

SEAMICO

บริษัทหลักทรัพย์ ซีบีที จำกัด (มหาชน)
Seamico Securities Public Company Limited



2557
รายงานประจำปี

2014
Annual Report

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Message from Chairman



Dear Shareholders,

Despite the political unrest in the first five months of 2014, Seamico was able to make a number of moves forward that helped cement its position for a strong 2014. The first of these was the acquisition of the minority shareholding in our asset management company Solaris, making Seamico the 100% owner of the company and from there Solaris was able to grow its assets under management significantly with increase in profitability.

At the same time Seamico moved its registered corporate office into a dedicated space separate from its subsidiaries to help it better focus on all its business.

2014 was a tough year for brokerage business especially as the first half average daily trading volume on the Stock Exchange of Thailand was 42% lower than the first half of 2013 at THB 35,603 million. The second half

improved to average of THB 55,091 million. The total average daily trading volume for the whole year was THB 45,466 million down THB 4,863 million, or 9.7% from a year earlier. Despite this KTZMICO, posted a reasonable financial performance in 2014 with revenues of THB 1,894 million, down THB 185 million or 8.9% YoY but net profit of THB 307 million was only slightly down by THB 22 million or 6.7% YoY.



S. W. M.
Suthep Wongvorazathe
Chairman

SOLARIS, our fund management subsidiary, continued the improving performance started 2014, with revenue of THB 57.6 million, up THB 41.1 million or 248% YoY and made a profit of THB 14.4 million versus a net loss of THB 17.75 million or 181% in 2013. Solaris outstanding performance was through the continued growth in assets under management and a result of Seamico's focus now that it had total ownership of the company. Total assets under management rose THB 12,018 million, or 280% to THB 16,303 million at the end of 2014.

▲
Seamico was able to achieve an overall net profit of THB 158 million, up THB 23.7 million, or 17.6% YoY despite a slight slowdown at KTZMICO, demonstrating the strength of its group of businesses and the Board and Management focus on finding new avenues to enhance shareholder value.

The company continues to engage in corporate social responsibility (CSR) and increase its awareness of the need for Good Corporate Governance and joined the Collective Coalition Against Corruption under the Thai Institute of Directors.

On behalf of the Board, I would like to thank all of our investors, customers and other business partners that have supported the company. The Board and I would also like to thank the management and staff for their dedication and excellent work which has seen the company prosper in such a tough and highly competitive environment.

Sincerely,

Message from CEO

Dear Shareholders,

The year 2014 was another challenging one for securities companies due to the slowdown of the overall Thai economy and the prolonged political uncertainty, which dampened public and private investment along with consumer spending. Seamico Securities Public Company Limited (“The Company”) and its subsidiary incurred a net profit of Baht 158 million for the year ended December 31, 2014 compared with the net profit of Baht 134 million recorded last year. The increase was mainly from the fee and service income recognized from the subsidiary “Solaris Assets Management Company Limited” (“Solaris”) and gain from securities which is increased from Baht 7 million to Baht 37 million. However, share of profit from associated companies has decreased from Baht 163 million to Baht 145 million resulting in net decrease of Baht 18 million which mainly came from share of profit from KT ZMICO Securities Company Limited (“KT ZMICO”).



Chaipatr Srivisarvacha
Chief Executive Officer

KT ZMICO was able to successfully overcome these obstacles and achieve its targets, due in large measure to the resiliency, resourcefulness and professionalism of its managements and employees. In the face of these difficult challenges in the past year, morale remained good and the staff stood united, which is a testament to the strong corporate culture that has been established at the company. Fortunately, our hard work and commitment to quality has paid dividends. KT ZMICO has been presented the honor plate for the Best Securities Company

Award for Derivatives Houses by the SET for two consecutive years. Moreover, the head of the research team, Mr. Thanomsak Saharatchai, received the Best Strategist for Retail Investors Award from the Investment Analysts Association. Finally, with regard to underwriting, KT ZMICO participated in 16 IPO deals in 2014. According to Bloomberg’s underwriter rankings for the year, the company came in a close second overall and was tied for first in terms of market share.

The adversity experienced in the last year forced our management team to be more creative and aggressive with respect to marketing and underwriting, and to place a greater emphasis on efficiently controlling the internal systems of the company. Maintaining our position in the securities industry has also required us to strengthen the relationships with our clients and business partners, as their confidence in us is essential to our continued success. Last year’s struggles compelled us to undertake a thorough analysis of the company’s

strengths and weaknesses in comparison to our market competitors, with the dual aims of improving ourselves and remaining competitive in the rapidly changing market landscape. This is especially important in light of the fact that the ASEAN Economic Community (AEC) is due to be established soon, which will further intensify the competition in the securities sector. These new threats and opportunities will necessitate that the company increase its efforts to develop strategies that are both defensive and proactive.

With regard to the details of the company's performance in 2014, KT ZMICO was able to withstand the headwinds fairly well. These included a more challenging operating environment (with four new brokerage firms entering the market since late 2013) and weak macro front in 2014, which resulted in a drop of the SET's average daily turnover by 9.7% to Baht 45,466 million from Baht 50,329 million in the previous year.

The company posted a net profit of Baht 307 million in 2014 (-7% YoY) and total revenue of Baht 1,894 million (-8.9% YoY), with both showing smaller declines vs. the drop in the SET's turnover of 9.7%. The net profit figure looks especially solid when compared to the drop in the combined net profit of brokerage firms by 26% to Baht 10.8 billion in 2014 from Baht 14.6 billion in 2013. Moreover, the company managed to improve its net profit margin at 16.22% in 2014 vs. 15.83% the year before.

The better results vs. the sector should partly be thanks to the company's ability to diversify to other revenue bases and reduce its dependency on the brokerage business. Specifically, in 2014, the company did well in terms of expanding fee and service income (with robust growth of 260% YoY), driven mainly by fees from the underwriting business, as well as the net gain from investment and derivatives transactions (with growth of 48% YoY). Therefore, the proportion of fee and service income to total revenue increased to 8% in 2014 from 2% in 2013, while the proportion of gain from investment and derivatives transactions to total revenue also increased to 8% from 5% in the prior year. Meanwhile, brokerage income to total revenue reduced to 65% in 2014 from 77% in 2013 due to the continued intense competition in the business.

2014 was one of a good year for asset management business thanks to low deposit interest rate environment. This resulted in investors searching for alternative investment products. Solaris also took this opportunity and successfully launched 10 mutual funds, with approved

fund size of Baht 9,583 million. It employed more aggressive strategy and introduced new type of funds in order to differentiate itself from competitors. One of the most successful products was "Rollover Fixed Income Fund" sold to accredited investors. This type of fund not only provides alternative to investors, but also, helps expand source of funds for private companies.

As at the end of 2014, there were 52 mutual funds and private funds under management with total net asset value of Baht 16,303 million. Total revenue increased fourfold from Baht 14 million to Baht 56 million. Profit for the year was Baht 14 million largely improved from net loss Baht 18 million a year earlier.

TCSC, our joint venture in Vietnam might not contribute much in terms of financial performance. But, it provided a platform for Seamico Group to access to deal flows and other business opportunities in Vietnam. Despite having economic difficulty over the last few years, Vietnam is now recovering with forecast GDP growth rate over 6%. In addition, the government has issued many measures to improve economic condition and business transparency.

The above result confirmed that we are on the right path of our strategic direction. We intend to expand our business portfolio in order to stabilize short term financial performance and create long term future growth.

With strong balance sheet and room to leverage, we are ready to invest when opportunities come. However, we only made investments in good businesses at reasonable valuation. We decided not to invest in some good companies because the asking price does not provide sufficient upside potential. In 2014, we studied over 30 investment opportunities, but only 3 deals past our investment criteria. We will continue to search for investment opportunities and believe that there will be more targets at a reasonable valuation under current economic condition.

In closing, on behalf of our team, I would like to express my sincere thanks to those who have collaborated with us and enabled us to remain successful. Although I am very proud of what we have accomplished together, I believe that our future is even brighter and that our company will continue to build on the solid foundation and past successes.

Yours sincerely,

Report of the Board of Directors' Responsibilities for Financial Statements

Values Beyond Money

Values Beyond Money

Values Beyond Money

Values Beyond Money

Seamico Securities Public Company Limited and its subsidiaries

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

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

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2014 are reasonably reliable



Chaipatr Srivisarvacha

Vice Chairman and Chief Executive Officer

Audit and Risk Management Committee Report present in Annual Report 2014

Seamico Securities Public Company Limited

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

- | | |
|-----------------------------|----------|
| 1. Mr. Peter Emil Romhild | Chairman |
| 2. Ms. Phornpun Phornprapha | Member |
| 3. Dr. Tanasak Wahawisan | Member |

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

The Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department and the Company's external auditor to review the quarterly and annual financial statements for 2014 and the disclosure of financial reports and notes to the financial reports, 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.

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

For 2015, the Audit and Risk Management Committee has proposed to the Board of Directors that Mr. Chavala Tienpasertkij, Mr. Permsak Wongpatcharakorn, Mr. Niti Jungnitnirundr, Mrs. Nisakorn Songmanee of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



Mr. Peter Emil Romhild

Chairman, Audit & Risk Management Committee

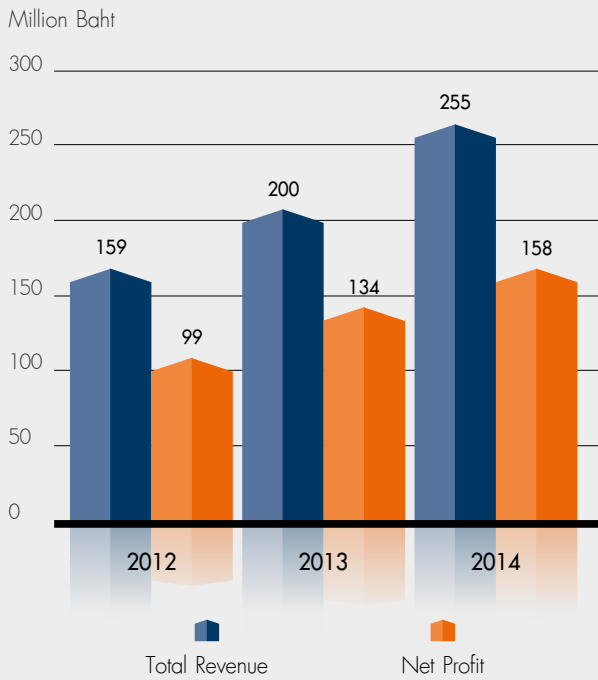
Financial Highlights

	2014 Million Baht	2013 Million Baht	2012 Million Baht
Total Assets	2,639.53	2,606.00	1,972.34
Paid-Up Share Capital	653.87	653.87	511.31
Total Shareholders' Equity	2,408.49	2,374.35	1,784.73
Securities Business Income	103.35	27.37	51.15
Securities Business Expenses	20.98	6.31	5.12
Net Income	158.14	134.44	98.72
Profitability Ratios			
Gross Profit Margin (%)	79.70	76.94	89.99
Net Profit Margin (%)	62.09	67.17	61.89
Return on Equity (%)	6.70	6.57	5.64
Efficiency Ratios			
Return on Total Assets (%)	6.18	6.01	5.07
Asset Turnover (Times)	0.04	0.01	0.03
Financial Policy Ratios			
Liquid Assets to Total Assets (%)	27.12	32.74	21.96
Earning Assets to Total Assets (%)	76.00	67.88	74.86
Debt to Equity (Times)	0.10	0.10	0.10
Dividend Payout Ratio (%)	87.70	99.55	116.62
Others Ratios			
Investment in Securities to Total Asset (%)	19.18	15.73	13.75
Net Capital Rule (NCR) (%)	N/A*	N/A*	N/A*
Per Share			
Book Value (Baht)	1.84	1.82	1.75
Earning Per Share (Baht)	0.12	0.12	0.01
Dividend Per Share (Baht)	0.05	0.09	0.06
Par Value (Baht)	0.50	0.50	0.50

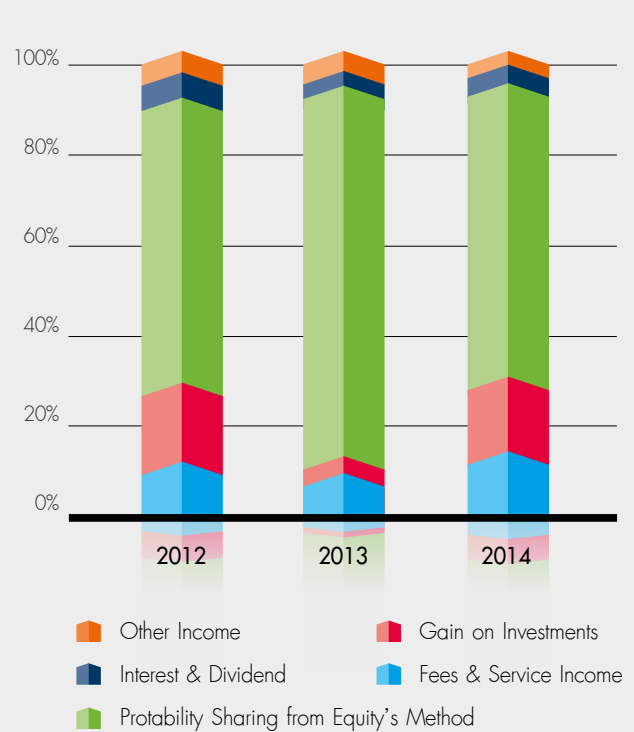
*Since May 1, 2009, The Company has approved to temporary cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

