171	2,922,460	At the rate of HKD 51,975 per month as determined under the contract
Amortisation fee for financial market news	109,159	485,203	105,743	482,867	At negotiated rate agreed by each party
Other expenses	101,207	193,335	101,207	193,335	At negotiated rate agreed by each party
Interest expenses	147,000	147,000	-	-	Interest charged at the rate of 5 percent per annum

(Unit : Baht)

	Consolidated		The Company Only		Pricing policy (Only in 2005)
	2005	2004	2005	2004	
Related Companies					
Under common directors with subsidiaries					
Fee and service income	13,762,211	12,421,077	-	-	At the rate determined under the contract
Commission received	878,105	1,455,340	878,105	1,455,340	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Interest expenses	147,000	104,607	-	-	Interest charged at the rate of 5 percent per annum
Fee and service expense	-	273,392	-	-	
Related Person					
Commission received	131,063	540,220	131,063	540,220	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers

24 Commitments

Transactions with related parties

- a) On 21 June 1999, the Company entered into a one-year rental and service agreement to rent a representative office in Hong Kong from Quam Securities Company Limited. Such agreement is annually extended. Under the agreement, the Company agreed to pay a monthly fee at the rate of HKD 51,975 effective from 1 July 2005. However, the Company has now decided to close that Representation Office with effect from 31 October 2005.
- b) 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 directors. 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, and the research capabilities of the Company, both within Thailand and internationally, through the QUAM Capital network. Under the terms of the agreement, on 1 November 2005, the Company agreed to extend an agreement period for another one year, and to pay a monthly service fee not exceeding Baht 0.85 million per month plus related tax and expenses. The agreement is automatically renewed for another year.
- c) 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. Such agreement has been extended to until 31 December 2005. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.
- d) 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 1 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 is granted an approval from SEC).

Transactions with other business parties

- a) 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 HKD 162,000 from January 2005. However, the Company has now decided to close that Representation Office with effect from 31 October 2005.
- b) As at 31 December 2005, the Company had outstanding capital commitments totalling approximately Baht 3 million for purchase of computer and office equipment, and had the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment.

(Unit : Million Baht)

	Consolidated	The Company Only
Within 1 year	43.3	42.3
Within 1 year < 5 year	10.9	10.9

25 Contingent liabilities

In March 2001, the Company was sued by a securities business customer claiming damages of approximately Baht 12 million (plus interest at the rate of 15% per annum) 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 Company's customer lodged an appeal with the court on 27 February 2003 and the case is therefore being reheard.

26 Financial instruments

Interest rate risk

Interest rate risk is the exposure to the risk associated with the effects of fluctuations in prevailing levels of market interest rates on the Company's financial instruments. As at 31 December 2005, the outstanding balances of financial statements classified by type of interest rate are as follows:

(Unit : Million Baht)

	Consolidated								
	Floating interest rates	Fixed interest rate			Without interest	Non performing debts	Total	Interest rate (%)	
		Remaining period before maturity date or repricing date						Floating interest rate	Fixed interest rate
		Less than 1 year	1-5 years	Over 5 years					
Financial assets									
Cash and cash equivalents	165	700	-	-	430	-	1,295	0.25 - 2.60	3.75 - 3.85
Investments in debt securities	-	202	-	-	-	-	202	-	4.25 - 7.50
Trading transactions with securities companies	-	-	-	-	231	-	231	-	-
Securities business receivables and accrued interest	-	988	-	-	626	9	1,623	-	5.50 - 6.50
Total	165	1,890	-	-	1,287	9	3,351		
Financial liabilities									
Convertible borrowings	-	-	5	-	-	-	5	-	5.00
Trading transactions with securities companies	-	-	-	-	316	-	316	-	-
Securities business payables	-	-	-	-	780	-	780	-	-
Total	-	-	5	-	1,096	-	1,101		

(Unit : Million Baht)

	The Company Only								
	Floating interest rates	Fixed interest rate			Without interest	Non performing debts	Total	Interest rate (%)	
		Remaining period before maturity date or repricing date						Floating interest rate	Fixed interest rate
		Less than 1 year	1-5 years	Over 5 years					
Financial assets									
Cash and cash equivalents	165	700	-	-	429	-	1,294	0.25 - 2.60	3.75 - 3.85
Investments in debt securities	-	202	-	-	-	-	202	-	4.25 - 7.50
Trading transactions with securities companies	-	-	-	-	231	-	231	-	-
Securities business receivables and accrued interest	-	988	-	-	626	9	1,623	-	5.50 - 6.50
Total	165	1,890	-	-	1,286	9	3,350		
Financial liabilities									
Trading transactions with securities companies	-	-	-	-	316	-	316	-	-
Securities business payables	-	-	-	-	780	-	780	-	-
Total	-	-	-	-	1,096	-	1,096		

Credit risk

Credit risk is the exposure to the risk that the counterparties might fail to discharge their obligations which could cause the Company to incur financial loss. The main financial assets that potentially subject to the Company to credit risk is securities business receivables. The risk is managed by setting up appropriate credit limits and terms which are granted to each type of customers.

Liquidity risk

The maturity dates of financial instruments held as of 31 December 2005, counting from the balance sheet date, are as follows:

(Unit : Million Baht)

	Consolidated					Total
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	
Financial assets						
Cash and cash equivalents	450	250	-	-	595	1,295
Investments in debt securities	-	202	-	-	-	202
Investments in equity securities	-	-	-	-	683	683
Trading transactions with securities companies	-	231	-	-	-	231
Securities business receivables and accrued interest	9	626	-	-	988	1,623
Total	459	1,309	-	-	2,266	4,034
Financial liabilities						
Convertible borrowings	-	-	5	-	-	5
Trading transactions with securities companies	-	316	-	-	-	316
Securities business payables	-	780	-	-	-	780
Total	-	1,096	5	-	-	1,101

(Unit : Million Baht)

	The Company Only					Total
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	
Financial assets						
Cash and cash equivalents	450	250	-	-	594	1,294
Investments in debt securities	-	202	-	-	-	202
Investment in equity securities	-	-	-	-	690	690
Trading transactions with securities companies	-	231	-	-	-	231
Securities business receivables and accrued interest	9	626	-	-	988	1,623
Total	459	1,309	-	-	2,272	4,040
Financial liabilities						
Trading transactions with securities companies	-	316	-	-	-	316
Securities business payables	-	780	-	-	-	780
Total	-	1,096	-	-	-	1,096

Fair value

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value except for investment in subsidiary (Raimon Land Plc. whose value under equity method is Baht 320 million and fair value is Baht 349 million).

AUDITOR'S REMUNERATION

1. Audit fee

The company and its subsidiary (Seamico Knight Fund Management Securities Co.,Ltd.) paid audit fee to PricewaterhouseCoopers ABAS Ltd. for the year 2005 total Baht 1,420,000.

2. Non-audit fee

-N/A-

บริษัทหลักทรัพย์ ซีมีโก้ จำกัด (มหาชน)
Seamico Securities Public Company Limited
ชั้น 8-9, 15-17, 20-21 อาคารลิเบอร์ตี้สแควร์
เลขที่ 287 ถนนสีลม เขตบางรัก กรุงเทพมหานคร 10500
โทรศัพท์ : 0-2695-5000 โทรสาร : 0-2631-1709
WWW.SEAMICO.COM