Consolidated Financial Performance 2012 - 2014

Performance

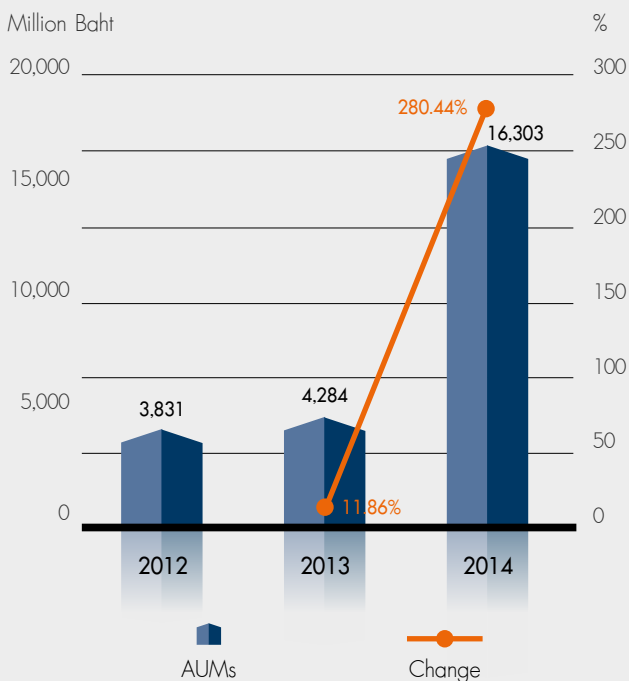


Revenue Structure



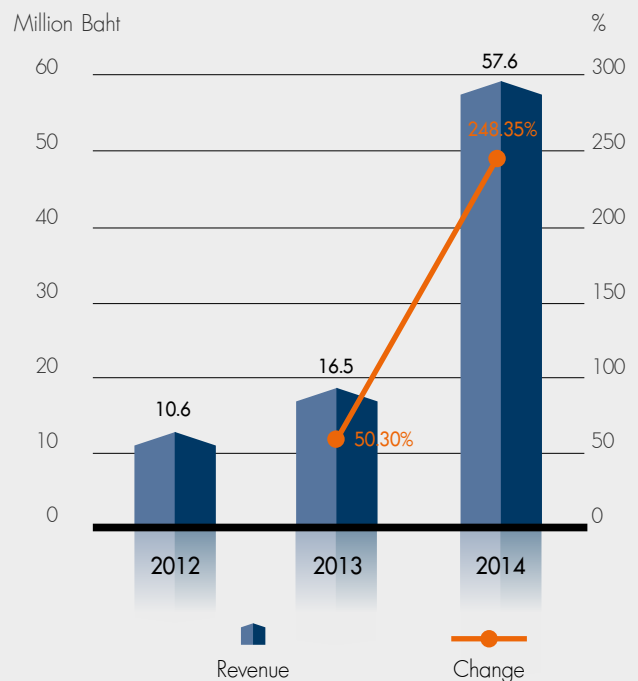
Solaris Asset Management Co., Ltd.

AUMs Grow Substantially



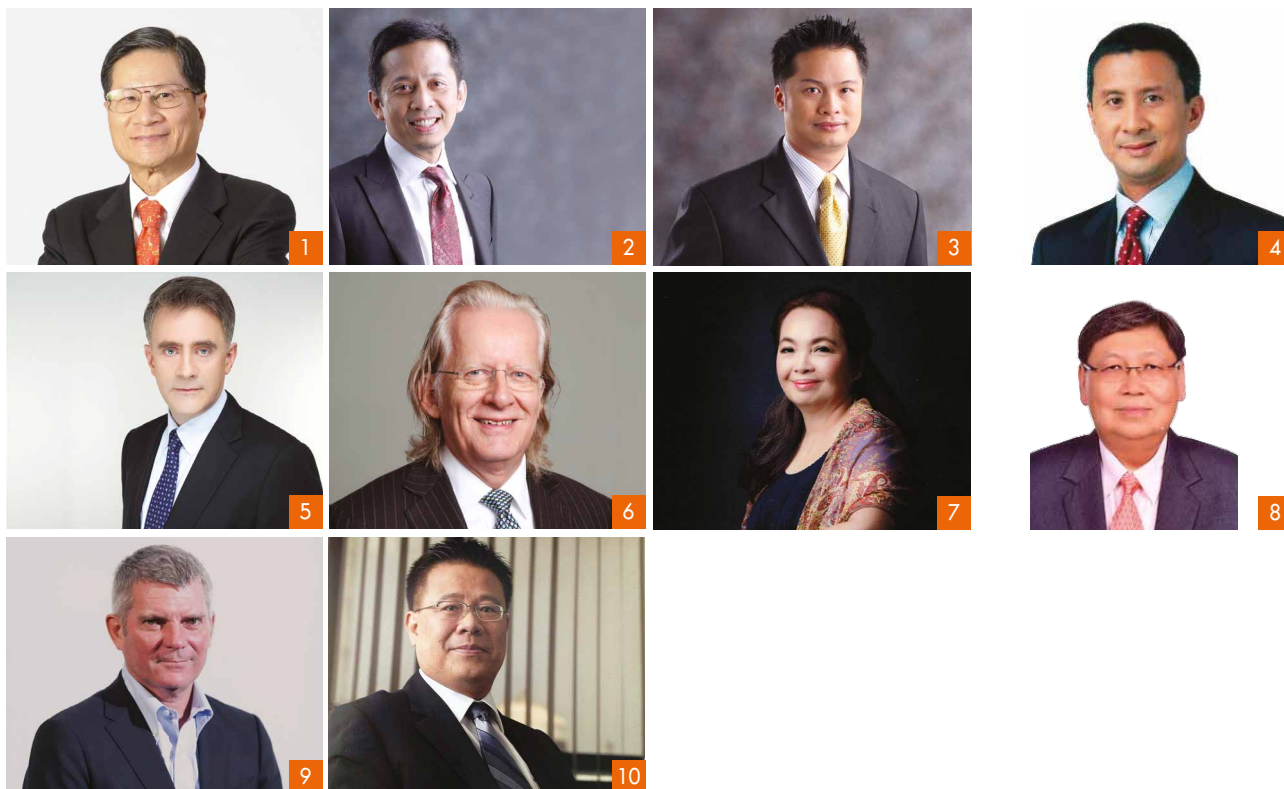
AUMs rose 280%

Revenue turns around



Revenue rose 248%

Board of Directors



1. Mr. Suthep Wongvorazathe

- Authorized Director
- Chairman
- Chairman of Investment Committee
- Chairman of Nominating and Compensation Committee

2. Mr. Chaipatr Srivisarvacha

- Authorized Director
- Vice Chairman
- Chief Executive Officer
- Member of Investment Committee

3. Mr. Pinit Puapan

- Authorized Director
- Managing Director
- Member of Investment Committee

4. Asst. Prof. Pimol Srivikorn

- Director
- Member of Investment Committee
- Chairman of Corporate Governance Committee

5. Mr. Chakrit Sakunkrit

- Director
- Member of Corporate Governance Committee

6. Mr. Peter E. Romhild

- Independent Director
- Chairman of Audit and Risk Management Committee
- Member of Nominating and Compensation Committee

7. Mrs. Phornpun Phornprapha

- Independent Director
- Member of Audit and Risk Management Committee

8. Dr. Tanasak Wahawisan

- Independent Director
- Member of Audit and Risk Management Committee

9. Mr. Peter J. Emblin

- Independent Director
- Member of Investment Committee
- Member of Nominating and Compensation Committee

10. Mr. Jesadavat Priebjivat

- Independent Director
- Member of Corporate Governance Committee



General Information

Name : Seamico Securities Public Company Limited.

Address : 18th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500.

Type of Business

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

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

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

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

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

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

Registration No : 0107537002460

Home page : www.seamico.com.

Telephone : 66 (0) 2624-6399

Fax : 66 (0) 2624-6398



Number and type of paid-up shares

Paid-up shares	:	1,307,736,926 shares
Par value	:	Baht 0.50 each
Type of shares	:	Ordinary share

Juristic Persons in which the Company holds shares equal to or in excess of 10%

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Investment Value (million baht)	Shareholding Percentage
Subsidiary							
Solaris Asset Management Company Limited*	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2624-6300 Fax. 0-2624-6330	Mutual Fund and Private Fund Management	Ordinary	22,800,000	22,800,000	173.05	100
Associate Company							
KT ZMICO Securities Company Limited**	16 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2695-5000 Fax. 0-2631-1709	Securities	Ordinary	259,127,200	128,631,600	1,239.40	49.64
Beacon Offshore Ltd.	789/128 Moo 1, Nongkham, Sriracha, Chonburi 20230 Tel. 038-348-080 Fax.038-348-088	Marine and Subsea Intervention Service	Ordinary	10,500,000	2,000,001	60.00	19.05
Other							
Thanh Cong Securities Joint Stock Company	3 rd & 5 th Floor - Centec tower, 72-74 Nguyen Thi Minh Khai St., Ward 6, District 3, HCMC, Vietnam	Securities	Ordinary	36,000,000	6,796,500	156.02	18.88
BCEL Krungthai Securities Company Limited (invested by KT ZMICO Securities Company Limited)	7 th Floor, Stock Market Building, Khampaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR	Securities	Ordinary	1,000,000	300,000	115.52	30

Note: * In 2014, the subsidiary company increased its paid up share capital by Baht 9.9 million and the Company had purchased shares from another shareholder in the amount of Baht 6.75 million, the shareholding of the Company increased to 100% (from 78.33% shareholding)
** In 2014, the Company had purchased shares from another shareholder in the amount of Baht 1.90 million, the shareholding of the Company increased to 49.64% (from 49.60% shareholding)

Other References

(a) Share Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel : 66 (0) 2229-2800
Fax : 66 (0) 2359-1259

(b) Auditor

- Mr. Chavala Tienpasertkit Certified Public Accountant (Thailand) No. 4301
- Mr. Permsak Wongpatcharapakorn Certified Public Accountant (Thailand) No. 3427
- Mr. Niti Jungnitnirundr Certified Public Accountant (Thailand) No. 3809
- Mrs. Nisakorn Songmanee Certified Public Accountant (Thailand) No. 5035

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Rajanakarn Bldg., 25th, 26th, 28th Floor
3 South Sathorn Road, Yannawa Sathorn, Bangkok 10120
Tel : 66 (0) 2676-5700
Fax : 66 (0) 2676-5757

(c) 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
Tel : 66 (0) 2646-1888
Fax : 66 (0) 2646-1919
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road
Dindaeng, Bangkok 10310
Tel : 66 (0) 2246-6061
Fax : 66 (0) 2641-8267

Business Policy and Overview

In 2009, Seamico Securities Public Company Limited (“The Company”) formed a strategic partnership with Krung Thai Bank Public Company Limited (“KTB”) to jointly develop securities business under the name “KTZMICO Securities Company Limited”(“KTZMICO”). The Company acquired shares of KTZMICO since September 2008 for 48.81% of paid-up capital at Baht 864 million. The Company agreed to transfer its securities business, operating assets and employees, including the refinancing of accounts receivable credit balance to KTZMICO in May 2009. The Company has temporarily ceased its operation on securities and derivatives businesses from May 1, 2009 to December 31, 2011 which was approved by the Office of the Securities and Exchange Commission as the letter No.SEC.Thor 701/2552. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivative business operation until April 30, 2013. Consequently, the Company applied the approval system work flow of Investment Advisory Service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to re-operate its Investment Advisory Services from May 2, 2013 onward. In addition, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2015 according to the letter No. BorSorChor.05/2557 dated June 25, 2014.

Currently, the major businesses of the Company are related to investment on local and foreign securities businesses. And also, Indochina has been operated under controlling of associated companies as follows:

- Expand securities business in Vietnam by holding Thanh Cong Securities Joint Stock Company’s shares as 18.88% of outstanding shares.
- Expand securities business in Laos through accompanying KTZMICO with Banque Pour Le Commerce Extérieur Lao Public to establish BCEL KRUNGTHAI (BCEL-KT); 30% of KTZMICO holding.
- Expand asset management business by holding 100% of Solaris Asset Management Company as of December 31, 2014.
- Expand investment in other business by holding 19.05% of Beacon Offshore Limited which services sale equipment for marine & offshore industries

Business Overview

Business operations of the Company and its subsidiary, and associate company are divided into 3 main businesses:

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





Nature of Business



Consolidated Revenue Structure

	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Fees and Services Income						
Financial Advisory	5.25	3.29	-	-	-	-
Asset Management	9.89	6.20	14.12	7.06	56.29	22.10
Gain (Loss) on Securities Trading	27.04	16.96	6.87	3.43	37.21	14.61
Interest and Dividend Income	8.97	5.62	6.38	3.19	9.84	3.86
Share of Profit (Loss) in Associate	100.69	63.13	163.12	81.50	144.61	56.78
Gain on Asset Transferred to Associate	6.99	4.38	5.91	2.95	1.73	0.68
Other Income	0.67	0.42	3.75	1.87	5.00	1.96
Total Income	159.50	100.00	200.16	100.00	254.69	100.00

Types of Business

The Company restructured itself around three main business groups:

1) Investment Advisory Business

Focus on direct investment in Thailand and Indochina to achieve a target return-on-investment.

2) Securities Business

Provide securities business under KTZMICO since May 1, 2009. KTZMICO was granted license by the Ministry of Finance and the Securities and Exchange Commission of Thailand (SEC) to engage in business activities related to the securities industry. As at December 31, 2014, KTZMICO encompasses 18 branches, with 7 branches in Bangkok and 11 branches in upcountry.

The Company has expanded its securities business to Laos through BCEL Krungthai Securities (BCEL-KT). BCEL-KT, a joint venture between BCEL bank and KTZMICO.

KTZMICO is definitely positioning to be “Gateway to Indochina” and plans to offer financial service coverage into Vietnam, Laos, Myanmar and Cambodia. KTZMICO can penetrate the market and makes a relationship with Indochina countries. It makes KTZMICO specialized in this region and has network in almost all countries. KTZMICO has started to service in Myanmar as a financial advisory.

3) Asset Management Business

Solaris Asset Management (“S-Funds”) provides fund management services for clients both public and individual. As end of December 31, 2014, S-Funds have 52 funds under management including fixed income fund (17 funds), balanced fund (2 funds), taxes saving fund (3 funds) and private fund (30 funds), with total asset under management (AUM) of Baht 16,303 million.



1. Investment Business

After transferring the securities business to KTZMICO, the Company transformed into a holding company and focused on direct investment business. Additionally, the Company's plan is as follows:

- Expand fund management and securities businesses into neighboring countries to capture the surging capital inflows into Indochina. In addition to the Company's investment in Thanh Cong Securities Joint Stock Company (TCSC) in Vietnam in 2009, the Company expanded its securities business to Laos under BCEL-KT, a joint venture between KTZMICO and BCEL. As of December 31, 2010, KTZMICO held 30% of share capital (1 million registered shares, paid-up 30%, par at 100,000 kip) with an initial investment of Baht 33.93 million from paid-up capital of Baht 113.10 million. In November 2011, KTZMICO paid the remaining 70% of unpaid-up capital, making the total investment increase to Baht 115.52 million. BCEL-KT is one of the first two securities companies in Laos.
- Enhance the competitiveness and management efficiency of asset management business by purchasing all of the S-Funds's shares back from other shareholders. As a result, the Company holds 100% stake in S-Funds. In terms of business management, S-Funds initiated mutual funds business by selling high-yield financial instruments issued by high growth potential companies causing the total asset under management (AUM) to increase from Baht 4,284 million as of December 31, 2013 to Baht 16,303 million as of December 31, 2014, equivalent to an increase of 280 percent from last year. As a result, S-Funds generated a profit of around Baht 14 million. This is the first time that S-Funds made a profit since its establishment in 2006.
- Increase returns by seeking opportunities to co-invest in high growth potential business. The Company has created an investment committee, comprising of committee members who have well-knowledge in joint venture, to scrutinize and impose investment policies through investment division which searches for business opportunities and possibility of co-investment aiming to get the highest return with the lowest risk. The Company also diversifies the business risk by making a joint venture in a company whose management team has more than 20 years of experiences.

2. Securities Business

After the merger, KTZMICO's securities business can be divided into the following categories:

- Securities Brokerage

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

The types of services offered include:

1. Cash Accounts and Cash Balance Accounts.
2. Credit Balance Accounts.
3. Internet Accounts - Securities trading via internet

KTZMICO provides useful information on its website, www.ktzmico.com, to help clients with their decision-making. KTZMICO developed many trading programs for investors such as Znet Xpress, Streaming and i2Trade. The trading programs enable clients to trade securities via Notebook, Tablet and Smartphone and supports Android, IOS and JAVA Phone operating systems. KTZMICO is also developing web base trading platform as an analysis tools such as Stock Simulation Program.

KTZMICO has been recognized as a market leader in providing institutions with broker-assisted, online, and direct market access trading of securities.

KTZMICO and Krung Thai Bank have continually participated in The Stock Exchange of Thailand (SET) campaign "One for All - A simple way to trade online via banks," which aimed at increasing convenience for internet banking. The campaign was a huge success, enabling KTB-investors to trade via www.ktb.com.



KTZMICO continually provides loan for clients which contribute to the increasing of KTZMICO's trading volume. During the year 2014, KTZMICO's outstanding credit balance loan increased from Baht 2.9 billion as of December 31, 2013 to Baht 4.2 billion as of December 31, 2014. This business of providing loans to clients has been financed by KTB, a major shareholder.

KTZMICO manages risks by reviewing credit lines in accordance with Risk Management's protocols. KTZMICO has a high level of quality control made possible by closely monitoring clients' trading transactions, limiting investment proportions and reviewing whether the clients should be called for more collateral. In case of a default payment, the operation services department will follow up so that payments are made in full.

Market Share

Million Baht	2012	2013	2014
SET & MAI Market Turnover	7,914,567	12,330,669	11,139,291
SET & MAI Market Turnover (exclude Proprietary Trading)	6,886,046	10,775,616	10,172,620
KTZMICO's Trading Volume	570,353	847,056	603,126
KTZMICO's Market Share (exclude Proprietary Trading)	4.14%	3.93%	2.96%
Rank	10	12	13

Market Turnover for 2014 was Baht 10,172,620 million; trading volume of KTZMICO was Baht 603,126 million, accounting for 2.96% market share.

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

	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Top 10 Securities Trading Clients	85,378	14.97	149,851	17.70	65,283	10.83

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

Clients Proportion	2012	2013	2014
Retail : Institution	86 : 14	86 : 14	92 : 8
Local : Foreign	89 : 11	88 : 12	95 : 5
Cash Account : Credit Balance	83 : 17	86 : 14	87 : 13

Policy on opening new accounts

KTZMICO has established a policy regarding to the opening of new accounts based on our "Know Your Client" principle. This involves providing significant and adequate information required from 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. KTZMICO have delegated employees with the authority to approve loans subjected to a credit line's risk level. KTZMICO has also established a procedure to review credit lines on a regular basis to keep track of a client's trading and settlement history and to ensure that client data is kept up to date.

- Derivatives Agent Business

After the merger in May 2009, KTZMICO started operating as a derivatives agent and offer all exchanged-traded derivatives products, namely, SET50 Index Futures, SET50 Index Options, Single Stock Futures, 50 Baht Gold Futures, 10 Baht Gold Futures, Sector Index Futures, Silver Futures, Crude Oil Futures including USD Futures.

In 2014, trading volume of KTZMICO was 4,245,819 contracts, accounting for 5.89% market share.

	2012	2013	2014
No. of Contracts - TFEX	10,457,927	16,664,126	36,021,150
No. of Contracts - Company	1,205,627	1,779,260	4,245,819
Market Share	5.76%	5.34%	5.89%
Rank	6	5	4

As KTZMICO emphasizes on expanding its investor base in the derivatives market, "Derivatives Department" was formed to educate investors. It provides variety of training courses related to derivatives instruments to its clients, employees and general investors and also regularly takes part as an educator in seminar events and conferences organized by TFEX. Moreover, KTZMICO also started publicizing its daily derivatives research papers for both fundamental and technical research.



- Securities Borrowing and Lending

Securities Borrowing and Lending (SBL) has been growing in demand with the development of the securities market. KTZMICO provides the service as an alternative investment and also for clients to hedge against market fluctuations. KTZMICO serves as a principal for securities listed in the SET100 Index. In 2014, KTZMICO still plans to continually expand its KTB's customer base.

- Derivative Warrants (DW)

KTZMICO began offering Derivative Warrants (DW) for the first time in December 2010. KTZMICO offered a total of 29 Derivative Warrants for 2014. As of February 28, 2015, there are 7 outstanding Derivative Warrants as the following:

Ticker	Total Issuance (units)	Underlying	Last Trading Date	Exercise Price (Baht per share)	Conversion Ratio (unit of DW per Underlying)
TPIP18C1503A	20,000,000	TPIPL	27 Mar 2015	1.45	0.65
TRUE18C1503A	20,000,000	TRUE	27 Mar 2015	9.50	4.20
BBL18C1503A	20,000,000	BBL	27 Mar 2015	178.33	69.33
BCH18C1503A	20,000,000	BCH	27 Mar 2015	9.00	3.20
BLAN18C1503A	20,000,000	BLAND	27 Mar 2015	1.96	0.78
PTTG18C1503A	20,000,000	PTTGC	27 Mar 2015	62.00	20.00
EART18C1503A	20,000,000	EARTH	27 Mar 2015	6.44	2.97

Starting from September 1, 2011, the Thailand Futures Exchange (TFEX), a subsidiary of The Stock Exchange of Thailand (SET), appoints KTZMICO as a market maker for gold futures and SET50 Options. In addition, KTZMICO plans to offer complex financial products such as structured products.

- Securities Trading

KTZMICO invests and trades in securities with the objective of generating additional income and has a policy of investing in high-return securities. KTZMICO defines its policy in compliance with the SEC regulations, which cover important policies as follows:

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

In 2014, investments in securities were classified into three categories:

- 1) Investments in equity securities including listed securities and unit trust to support securities business expansion, and hedging portfolio.

- 2) Investments in debt securities which have optimum returns issuance by Government and Corporate with a credit rating of BBB or higher in the short-term period (less than 6 months) as approved by the Executive Committee.
 - 3) Investment in Private Fund to boost higher income.
- **Underwriting Business**
KTZMICO offers a full range of financial advisory services, including the sale of securities products. KTZMICO acts as a financial advisor and subsequently adopts the role of underwriter. KTZMICO joins with financial institutions and other securities companies in offering a variety of securities products, including government bonds, state enterprise bonds, common shares, preferred shares, debentures and convertible debentures. KTZMICO is actively engaged in the underwriting business and has extensive experience in the role of lead and co-underwriter, underwriter and selling agent.

Revenue from underwriting business as the following:

	2012	2013	2014
No. of clients	9	10	23
Underwriting Value (Million Baht)	4,274.03	1,866.95	9,053.45
Fee Charged (Million Baht)	37.61	19.15	124.27

- **Financial Advisory Business**

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

KTZMICO has been a member of M&A International Inc., the world's leading international M&A network with over 40 member firms worldwide, to broaden investment banking business. Currently, KTZMICO acts as a financial advisor in several M&A deals.



KTZMICO is positioning itself as the gateway to Indochina. It already expanded its business to Laos through BCEL Krungthai Securities (BCEL-KT), a joint venture between BCEL bank and KTZMICO. It acts as the financial advisor to BCEL-KT and underwriter of EDL Generation, the first initial public offering in Laos. KTZMICO is confident that being able to establish a strong foothold in Laos marks the first step in realizing its goal as the gateway to Indochina.

Revenue from financial advisory services is shown below:

Million Baht	2012	2013	2014
Revenue	173.21	17.00	18.70

- Wealth Advisor

KTZMICO established wealth advisory services to serve clients in terms of wealth creation, wealth accumulation, wealth preservation and wealth distribution according to their financial objectives, status and expected return with an acceptable risk. KTZMICO provides one stop service to fulfill clients' financial goals through variety of financial products such as Equities, Fixed Income, Derivatives and Offshore Investments to ensure a diversified portfolio, with either direct investments or mutual funds. KTZMICO was a unit trust selling agent, before being approved by the SEC to be a selling agent for omnibus account. It currently covers 19 Asset Management Companies. At the end of December 2014, Asset under management was Baht 3,867 million. Moreover, KTZMICO continues acted as a participating dealer in ETF Fund.

- Private Fund

In 2012, KTZMICO was approved by the Securities and Exchange Commission to operate private fund. With the cooperation and supports of KTB, a major shareholder, the business starts operating since the late of year 2012. At the end of December 2014, net asset value of private fund was Baht 280 million.

- International Market Securities Trading

KTZMICO provides service on international market securities trading (offshore) with the objectives of seeking a better return than investing in the domestic market and to diversify risks. Currently, KTZMICO offers securities trading in several major securities markets such as the U.S., Hong Kong, and Singapore. In the past year, investors' response to the Lao Securities Exchange (LSX) has been overwhelming.

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

- Agricultural Futures Agent

KTZMICO expands derivatives business to commodities. KTZMICO was approved from the Office of Agricultural Futures Trading Commission in 2012. Also, KTZMICO was approved to be a member of the Agricultural Futures Exchange of Thailand in December 2012. KTZMICO has started operating for AFET brokerage in December 2013.

INDUSTRY OUTLOOK AND COMPETITION

Industry Overview in 2014

The SET's average daily turnover stood at Baht 45 billion in 2014, down 10% from Baht 50 billion in 2013. The ratio of total market turnover to the average market capitalization in 2014 dropped to 0.84x from 0.96x in 2013. Key factors behind the drop in the daily market turnover include the fact that the daily market turnover in the first half of 2013 rose sharply to hit a record high at Baht 61 billion (which was notably higher than the turnover of Baht 39 billion seen in the latter half of the year). The huge market turnover in the first half of 2013 was an unusual phenomenon due mainly to massive fund flows into global equity markets including the Thai market from late third quarter of 2012 to mid of 2013, driven by the stimulus from the U.S. One of the major factors impacting global capital markets was the quantitative easing program (QE3). Unlike in 2013, the market in 2014 did not see such a catalyst. Furthermore, the Thai market in 2014 was pressured by political tension during the first half of 2014 as well as slower economic growth in 2014. As a result, the total market turnover dropped in 2014 from the level seen in the previous year.

In 2014, the Thai market saw foreign investors net sell by Baht 36 billion. The figure reflects a significant drop from the net sell in 2013 by foreign investors of Baht 194 billion, owing mainly to heavy selling in the second half of 2013 after the Fed signaled a reduction in the size of its asset purchase program (QE3), which started in late of second quarter of 2013. Moreover, the political tension starting in late 2013 could be another reason behind the high net foreign sell-offs and capital outflow in 2013.



Market capitalization and market turnover Average market

	Average market capitalization (Million Baht)	Total market turnover/ Average market capitalization (x)	Total market turnover (Million Baht)	Growth rate (%)	Average daily market turnover (Million Baht)
2006	5,251,270	0.76	3,983,676	-2%	16,394
2007	5,897,591	0.72	4,271,820	7%	17,463
2008	5,427,176	0.73	3,981,230	-7%	16,118
2009	4,684,108	0.95	4,428,979	11%	18,226
2010	6,901,687	1.02	7,033,947	59%	29,066
2011	8,429,008	0.85	7,191,481	2%	29,473
2012	10,102,932	0.78	7,914,567	10%	32,304
2013	12,790,231	0.96	12,330,669	56%	50,329
2014	13,303,606	0.84	11,139,291	-10%	45,466

Source: Stock Exchange of Thailand (SET), The Securities and Exchange Commission (SEC), KT ZMICO

Market Outlook in 2015

We still expect the SET's 2015 market turnover to show year-on-year improvement from the Baht 45 billion reported for 2014. Regarding the 2015 outlook for the Thai capital market, we expect the equity market to continue its upward trend in 2015 on the back of the improving domestic and global economic outlooks. However, market volatility seems to be increasing as well due to external factors such as the fluctuation of oil prices, Fed monetary policy normalization and elevated geopolitical risks. Moreover, key domestic factors that may impact the market include the progress on the amendment of the constitution and the progress of economic stimulus measures from the government.

With the prospects of an improving capital market in 2015, we expect to see more newly listed companies compared to 2014 on the potential for better market and political conditions. Note that there were 37 newly listed companies in 2014 vs. 28 newly listed companies in 2013 even though the market was not supportive during the first half of 2014 due to political tension.





Key market statistics

	2012	2013	2014
SET Index	1,391.93	1,298.71	1,497.67
Total market turnover (Million Baht)	7,914,567	12,330,669	11,139,291
SET	7,615,638	11,777,210	10,193,179
MAI	298,929	553,459	946,112
Average daily market turnover (Million Baht)	32,304	50,329	45,466
SET	31,084	48,070	41,605
MAI	1,220	2,259	3,862
Average daily market turnover (exclude proprietary trading) (Million Baht)	28,106	43,982	41,521
Average daily market turnover of proprietary trading (Million Baht)	4,198	6,347	3,946
Number of newly listed companies	18	28	37
SET	8	13	17
MAI	10	15	20
Internet trading value (Million Baht)	2,208,213	3,898,039	4,147,508
Internet trading/ total market turnover (%)	28%	32%	37%
No. of brokerage firms offering internet trading	25	27	29
Total brokerage firms	32	33	34
Investor breakdown by type			
Retail investors	55%	57%	62%
Domestic institutional investors	8%	8%	9%
Proprietary Trading	13%	13%	9%
Foreign investors	24%	22%	20%
Total	100%	100%	100%

Source: Stock Exchange of Thailand (SET), The Securities and Exchange Commission (SEC), KT ZMICO

Industry overview and competition

In 2014, there was just one new brokerage firm called Land and House Securities Plc., which began commercial brokerage services in September 2014. The number of new players in 2014 was lower than that of 2013 when three new players entered the market, namely AEC Securities, Asia Wealth Securities and Apple Wealth Securities. These three firms launched their brokerage services in late 2013.

In 2014, the competition remained intense with the aforementioned four newcomers entering the market. Moreover, most of the newcomers have applied very proactive strategies in order to expand their customer bases; for example, using aggressive pricing strategies and approaching the customer bases of existing operators. Hence, fierce competition has resulted in declining market shares for most existing operators from the levels seen in 2013.

The gradual liberalization of brokerage commission rates is aimed at: i) encouraging brokerage firms to develop new businesses, which will expand revenue exposure and lessen dependency on brokerage revenue; and ii)

spurring brokerage firms to enhance the quality of services, thus raising their bargaining power and reducing price wars. It should be noted, however, that over the past three to five years the expansion of brokers' revenue bases has occurred at a slow pace, with the largest portion of revenue continuing to come from brokerage fees (at 68% of total revenue in 2014 vs. 70-71% in 2012-2013). Meanwhile, the expansion to other revenue and customer bases has remained rather slow and limited.

The liberalization of brokerage commission rates was first imposed in 2012. With the liberalization, price competition has continued to intensify, especially after the aforementioned four new firms entered the market in 2013-2014. Also, the portion of internet trading has continued to increase, i.e., from 32% of total turnover in 2013 to 37% in 2014. As a consequence, the average commission rate has remained in a downtrend. Note that the sector's average commission rate (excluding brokers' portfolios) decreased to 0.15% in 2014 from 0.17% in 2013. For 2015, the average commission rate is expected to remain in a downtrend due to fiercer competition as well as the likelihood of continuing increases in the internet trading proportion in the long term. Therefore, brokerage firms are likely to adjust their business strategies, especially in regard to the cost control and revenue diversification.

Provision of product or services

1. **Source of Fund**

Most of the Company's source of fund is from shareholders, however, KTZMICO is granted loans of Baht 3,000 million in addition to other lending facilities from KTB, a major shareholder, to support credit balance. Also KTB supports call loan and bank overdraft. Moreover, the Board of Directors' approved to issue bill of exchange at a maximum of Baht 4,000 million and corporate bond at maximum of Baht 1,000 million. KTZMICO incorporates asset, liability and capital market risk factors in order to appropriately allocate capital in a way that is most beneficial to shareholders.

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

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

3. **Net Capital Rule (NCR)**

The Company is not required to maintain Net Liquid Capital and NCR since the Company temporarily discontinued operating securities business.

For KTZMICO, its policy is to keep its NCR well above Securities and Exchange Commission's requirements. The SEC requires all securities companies to maintain the shareholders' equity at a minimum of Baht 100 million, along with maintaining a minimum net liquid capital of Baht 25 million in addition to the 7% net capital ratio. As at the end of 2014, KTZMICO had Net Liquid Capital of Baht 1,574 million with NCR ratio at 34% and total shareholders' equity of Baht 2,576 million.

3. Asset Management Business

Solaris Asset Management (S-Funds) currently holds 4 fund management licenses as follows:

1. Mutual Fund

S-Funds was granted a mutual fund management license under the securities and exchange act B.E. 2535



since January 8, 2007 (License No. 0009/2549) for managing all type of mutual funds under supervision of the Securities and Exchange Commission. The company had officially started up this business since May 10, 2007.

Mutual fund is an investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in financial assets such as stocks, bonds, fund market instruments and similar assets. Mutual funds are operated by fund managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. Mutual fund also requires having custodian or trustee in order to monitor and enforce the fund manager to act on behalf of unit holders and to follow the fund prospectus. Mutual fund is the juristic person that segregates from the fund management company, therefore, the company earnings and creditability may not reflect the investment performance or the creditability of the fund.

2. Private Fund: Individual Private Fund

S-Funds was granted a private fund management license (individual private fund) under the securities and exchange act B.E. 2535 since August 14, 2007 (License No. 0008/2550) for managing all type of private fund under supervision of the Securities and Exchange Commission. The company had officially started up this business since December 3, 2007.

Private fund is another investment vehicle that is made up by fund of individual or group of small investors for the purpose of investing in financial assets such as stocks, bonds, money market instruments and similar assets. Fund manager will be authorized to manage the fund on behalf of client and attempt to produce capital gains and income under the regulation by the S.E.C. and the fund investment policy.

3. Private Fund: Provident Fund

S-Funds was granted a private fund management license (provident fund) under the securities and exchange act B.E. 2535 since February 22, 2010 (License No. 0001/2555) for managing all types of provident fund under supervision of the Securities and Exchange Commission. S-Funds had officially started up this business since February 22, 2010. As of December 31, 2013, S-Funds has none of provident fund under management.

The provident funds are come from contribution gathering from employees and employers. The fund from employees called "savings" while the fund from employers called "contributions". The concept of provident fund is that the employers have to pay the contributions equal or greater than employees' savings. The provident fund is another kind of social welfare insurance for employees who have been employed by private sector and also regulated under the provident fund act.

4. Derivatives Fund Manager

S-Funds was granted a derivatives fund manager license under the derivatives act B.E. 2546 since July 13, 2007 (License No. 0009/2550) for being a fund manager to invest in derivatives instruments. However, S-Funds has not operated this kind of business yet.

Market and Competition

In 2014, due to the low deposit rates, investors look for various choices of investment. At the same time, mutual fund industry has been developing its products and services to respond to the needs of investors. As a result, the industries' growth rate is high. As of December 31, 2014, mutual fund industry has asset under management (AUM) of Baht 4.27 trillion (an increase of 0.78 trillion or 22.3% from last year). S-Funds has also grown substantially from last year. S-Funds' asset under management (AUM) has increased from Baht 4,284 million at the end of 2013, account for 0.14% of industry market share, to Baht 16,303 million at the end of 2014, account for 0.38% of industry market share. This is equivalent to an increase of 280% from last year.

Asset management industry comprises of 21 asset management companies, 12 companies are commercial banks' subsidiary, 6 companies are Securities Company's subsidiary and 3 companies are other financial institution's subsidiary. Notably, bank's subsidiary asset management companies gather 88.63% market share.

No	Mutual Fund Management Companies	AUM (Million Baht)		
		2014	2013	Change %
1	Kasikorn Asset Management	948,066.48	792,966.21	19.6%
2	SCB Asset Management	899,146.04	751,053.08	19.7%
3	Krung Thai Asset Management	538,217.76	472,522.92	13.9%
4	BBL Asset Management	444,947.98	328,908.69	35.3%
5	MFC Asset Management	276,517.04	230,996.86	19.7%
6	Krungsri Asset Management	256,009.06	182,260.32	40.5%
7	TMB Asset Management	195,194.27	161,812.83	20.6%
8	Thanachart Fund Management	152,679.99	123,847.27	23.3%
9	UOB Asset Management (Thailand)	190,314.86	155,117.91	22.7%
10	One Asset Management	85,243.36	71,853.15	18.6%
11	Aberdeen Asset Management	44,376.00	33,466.18	32.6%
12	Land and Houses Fund Management	40,978.62	29,878.67	37.2%
13	Phatra Asset Management	35,727.22	29,139.00	22.6%
14	Tisco Asset Management	59,349.92	55,435.07	7.1%
15	CIMB-Principal Asset Management	27,306.21	15,932.83	71.4%
16	Asset Plus Fund Management	30,967.00	27,966.46	10.7%
17	Finansa Asset Management	21,292.21	20,715.47	2.8%
18	Solaris Asset Management	16,302.53	4,284.00	280.5%
19	Manulife Asset Management (Thailand)	8,992.13	4,342.52	107.1%
20	Phillip Asset Management	1,422.58	532.90	167.0%
21	Maybank Asset Management (Thailand)	759.22	481.33	57.7%
	Total	4,273,809.47	3,493,973.39	22.3%

S-Funds sees the objections and limit ability to compete with bank's subsidiary competitors; therefore, we attempt to differentiate our business model from other asset management companies in general by positioning

ourselves as fast-response to clients' needs, active fund management style and a leader in offering new mutual fund products. In 2014, S-Funds delivered a very successful outcome by offering the high yield fixed income rollover fund for accredited investors (S.E.C. defined) with the name of "Privilege". Thus, we are proud to be part of the improved and expanded bill of exchange (BE) market, which is the crucial source of fund to support growth of prime enterprises. For 2015, S-Funds will focus on finding investment opportunities by selecting high growth potential companies; hence, S-Funds can be part to further improve the bond market in the future.

For the distribution channel, S-Funds mainly sells our products through selling agents. As end of 2014, S-Funds has 22 selling agents consisting of 2 commercial banks (Land and House Bank and Kiatnakin Bank), 18 securities firms (KTZMICO Securities, Phatra Securities, AEC Securities, Capital Nomura Securities, Bualuang Securities, CIMB International Securities (Thailand), Asia Wealth Securities, KGI Securities (Thailand), Phillip Securities (Thailand), Krungsri Securities, Finansia Syrus Securities, AIRA Securities, Maybank Kim Eng Securities (Thailand), Country Group Securities, Thanachart Securities, UOB Kayhian Securities (Thailand) and RHB OSK Securities (Thailand)), and 2 licensed agents (LBDU: Limited broker, dealer and underwriter) (Wealth Magik Mutual Fund Brokerage Company and Hua Seng Heng Gold Futures Company).

Provision of products or services

As end of 2014, S-Funds has 26 full-time employees including 3 fund managers, 6 marketing officers and other 17 functional employees. All of them are knowledgeable, competence and highly experience people in asset management field.

S-Funds has a careful investment process for all funds under management as fiduciary duty, in order to maximize return to our clients. Our investment decision making process is very systematic and reliable, i.e. top-down analysis including global and domestic economies, securities fundamental and technical analysis, company visits, management discussions as well as other regular investment researches by top tier securities houses.

Additionally, S-Funds has also set up the investment committee to cover securities selection and keep updating the quality of any securities in portfolio continuously, together with, the risk management committee who monitors all risks. S-Funds is also regulated by the S.E.C., so investors can do assure that we operate all business with the strictly corporate governance mind at all time.



Risk Factors

Risk from subsidiaries

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

1. **KT-ZMICO Securities Company Limited**

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

The Company has planned the strategies for expanding customer base , the transaction types and new investments to maintain our competitiveness and to stabilize the company income in the long term are the following:

- The company has expanded its investment banking business to foreign countries. The company was a financial advisor of BCEL-KT Securities Company Limited at Lao PDR and the company will expand the new business to Indochina in 2015.
- Cooperation between the company and KTB, the company has succeeded in expanding customer base and generating income continuously.
- The company has issued Derivatives Warrants - DW, which were listed on the Stock Exchange since the end of 2010 and arbitrage trading between financial instrument in the SET and TFEX. Including the development of the primary and the secondary bond market has enabled the company to expand income base in new business.
- The company has expanded to provide high net worth clients through transactions Private Fund Management which started business in 2013 from existing customer base of the company and KTB's customer.

2. **Solaris Asset Management Company Limited**

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

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

Shareholders

Major Shareholders (as at 30th December 2014)

	Name	No. of Shares Held	% of Paid-up Capital
1	THAI NVDR COMPANY LIMITED	104,522,890	7.993
2	MR. SUTHEP WONGVORAZATHE	100,000,000	7.647
3	QUAM SECURITIES COMPANY LIMITED A/C CLIENT	50,868,654	3.890
4	DBS BANK LTD FOR CLIENT A/C SG1300297900	50,000,000	3.823
5	MS. SUNSANEE WONGVORAZATHE	44,246,200	3.383
6	MR. CHAKRIT SAKUNKRIT	43,131,200	3.298
7	ASST. PROF. PIMOL SRIVIKORN	31,373,300	2.399
8	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	31,196,067	2.386
9	KHONBURI CAPITAL CO., LTD.	25,000,000	1.912
10	MISS YIM KING CHRISTINA LAM	25,000,000	1.912
	Other	802,398,615	61.358
	Total	1,307,736,926	100.000

Major Shareholder Group

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

Dividend Policy

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

The Board of Directors will determine dividend policy of subsidiaries.

Management Structure

1. Board of Directors

Name	Position
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> • Authorized Director • Chairman • Chairman of Investment Committee • Chairman of Nominating and Compensation Committee
2. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Vice Chairman • Member of Investment Committee
3. Mr. Pinit Puapan	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Investment Committee
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> • Director • Member of Investment Committee • Chairman of Corporate Governance Committee
5. Mrs. Phornpun Phornprapha	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee
6. Mr. Peter J. Emblin	<ul style="list-style-type: none"> • Independent Director • Member of Investment Committee • Member of Nominating and Compensation Committee
7. Mr. Peter E. Romhild	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee • Member of Nominating and Compensation Committee
8. Mr. Jesadavat Priebjrivat	<ul style="list-style-type: none"> • Independent Director • Member of Corporate Governance Committee
9. Mr. Chakrit Sakunkrit	<ul style="list-style-type: none"> • Director • Member of Corporate Governance Committee
10. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee
Mr. Somporn Sasiroj	<ul style="list-style-type: none"> • Company Secretary • Secretary to the Board of Directors • Secretary to Investment Committee

Scope of Duties and Responsibilities of the Board of Directors

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

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

Directors Authorization and Limitation thereof

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

Attendance Record in 2014

In 2014, the Board of Directors met 8 times. Details of the attendance are as follows:

Name	Meeting Attended
1. Mr. Suthep Wongvorazathe	8
2. Mr. Chaipatr Srivisarvacha	8
3. Mr. Pinit Puapan	6
4. Asst. Prof. Pimol Srivikorn	6
5. Mrs. Phornpun Phornprapha	3
6. Mr. Peter J. Emblin	8
7. Mr. Peter E. Romhild	8
8. Mr. Jesadavat Priebjrivat	8
9. Mr. Chakrit Sakunkrit*	2
10. Dr. Tanasak Wahawisan**	2

Note: * Mr. Chakrit Sakunkrit has been appointed as a director by resolution of the Annual General Meeting of Shareholders for 2014 dated 28th April 2014 (replacing Mr. Robert W. McMillen who retired by rotation). Such appointment was approved by the Securities and Exchange Commission on 21st May 2014 and registered with the registrar, Ministry of Commerce, on 17th July 2014.

** Dr. Tanasak Wahawisan has been appointed as an independent director by resolution of the Annual General Meeting of Shareholders for 2014 dated 28th April 2014 (replacing Mr. James M. Kelso who retired by rotation). Such appointment was approved by the Securities and Exchange Commission on 22nd August 2014 and registered with the registrar, Ministry of Commerce, on 25th August 2014.

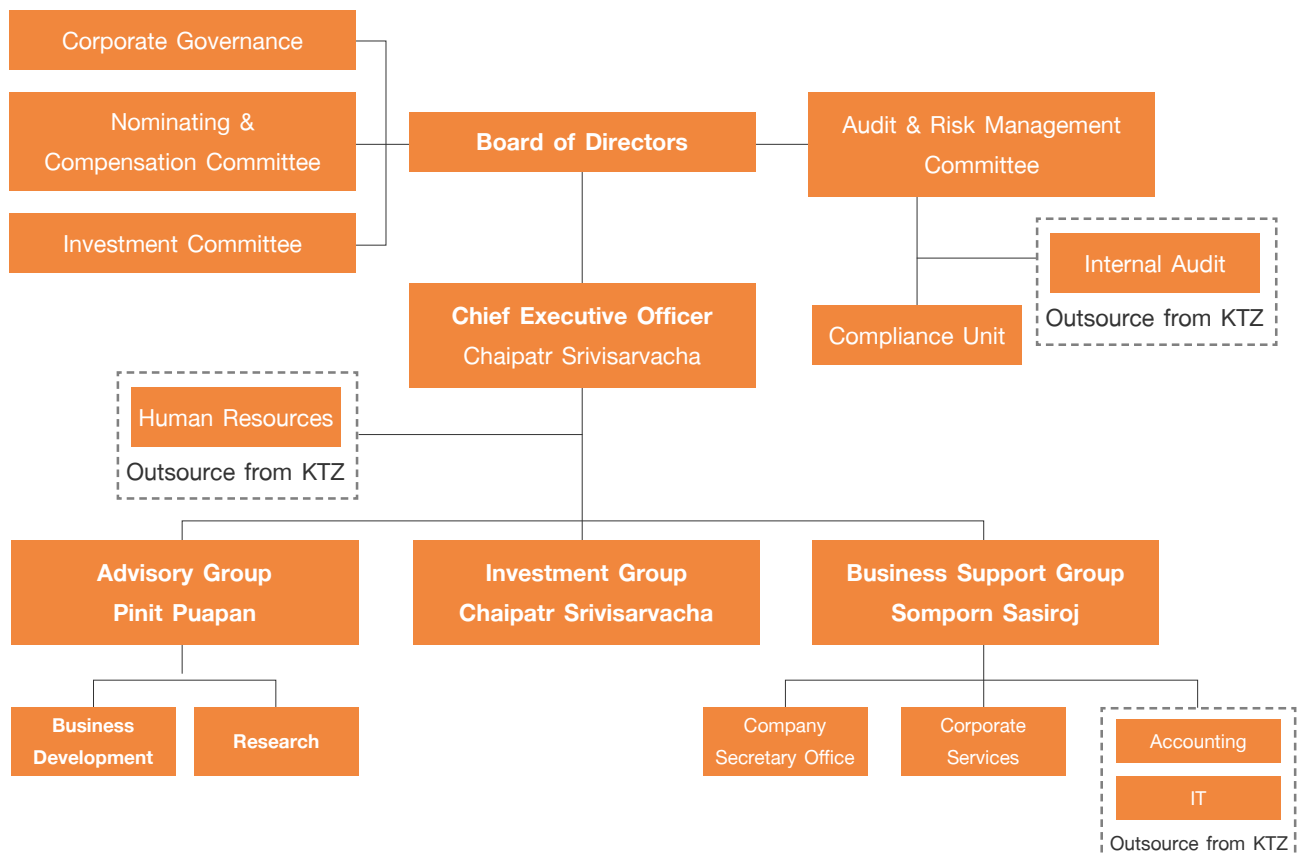
2. Management

Name	Position
1. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> - Authorized Director - Chief Executive Officer - Vice Chairman - Member of Investment Committee
2. Mr. Pinit Puapan	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Investment Committee
3. Mr. Somporn Sasiroj	<ul style="list-style-type: none"> - Company Secretary - Secretary to the Board of Directors - Secretary to Investment Committee
4. Mrs. Banchit Chittanusart	<ul style="list-style-type: none"> - Senior Executive Director <p>Finance Control and Treasury Department KT ZMICO Securities Co., Ltd. (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)</p>

3. Company Secretary

Mr. Somporn Sasiroj has been appointed as the Company Secretary by resolution of the Board of Directors Meeting No. 8/2013 dated 23rd August 2013.

Organization Chart



Directors and Management Profiles



<u>Position</u>	<ul style="list-style-type: none"> - Authorized Director - Chairman - Chairman of Investment Committee - Chairman of Nominating and Compensation Committee
<u>Age</u>	66 Years
<u>Date of Appointment</u>	20 September 2013
<u>Education</u>	MBA, University of Wisconsin, U.S.A. (1971)
<u>Training</u>	Director Accreditation Program (DAP) (2005)
<u>% of Shareholding</u>	7.65%
<u>Experience</u>	
20 September 2013 - Present	- Chairman, Seamico Securities Plc.
8 November 2013 - Present	- Chairman of Investment Committee, Seamico Securities Plc.
12 February 2014 - Present	- Chairman of Nominating and Compensation Committee, Seamico Securities Plc.
14 May 2014 - Present	- Executive Chairman, KT ZMICO Securities Co., Ltd.
22 August 2014 - Present	- Authorized Director, KT ZMICO Securities Co., Ltd.
26 February 2014 - 21 August 2014	- Non-authorized Director, KT ZMICO Securities Co., Ltd.
March 2003 - Present	- Chairman of Audit Committee and Independent Director Chumporn Palm Oil Industry Plc.
February 2007 - Present	- Chairman, Khonburi Sugar Plc.
October 2012 - Present	- Independent Director, The Bangchak Petroleum Plc.
July 2013 - Present	- Authorized Director, The Mall Group
2011 - Present	- Authorized Director, New Corp Co., Ltd.
2009 - Present	- Authorized Director, Asia Kangnam Co., Ltd.
2010 - 2011	- Chairman of Executive Board, Export-Import Bank of Thailand
2009 - 2011	- Director, The Board of Investment of Thailand
2007 - 2010	- Chairman, Pacific Assets Plc.



Mr. Chaipatr Srivisarvacha

<u>Position</u>	- Authorized Director - Chief Executive Officer - Vice Chairman - Member of Investment Committee
<u>Age</u>	55 Years
<u>Date of Appointment</u>	18 April 2007
<u>Education</u>	MBA (Finance), Illinois Benedictine College (1984)
<u>Training</u>	- Director Certification Program (DCP) (2003) - Corporate Governance for Capital Market Intermediaries (CGI) (2015)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
28 May 2007 - Present	- Chief Executive Officer, Vice Chairman, Seamico Securities Plc.
25 June 2007 - 8 November 2013	- Executive Chairman, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee
1 May 2009 - Present	- Chief Executive Officer, KT ZMICO Securities Co., Ltd.
29 November 2011 - Present	- Director, Solaris Asset Management Co., Ltd.
August 2009 - Present	- Chairman of the Board and Executive Chairman, Thanh Cong Securities J.S.C.
14 March 2011 - Present	- Independent Director, Precious Shipping Plc.
20 October 2010 - Present	- Director, Global Alliance Partners Ltd.
28 May 2012 - 27 May 2014	- Governor, The Stock Exchange of Thailand
19 June 2013 - 27 May 2014	- Member of Audit Committee, The Stock Exchange of Thailand
20 June 2012 - 19 June 2013	- Director, Thailand Futures Exchange Plc.
1 January 2013 - 19 June 2013	- Chairman Derivatives Investor Protection Fund Committee Thailand Futures Exchange Plc.
2003 - 16 May 2013	- Independent Director and Audit Committee Member, Brooker Group Plc.
11 November 2010 - 31 July 2012	- Independent Director, Evolution Capital Plc.
8 September 2010 - 3 November 2011	- Independent Director and Chairman of Audit Committee, Dhanarak Asset Development Co., Ltd.
31 January 2011 - 3 November 2011	- Chairman, DAD SPV Co., Ltd.
2004 - April 2009	- Independent Director, G Steel Plc.
3 July 2001 - 18 April 2007	- Independent Director and Audit Committee Member, Thanachart Bank Plc.
1999 - 2003	- Independent Director, Pacific Assets Plc.
1999	- Director and Executive Director, Krung Thai Bank Plc.



Mr. Pinit Puapan

<u>Position</u>	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Investment Committee
<u>Age</u>	48 Years
<u>Date of Appointment</u>	30 January 2009
<u>Education</u>	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School (2006) - MSC, Economics, London School of Economics (1990) - BA, Economics & Political Science, Tufts University (1989) - Certificate, Leader Program, Capital Market Academy (CMA 11) (2010) - Certificate, Advanced Security Management Program, The Association National Defense College of Thailand (ASMP 5) (2014)
<u>Training</u>	<ul style="list-style-type: none"> - Audit Committee Program (2004) - Director Accreditation Program (DAP) (2004) - Corporate Governance for Capital Market Intermediaries (CGI) (2015)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
2 March 2009 - Present	- Authorized Director, Seamico Securities Plc.
3 July 2007 - Present	- Managing Director, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
28 May 2007 - 8 November 2013	- Member of the Executive Committee, Seamico Securities Plc.
21 May 2007 - 21 October 2008	- Authorized Director, Seamico Securities Plc.
28 October 2008 - Present	- Authorized Director, KT ZMICO Securities Co., Ltd.
28 October 2008 - 31 December 2014	- Managing Director, KT ZMICO Securities Co., Ltd.
28 April 2009 - Present	- Authorized Director, Solaris Asset Management Co., Ltd.
August 2009 - 29 March 2013	- Director, Thanh Cong Securities J.S.C.
2002 - Present	- Director, Thai Dairy Industry Co., Ltd.
2002 - Present	- Audit Committee and Independent Director, Charn Issara Development Plc.
2008 - Present	- Director, Ideas 1606 Co., Ltd.
2013 - Present	- Authorized Director, Veyla Cha Am Residences Co., Ltd
Present	- Authorized Director, Talon Holdings Co., Ltd.
2014 - Present	- Authorized Director, Mali Group 2012 Co., Ltd.
2010 - 31 January 2012	- Director, BCEL-KT Securities Co., Ltd.



Mrs. Phornpun Phornprapha

<u>Position</u>	- Independent Director - Member of Audit and Risk Management Committee
<u>Age</u>	62 Years
<u>Date of Appointment</u>	18 April 2007
<u>Education</u>	Marry Mount College, U.S.A.
<u>Training</u>	Audit Committee Program (2008)
<u>% of Shareholding</u>	0.01%
<u>Experience</u>	
21 May 2007 - Present	- Independent Director, Seamico Securities Plc.
28 May 2007 - Present	- Audit and Risk Management Committee, Seamico Securities Plc.
1977 - Present	- Director, Siam Motors Co., Ltd.
1979 - Present	- Managing Director, Thaworn Holding Co., Ltd.
1979 - Present	- Managing Director, Thaworn Estate Co., Ltd.
1980 - Present	- Managing Director, Thong Thaworn Pattana Co., Ltd.



Mr. Peter John Emblin

<u>Position</u>	- Independent Director - Member of Investment Committee - Member of Nominating and Compensation Committee
<u>Age</u>	56 Years
<u>Date of Appointment</u>	26 February 2010
<u>Education</u>	- B. Bus., Fellow of the Financial Services Institute of Australasia - Fellow of the Thai Institute of Directors
<u>Training</u>	Director Certification Program (DCP) (2011)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
20 September 2013 - Present	- Independent Director, Seamico Securities Plc. - Member of Nominating and Compensation Committee, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
April 2014 - Present	- Advisor, MBMG Corporate Solutions Co., Ltd.
20 September 2013 - 13 November 2014	- Member of Corporate Governance Committee
18 March 2010 - 19 September 2013	- Director, Seamico Securities Plc.
11 November 2010 - 8 November 2013	- Member of Executive Committee, Seamico Securities Plc.
November 2008 - 31 December 2013	- Executive, Thai Strategic Capital Management Co., Ltd.



Mr. Peter Emil Romhild

<u>Position</u>	<ul style="list-style-type: none"> - Independent Director - Chairman of Audit and Risk Management Committee - Member of Nominating and Compensation Committee
<u>Age</u>	63 Years
<u>Date of Appointment</u>	27 April 2012
<u>Education</u>	EAC's Internal School, Copenhagen
<u>Training</u>	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP) (2011) - Director Certification Program (DCP) (2012) - 3rd National Director Conference 2014 under topic "Improving Corporate Governance : Key to Advancing Thailand" (2014)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
10 May 2012 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Nominating and Compensation Committee, Seamico Securities Plc.
9 May 2014 - Present	<ul style="list-style-type: none"> - Chairman of Audit and Risk Management Committee, Seamico Securities Plc.
10 May 2012 - 8 May 2014	<ul style="list-style-type: none"> - Member of Audit and Risk Management Committee, Seamico Securities Plc.
10 May 2012 - 20 November 2013	<ul style="list-style-type: none"> - Member of Corporate Governance Committee, Seamico Securities Plc.
April 2012 - Present	<ul style="list-style-type: none"> - Vice Chairman, ECCO (Thailand) Co. Ltd.
October 2013 - Present	<ul style="list-style-type: none"> - Executive Board Director, ECCO Tannery (Thailand) Co., Ltd. - Executive Board Director, PT ECCO Indonesia - Executive Board Director, PT ECCO Tannery Indonesia
January - March 2012	<ul style="list-style-type: none"> - Advisor, Berli Jucker Pcl.
January 2007 - December 2011	<ul style="list-style-type: none"> - Sr. Executive Vice President, Berli Jucker Pcl.
January 2001 - December 2007	<ul style="list-style-type: none"> - Executive Vice President, Berli Jucker Pcl.



Mr. Jesadavat Priebjrivat

<u>Position</u>	- Independent Director - Member of Corporate Governance Committee
<u>Age</u>	58 Years
<u>Date of Appointment</u>	10 May 2013
<u>Education</u>	- MBA, New York University, U.S.A. (1984) - MEA, George Washington University, U.S.A. (1980)
<u>Training</u>	- Role of the Chairman Program (ROCP) V. 2 (2011) - Corporate Good Governance for the Director & Executives of Enterprise & Public Organization V. 4 (2010) - Director Certification Program (DCP) V. 115 (2009) - Audit Committee Program (ACP) V. 1 (2009) - Change Management for Top Executive Program (GRID Thailand)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
10 May 2013 - Present	- Independent Director, Seamico Securities Plc.
20 September 2013 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
May 2011 - Present	- Chairman of Audit Committee, Trang Seafood Products Plc.
June 2010 - Present	- Chairman, Gratitude Infinite Plc.
May 2008 - Present	- Director and Member of Audit Committee, Sansiri Plc.
June 2010 - 2012	- Chief Financial Officer, CAT Telecom Plc.



Assistant Professor Pimol Srivikorn

<u>Position</u>	- Director - Member of Investment Committee - Chairman of Corporate Governance Committee
<u>Age</u>	51 Years
<u>Date of Appointment</u>	20 September 2013
<u>Education</u>	- MBA, University of California at Los Angeles John E. Anderson, U.S.A. (1989)
<u>Training</u>	-
<u>% of Shareholding</u>	2.40%
<u>Experience</u>	
20 September 2013 - Present	- Director, Seamico Securities Plc. - Chairman of Corporate Governance Committee, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
January 1989 - Present	- Director, President Hotel and Tower Co., Ltd.
March 2007 - Present	- President , Taekwondo Association of Thailand
December 2011 - Present	- License Holder and School Director, Srivikorn School - Srivikorn Business School
January 2012 - Present	- Executive Director, Srivikorn Group Holding Co., Ltd.
January 2013 - Present	- Independent Director and Chairman of Audit Committee, Nok Airlines Plc.
May 1993 - Present	- Chairman, Thailand Carpet Manufacturing Plc.



Mr. Chakrit Sakunkrit

<u>Position</u>	- Director - Member of Corporate Governance Committee
<u>Age</u>	52 Years
<u>Date of Appointment</u>	28 April 2014
<u>Education</u>	- M.B.A., Business Administration, INSEAD, France (1988) - M. Eng, Manufacturing, Downing College Cambridge, UK (1985) - M.A., Engineering, Downing College Cambridge, UK (1984)
<u>Training</u>	- ICSA Chartered Secretaries Qualifying Scheme Institute of Chartered Secretaries and Administration, London (June 2010 - November 2013) - Corporate Governance, Financial Reporting, Business Law Institute of Chartered Secretaries and Administration, London (June 2010 - November 2013)
<u>% of Shareholding</u>	3.30%
<u>Experience</u>	
28 April 2014 - Present	- Director, Seamico Securities Plc.
13 November 2014 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
January 2000 - Present	- Co-Founder, Principal, Sherriff Group Thailand - Authorized Director, Sherriff Global Private Ltd. - Authorized Director, AML Global Ltd.



Dr. Tanasak Wahawisan

Position

- Independent Director
- Member of Audit and Risk Management Committee

Age

57 Years

Date of Appointment

28 April 2014

Education

- Graduate School of International Studies, University of Denver
Ph.D. International Studies (1986-1988)
- Graduate School of International Studies, University of Denver
M.A. International Studies (1985-1986)
- Department of Political Science, The Ohio State University
M.A. Political Science (1980-1981)
- Faculty of Political Science, Chulalongkorn University
B.A. Political Science (International Relations) (1976-1979)

Training

- Directors Certification Program
- Corporate Governance for Capital Market Intermediaries (CGI) (2015)

% of Shareholding

0%

Experience

28 April 2014 - Present

- Independent Director, Seamico Securities Plc.

28 August 2014 - Present

- Member of Audit and Risk Management Committee,
Seamico Securities Plc.

16 April 2014 - Present

- Director, Advance Finance Plc.

2000 - Present

- Director and General Manager, Apollo (Thailand) Co., Ltd.

2006 - Present

- Founding Member and Lecturer
Institute of Diplomacy and International Studies, Rangsit university

Mr. Somporn Sasiroj

<u>Position</u>	<ul style="list-style-type: none"> - Executive Vice President - Company Secretary - Secretary to the Board of Directors - Secretary to Investment Committee
<u>Age</u>	59 Years
<u>Education</u>	<ul style="list-style-type: none"> - MBA, University of Northern Washington, U.S.A. - MBA, Siam University
<u>Training</u>	<ul style="list-style-type: none"> - Directors Certification Program (2014) (DCP 186/2014) - BRP 11/2013 (2013) - CRP 6/2 (2013)
<u>% of Shareholding</u>	0%
<u>Experience</u>	
23 August 2013 - Present	<ul style="list-style-type: none"> - Executive Vice President, Seamico Securities Plc. - Company Secretary, Seamico Securities Plc. - Secretary to the Board of Directors, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> - Secretary to Investment Committee, Seamico Securities Plc.
23 August 2013 - 8 November 2013	<ul style="list-style-type: none"> - Secretary to the Executive Committee, Seamico Securities Plc.
2011 - Present	<ul style="list-style-type: none"> - Authorized Director, Solaris Asset Management Co., Ltd.
2007 - Present	<ul style="list-style-type: none"> - Executive Vice President, KT ZMICO Securities Co., Ltd.

Mrs. Banchit Chittanusart

<u>Position</u>	Senior Executive Director - Finance Control and Treasury Department (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)
<u>Age</u>	53 Years
<u>Education</u>	<ul style="list-style-type: none"> - Master Degree of Accounting, Thammasat University (1990)
<u>% of Shareholding</u>	0.00001%
<u>Experience</u>	
April 2009 - Present	<ul style="list-style-type: none"> - Senior Executive Director - Financial Control and Treasury Department, KT ZMICO Securities Co., Ltd.
October 2008 - March 2009	<ul style="list-style-type: none"> - Director, KTB Securities Co., Ltd.
April 2004 - September 2008	<ul style="list-style-type: none"> - Executive Vice President - Finance, Account and Treasury Department, Seamico Securities Plc.
February 1998 - March 2004	<ul style="list-style-type: none"> - Senior Director of Finance and Accounting Department, Government Pension Fund

Details of Subsidiary and Associate Company's Directors

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

Director	Position
1. Mrs. Siripen Sitasuwan	Chairman, Independent Director
2. Mr. Pinit Puapan	Authorized Director
3. Mr. Lertsak Polanun	Authorized Director
4. Mr. Somporn Sasiroj	Authorized Director
5. Mr. Chaipatr Srivisarvacha	Director
6. Mr. Pichai Yimjaipoonsup	Director
7. Mr. Praves Suttirat	Independent Director
8. Mr. Vuthichai Tumasaroj	Director
9. Mr. Phuemphol Prasertlum	Independent Director

Company Name

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

Director	Position
1. Mr. Kraithip Krairiksh	Chairman of the Board
2. Mr. Suthep Wongvorazathe	Authorized Director, Executive Chairman
3. Mr. Chaipatr Srivisarvacha	Authorized Director
4. Mr. Kittiphun Anutarasoti	Authorized Director
5. Mr. Pinit Puapan	Authorized Director
6. Ms. Poonpat Sripleng	Authorized Director
7. Mr. Chao Arunyawat	Director
8. Mr. Vinit Samritpricha	Independent Director, Chairman of Audit Committee
9. Dr. Uttama Savanayana	Independent Director
10. Mr. Prasith Wasupath	Authorized Director
11. Dr. Suriya Chindawongse	Director, Audit Committee Member

Company Name	Beacon Offshore Ltd.
Location	789/128 Moo 1, Nongkham, Sriracha, Chonburi 20230
Type of Business	Marine and subsea intervention service
Date of Establishment	5 th April 2004

Director	Position
1. Mr. Claus Bent Jorgensen	Managing Director
2. Ms. Viparwan Smanattanon	Director
3. Mr. Stuart Paul Walker	Director
4. Mr. Ole Ketil Teigen	Director
5. Ms. Naruemol Chanced	Director
6. Mr. Chirayu Chueyam	Director
7. Ms. Oraporn Lerdthuwanon	Director
8. Ms. Chanya Parnthong	Director
9. Mr. Kim Conrad Jorgensen	Director

4. Remuneration for Directors and Management in 2014

1. **Monetary Remuneration**

Directors

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus*
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> ● Authorized Director ● Chairman ● Chairman of Investment Committee ● Chairman of Nominating and Compensation Committee 	665,000	127,717
2. Mr. Chaipatr Srivisarvacha**	<ul style="list-style-type: none"> ● Authorized Director ● Chief Executive Officer ● Vice Chairman ● Member of Investment Committee 	-	-
3. Mr. Pinit Puapan**	<ul style="list-style-type: none"> ● Authorized Director ● Managing Director ● Member of Investment Committee 	-	-
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> ● Directors ● Member of Investment Committee ● Chairman of Corporate Governance Committee 	390,000	127,717
5. Mrs. Phornpun Phornprapha	<ul style="list-style-type: none"> ● Independent Director ● Member of Audit and Risk Management Committee 	330,000	317,935

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus*
6. Mr. Peter J. Emblin	<ul style="list-style-type: none"> • Independent Director • Member of Investment Committee • Member of Nominating and Compensation Committee 	490,000	448,370
7. Mr. Peter E. Romhild	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee • Member of Nominating and Compensation Committee 	435,000	578,804
8. Mr. Jesadavat Priebjrivat	<ul style="list-style-type: none"> • Independent Director • Member of Corporate Governance Committee 	320,000	125,000
9. Mr. Chakrit Sakunkrit	<ul style="list-style-type: none"> • Director • Member of Corporate Governance Committee 	120,000	-
10. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee 	104,667	-
Resigned Directors		215,000	1,274,457
Total		3,069,667	3,000,000

Note * Bonus of 2013 performance paid in 2014

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

Directors (Authorized) and Management

Type of Remuneration	Remuneration (Baht)
Salary and Bonus	9,824,500

2. Other Remuneration

For 2014, the Company contributed Baht 554,313 for the management to the Company's provident fund.

Corporate Governance

1. Corporate Governance 2014

The Company and its Board of Directors realizes the importance of Good Corporate Governance is committed to conducting all its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). In 2013, the Company received a “Good Grade” from the Thai IOD survey of good governance.

The Company has implemented several parts of the practice guidelines already such as allowing minority shareholders to forward their suggestions before the AGM and also faster dissemination of AGM’s resolutions after the AGM and continues to implement further Good Governance Principles.

Some of the key aspects of the Company’s corporate governance principles are as follows:

1. **Rights of Shareholders**

The right to obtain information

All shareholders shall receive notice and details of meetings together with the Board of Directors’ opinion on such matters not less than 14 days prior to the meeting date, and also receive notice of the AGM, with details provided on our website not less than 30 days prior to the meeting date, and the company will publicize the AGM’s minutes on its website within 14 days after the meeting date. This will 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. 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. A legal advisor from a law office will be invited to attend the meeting in order to inspect voting and observe the transparency meeting.

The rights to express opinions and ask questions

Shareholders are given the opportunity to express their opinions and ask questions at the meetings and the Company attempts to supply shareholders with sufficient information prior to the meeting.

The rights to be treated equally

All shareholders rights and benefits shall be treated equally.

2. Equitable Treatment of Shareholders

In 2013, the Company website was adjusted to allow shareholders to propose additional agenda items and nominate qualified directors prior to the AGM meeting.

For the election of the Company's directors, each candidate is introduced one by one, and shareholders vote for each individual.

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

Policies regarding the Keeping of Confidential information and the prevention of the use of inside information have been implemented. Directors and senior executive are required to report their shareholding of the company to board of directors regularly. And the company applies silent periods ahead of any announcements in line with SET guidelines

3. Roles of Stakeholders

The Company realizes that the growth and success of the Company is derived from the support of all its stakeholders. The Company, therefore, as a general practice serves all 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, focus is made on the development of services and the creation of additional approved and licensed 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 key to the company's growth. Appropriate remuneration competitive to other companies in the same industry is provided and reviewed regularly. The Company remunerates staff in the form of salary and bonus based on their performance for both the short and long term. The Company may ask shareholders to approve an Employee Stock Ownership Plan (ESOP) to create motivation and sense of participation in the ownership of the Company.

The Company provides orientation programs and a corporate manual for new employees outlining its policies, focusing on its rules and regulations and associated disciplines. It also covers benefits and welfare, leave obligation, group medical & hospitalization insurance scheme, group life & accident insurance plan and provident fund. Focus on the capability of employees is provided by 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. Employee brain storming, and the creating and sharing opinions is strongly encouraged. Such things to emerge from this access have been the energy saving project, the development of working systems, derivatives products, the financial advisory program and etc.

The Company also promotes activities to harmonize and sustain good relationships among employees such as an Annual Blessing Ceremony, recreation activities, sports days and awareness of health and hygiene.

3.4 Governance office, Government, Public Corporate

The Company adheres to the rules and regulations of the finance sector, the SET and the SEC and gives them its full co-operation when the need arises.

The Company also adheres to the rules and regulations of other government organizations which have a bearing on its business and role in the community, such as the Revenue Department, Bank of Thailand, Ministry of Finance, Labor Department and Ministry of Commerce.

It also supports organizations, such as the Thai Institute of Directors Association (IOD), where the Company's directors have joined its seminars and undertaken training conducted by the Institute. The company also is an active and cooperative member of ASCO. In 2013, the Company instituted a policy on anti-corruption across the entire organization from the Board level down. It is prohibited to offer or receive any benefit in exchange for doing, or avoiding from doing, one's duties or undertaking any unethical conduct aimed at gaining personal benefit, or for entering into inappropriate business activities. The Company ensures all employees participate in risk assessment procedures to ensure that risk is managed within the company guidelines.

The policies include a policy of zero tolerance of bribery to all employees and the public in every channel, training programs, regulation, a sanctions procedure and "Whistle-Blowing" channels. The anti-corruption program is reviewed to ensure that it is well-designed and effective.

Procedures for the continuing appropriate training of directors, managers and employees so that they clearly understand the Company's program, know the Company's expectations and the sanctions procedure in the event of a violation are in place

Employees are trained both internally and externally and are provided with secure and accessible channels through which they are able to raise concerns and report violations ("whistle blowing") in confidence. Employees are encouraged to seek guidance or discuss issues about this program.

3.5 Society, Community, Environment

The Company is fully aware of its social responsibility and participates in several social services. Environmental friendly practices that preserve natural resources are encouraged. Such as the use of paperless technologies via the use of electronic-mail and other modern communication tools. And recycles any suitable paper. It also looks to effectively reduce electricity consumption and other associated environmental costs.

3.6 Creditors, Suppliers, Competitors

Responsibility to outside organizations and agents, such as creditors, suppliers and competitors is at the forefront of company thinking. It strives to treat them fairly and equitably in any negotiations, based on good business practices, and does not take advantage of its competitors.

There are clear procedures on whistle-blowing for related parties or stakeholders and these are published on the website or annual report.

All stakeholders can lodge their complaints directly to the Company or express opinions through various channels as follows:

Company Secretary

Tel. 662 624-6303 (Business Hours)

E-mail: somporn@seamico.co.th

Fax: 662 624-6398

Mail: Seamico Securities Public Company Limited

Company Secretary Office

18th Floor, Liberty Square

287 Silom Road, Bangrak

Bangkok 10500

The structure of the businesses of the Company's and Articles of Association are available on the website.

4. **Disclosure and Transparency**

Disclosure policy

The Board of Directors implements and directs the Company's policies by monitoring and supervising its operations to maximize economic value and long-term shareholders' wealth. The Company treats all fairly.

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

Company policy requires that all important related transaction must be approved by Board of Directors.

In addition, the Company has follows the principles of Good Corporate Governance as outlined by the Thai IOD.

Directors and Management's Securities Holding

The Change in directors and management's securities holding

The structure of the Company's business groups has been disclosed under the section BUSINESS OVERVIEW and on the website.

Director / Management	No. of Shares Held		Change Increase/ (Decrease)
	31 Dec. 13	31 Dec. 14	
Mr. Suthep Wongvorazathe	100,000,000	100,000,000	0
Mr. Chaipatr Srivisarvacha	0	0	0
Mr. Pinit Puapan	0	0	0
Asst. Prof. Pimol Srivikorn	31,373,300	31,373,300	0
Mrs. Phornpun Phornprapha	182,100	182,100	0
Mr. Peter J. Emblin	0	0	0
Mr. Peter E. Romhild	0	0	0
Mr. Jesadavat Priebjrivat	0	0	0
Mr. Chakrit Sakunkrit	44,332,700	43,131,200	(1,201,500)
Dr. Tanasak Wahawisan	0	0	0
Mr. Somporn Sasiroj	0	0	0
Mrs. Banchit Chittanusart	101	101	0

In 2014, the Company's directors participated in various training courses. Details are shown in the section DIRECTORS AND MANAGEMENT PROFILES.

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 controls and compliance with Laws and the Company's policies, as well as to consider and advise on the appointment of external auditors and their audit fees.

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

Remuneration of directors and management

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

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

The remuneration for the Chief Executive Officer is comparable to the industry, his experience, duties and scope of responsibilities including his performance. The Compensation Committee is responsible for approving the compensation for the Chief Executive Officer.

The remuneration for the Chief Executive Officer is through salaries, bonus (bonus payment will be depended on the results of operations of the Company and the executive performance) and contribution to a provident fund.

The Chief Executive Officer is not entitled to receive remuneration as a director. His long-term compensation is up to the discretion of the Board of Directors.

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

Board of Directors meetings

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

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



The attendance record of Directors for 2014 are shown in the section “ATTENDANCE RECORD IN 2014”

Investor relations

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

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

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

Seamico Securities Public Company Limited

18th Floor, Liberty Square Building,

287 Silom Road, Bangrak, Bangkok 10500

Telephone: (66-2) 624-6399 Fax: (66-2) 624-6398

www.seamico.com

5. Board Responsibilities

Leadership and vision

The Board of Directors consists of directors who have adequate education, capability and experience to provide benefit to 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.
- Sending a Compliance and Internal Audit report directly to the Audit Committee.
- Setting up an authorization level appropriate for internal control and risk management.
- Established a Corporate Governance Committee.

The Board of Directors has the power to oversee:

- The Company’s Management acts in accordance with its objectives, the Articles of Association, resolutions of Shareholders’ Meeting as prescribed in Public Company Act, B.E. 2535.
- Any transaction or any act which may have material effect on the financial position, obligation on liabilities, and reputation of the Company, e.g. borrowing money from financial institution.
- Any connected transaction between the Company, its subsidiaries, or affiliated companies and connected persons that does not require approval from a Shareholders’ Meeting.
- Internal control systems and efficient internal audit procedures.
- Financial and other information reporting to shareholders and other concerned parties.
- Nominate and define scope of duties and responsibility of Sub-Committees.

- Nominate and change authorized signatories who can bind the Company.
- The policies, business strategies, business plan, and annual budget for the Company.
- Results of the work and business performance of the Company quarterly and annually.
- Any contract that is not the normal business of the Company, or any material contract of a normal business nature.
- The principles of good corporate governance.
- Amend or change the scope of authorities and responsibility of the Board as mentioned above.

Scope of Authority

As stipulated in the Company's Articles of Association and the Public Limited Company Act, B.E.2535 (1992), the Board of Directors can process the following issues only upon receiving approval from the Company's Annual general meeting.

- 1) Approval of the balance sheets and the profit and loss statements.
- 2) Approval of profit appropriation.
- 3) Election of new directors replacing those who have resigned, completed their term of office or election of additional directors when there is an increase in the total number of directors.
- 4) Appointment of the Bank's auditor and fixing their audit fee.
- 5) Increase of capital, reduction of capital and transfer of allowance for compensation of accumulated loss, dividend payment, public offering or allocation of capitalized shares and issuance of debentures.
- 6) Sale or transfer of the Bank's entire business or some material parts, acquisition or acceptance of transfer of other business, amendment or termination of agreement relating to renting out partial or the entire Bank's business.

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

Directors will continuously receive information by attending seminars arranged by organizations such as the SET or SEC in order to remain up to date and keep abreast with new business development. The Company shall encourage and facilitate training for directors regularly

The training record of Directors for 2014 is shown in "Directors and Management Profiles"

No individual Director of the Company may sit on more than five boards of listed companies simultaneously without exception. And independent directors may not serve on the board beyond nine years from the date of their first appointment without exception.

The structure of the board shall consist of directors with various qualifications, skills, experience, gender and expertise that are useful to the company, and at least one non-executive director must have prior working experience in the securities business.

In 2014, the Company supported directors in attending the continuing the below development programs or seminars for director.

Director's Name	Course	Institution name
Mr. Peter E. Romhild	3 rd National Director Conference 2014 "Improving Corporate Governance : Key to Advancing Thailand"	Thai Institute of Directors

Board self-assessment is conducted yearly, to allow all members of the board to consider the board's performance and solve any problems they may have. A benchmark of the board's performance should be systematically set in advance.

The Result of The Thai IOD CG Report of all Board of Directors in 2014 rated the company as good.

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.
- Complies with SET and SEC regulations.
- Discloses connected transactions in its Financial Statements, Annual Reports (in the Audit and Risk management committee report) 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 which are regulated by the Compliance and Internal Audit functions.

Code of ethics

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

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

- The balance of power for non-executive directors

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

The Composition of the Board of Directors

Executive Directors	2	persons
Non-Executive Directors	8	persons

Consisting of:

Independent Directors	5	persons
Other Directors	3	persons

- Chairman' Responsibilities

1. To monitor and administer the other sub-committees to achieve their objectives as plans.
2. To preside over the Board of Directors meetings and shareholder meetings.

- The Appointment of Audit and Risk Management Committee

To be as transparent as possible, the Company has appointed a specific committee, the Audit Committee, to oversee financial reporting, the internal control system and corporate governance to comply with the Company's policy, nominate a person, who is independent, to be in charge as an auditor of the Company, as well as to consider dismissal of the auditor and propose a remuneration of the auditor to the Board of Directors of the Company. The Audit and Risk Management Committee receives information directly from the Compliance and Internal Audit Department. Meetings are held at least once every three months or on any urgent occasion.

- Aggregation or segregation of positions

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

- Committees

Various committees have been established, such as:

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

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

- Control system and internal audit

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

In relation to operational controls

The Company applies internal control and audit systems throughout the organization by discriminately reviewing each department's revenue from operations and control departments. The Company has documented the scope of responsibilities for each function comprising operation, audit and authorization to ensure a proper check and balance system and calls for regular financial reports to relevant management.

In relation to internal audits

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

In relation to risk management

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

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

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1. Philosophy of Work of the Company

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

2. Policies Concerning the Board of Directors

The members of the Board of Directors shall strictly comply with the codes of conduct of a director in compliance with all laws, for the benefits of all stakeholders and with honesty and with no interest in the business either directly or indirectly causing a conflict of interest.

3. Structure of Board of Directors

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

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

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

The Company gives appropriate remuneration to the Board of Directors of the Company comparable to industry standards. Information on remuneration is clearly disclosed in the annual report.

4. Duties and responsibilities of the Board of Directors

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

The Board of Director manages conflict of interest with care, fairness and transparency with the full disclosure of information. In the case where any director has an interest in the matter, such director shall not attend the meeting or cast a vote on that matter.

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

The Board of Directors is aware of its duty to ensure that all shareholders, both major and minor, in accordance with their rights and equitability, receive correct, complete, transparent information and news.

At a meeting of the Board of Directors, at least one half of the total number of directors present shall form a quorum. In the year 2014, all directors attended at least two-thirds of total number of board meetings held during the year. The Company has a policy that each director should attend at least 75%.

The Company has appointed a Company Secretary who is educated and trained in company secretarial practices as shown in "DIRECTORS AND MANAGEMENT PROFILES"

Work Performance of the Board of Directors

The Board of Directors shall convene at least 4 times a year. The consideration of agenda shall rely on the fair treatment of all shareholders and interested persons. Sub-committees shall be obliged to hold meetings as per the duty entrusted to them.

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

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

5. Duties and Responsibilities of the Management

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

6. Policy on Conflict of Interest

The Company provides a Compliance Manual which specify the Company's rules. Executives and Employees must sign their acknowledgement of these rules and strictly follow them for the transparent and fair treatment of the related persons in every group, such as:

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

The company has a policy to supervise the use of inside information of every department and regulate the trading of securities by directors and employees.

7. Policy on Internal Control and Risk Management System

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

8. Policy on Accounting and Financial Transactions

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

9. Policy on the Trading of Securities

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

10. Policy on the Social Responsibility

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

2. Sub-Committee

1. Investment Committee

Name	Position	Meeting Attended in 2014
1. Mr. Suthep Wongvorazathe	Chairman	14/14
2. Mr. Chaipatr Srivisarvacha	Director	14/14
3. Mr. Pinit Puapan	Director	10/14
4. Assistant Professor Pimol Srivikorn	Director	9/14
5. Mr. Peter J. Emblin	Director	14/14
Mr. Somporn Sasiroj	Secretary	

Scope of Duties and Responsibilities of the Investment Committee

- The Investment Committee shall be responsible for reviewing and approving investments and their subsequent divestment.
- The Investment Committee will establish the investment criteria for all the Company's investment and such criteria will be approved by the Board of Directors.

2. Audit and Risk Management Committee

Name	Position	Meeting Attended in 2014
1. Mr. Peter E. Romhild	Chairman	4/4
2. Mrs. Phornpun Phornprapha	Director	3/4
3. Dr. Tanasak Wahawisan*	Director	-
Mr. Sombat Vithayavatcharoen	Secretary	

The members of Audit and Risk Management Committee have knowledge of accounting and experience in auditing financial statements.

* Dr. Tanasak Wahawisan has been appointed as a member of Audit and Risk Management Committee on 28th August 2014.

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

1. Review the sufficiency, credibility and objectivity of the financial reporting by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit and Risk Management Committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.
2. Review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external and internal auditors.
3. Review and approve audit plans, budgets and manpower of Compliance and Internal Audit Department.
4. Consider and review independent and auditing results of Compliance and Internal Audit Department.
5. Participate on the appointment, dismissal, resignation and evaluation of head of Compliance and Internal Audit Department.

6. Review the adequacy and effectiveness of the risk management control system by coordinating with Risk Management Committee and Risk Management Office.
7. Review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
8. Consider and advise the appointment of the external auditors including the audit fee by considering the creditability, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff.
9. Consider compliance with all connected transaction disclosures or the conflict of interests disclosures.
10. Take care of any other matters assigned to it by the board of directors, such as reviewing the company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law. (e. g. Management Discussion and Analysis (MD&A), etc.).
11. Report the activities of the Audit and Risk Management Committee in the Company's annual report, which must be signed by the chairman of the Audit and Risk Management Committee. The following information should be included in the report:
 - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
 - Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
 - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.
12. Review Charter of Audit and Risk Management Committee at least once a year.
13. Perform self-assessment at least once a year and report the results to the Board of Directors.
14. Take all necessary actions to insure that the Board of Directors / Executive Management have evaluated, addressed and are monitoring the material risk associated with the Company's operations.

3. Nominating and Compensation Committee

	Name	Position	Meeting Attended in 2014
1.	Mr. Suthep Wongvorazathe	Chairman	3/3
2.	Mr. Peter E. Romhild	Director	3/3
3.	Mr. Peter J. Emblin	Director	3/3
	Mr. Chaipatr Srivisarvacha	Secretary	

Scope of Duties and Responsibilities of the Nominating and Compensation Committee

1. To consider, make decisions and submit the remuneration of Top management as specified below for the Board and/or Shareholders' meeting approval.
 - Board of Directors' Remuneration
 - Senior Management Compensation

- Senior Management Contracts
 - Overall remuneration increase
2. To consider, comment, and evaluate ESOP Schemes for employees and Directors. The final ESOP Schemes must be submitted to Board of Directors and/or Shareholders' meeting for approval.
 3. To propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.

4. **Corporate Governance Committee**

Name	Position
1. Assistant Professor Pimol Srivikorn	Chairman
2. Mr. Chakrit Sakunkrit	Director
3. Mr. Jesadavat Priebjivat	Director
Mr. Somporn Sasiroj	Secretary

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

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

3. Director Selection

1. **Independent Director**

Selection of Independent Director

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

Definition of Independent Director of the Company

The definition of the Company's Independent Directors is equal to the minimum regulations of the SEC and SET as follows:

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

Not being an employee, staff member or advisor who receives a regular salary from the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)

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

2. **Director Selection**

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

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

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

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

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

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

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

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

The Company realizes the importance of Good Corporate Governance and realizes that the growth and success of the Company are derived from the support of all groups of stakeholders. The Company ensures that all shareholders are treated equally concerning the rights and benefits they deserve. Shareholders can propose additional agenda items and nominate candidates for Company director through the Company's website before the AGM.

4. Subsidiaries and Associates Company Supervision

The Company holds shares in subsidiary and associated companies as follows:

- 1) Solaris Asset Management Co., Ltd. ("Subsidiary Company") has major shareholders and a percentage shareholding as follows;

No.	Name	Percent of Shareholding (%)
1.	Seamico Securities Plc.	100.00

- 2) KT ZMICO Securities Co., Ltd. ("Associated Company") has major shareholders and a percentage shareholding as follows;

No.	Name	Percent of Shareholding (%)
1.	Krungthai Bank Plc.	50.00
2.	Seamico Securities Plc.	49.64
3.	Other Shareholders	0.36

- 3) Beacon Offshore Co., Ltd. (“Associated Company”) has major shareholders and a percentage shareholding as follows;

No.	Name	Percent of Shareholding (%)
1.	Mr. Ole Teigen	28.04
2.	Mrs. Naruemol Chanced	19.06
3.	Seamico Securities Plc.	19.05
4.	Other Shareholders	33.85

The Company has rules for new directors, or the management in subsidiary and associated companies, who are legally authorized to act on behalf of the Company who must be appointed by the Board of Directors. The Board of Directors must consider the person who has the appropriate qualifications and no prohibiting characteristics as specified in Securities and Exchange Act. In the case the Board of directors will appoint a person to be an independent director or Audit and Risk Management Committee director or any other sub committees the Company will do this within comp the Act. Furthermore, the directors and the managers of subsidiary and associated companies must be granted approval by the office of the Securities and Exchanges too.

The Company determines the powers and duties of directors and management who are legally authorized to act on behalf of the Company, its subsidiary or associated companies, in controlling or participating in any important policy relating to the business operations. The company will comply with the effective internal control system by determining operating procedures, delegation of approvals to prevent the directors or the management engaging in any act which may cause damage to any subsidiary and associated companies.

The Company has the mechanisms for controlling subsidiary and associated companies regarding the disclose of their financial position and results of operations, Disclosure of information and other acts of listed companies concerning connected transactions, Disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets, or any important transactions, is consistent with the criteria of the Company. Some subsidiary and associated companies are securities companies. They have duty to disclose information as specified by law and the Company, subsidiary and associated companies have the staff to coordinate disclosure. Furthermore, Each Company has an Audit and Risk Management Committee or independent compliance officer to supervise or give opinions in order to comply with relevant laws. The person who is appointed to be a director of a subsidiary and/or associated companies has a duty to operate transparently the business for the best interest of these companies.

The Company has determined suitable internal control systems for subsidiaries companies and mechanisms to supervise its such as

1. In Shareholder meetings, the Company on behalf of the major shareholders has the right to vote on important agenda items such as increase or reductions of capital, Dissolution of subsidiary company etc.
2. In management terms, the Company determines the representative who is assigned as the director or the management of subsidiaries companies and who has the duty to report the results of operations including any problems, ensuring the Board of Directors’ meets at least every quarter or in the case of emergency. The Company will have a meeting for acknowledgement and approval or rectification of any problems.



The Company has entered into an agreement with Krungthai Bank Plc. to manage KTZMICO, an associated company. This agreement follows the transfer by the company of its operating assets and major staff to KTZMICO to protect the business from higher competition as a result of liberalization of the securities business. The Company has temporarily ceased its operation of its securities and derivative business to act in accordance with the agreement between the Company and KTB and both parties can appoint their representatives to be directors and management.

In 2014, the Board of directors had the role to supervise the operations of the Company in accordance with all laws and regulations. The Company did not fail to comply with the law.

5. Supervision on Using Inside Information

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

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

1. In reference to the Company's organization, each department is clearly divided according to its particular function. A secure entry system is used by all departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:
 - 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
 - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities from the end of an accounting period until the day after the announcement of financial statements to the public. Also, they must report changes in securities holding during Company Board meetings or disclose and certify that there is no conflict of interest when they consider transactions.
 - 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 Management and all officers of the company and its subsidiaries are prohibited from subscribing to securities in which the Company is the underwriter during the specified underwriting period.

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, these persons are not allowed to trade securities on the predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

In May 2009, the Company transferred its securities and derivative businesses, including its assets and key staff to KT ZMICO according to the plan to develop the securities business between the Company and Krungthai Bank Plc. The Company obtained permission from the Securities and Exchange Commission Office (SEC) and the Stock Exchange of Thailand (SET) to temporarily cease its securities and derivative businesses. As a result the company re-organized its organizational structure according to the new structure as stated in item 2 in order to have proper and efficient business management. As a result, the Good Corporate Governance, Internal control and the Measurement of the prevention of the use of inside information as stated in item 2.4 and 2.5 were adjusted accordingly. Under the new structure, the company has continuously maintained its major principals of good corporate governance.

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.

6. Auditor's Remuneration

1. Audit fee

The company and its subsidiaries (Solaris Asset Management Co., Ltd.) paid audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for the year 2014 of Baht 600,000 and 300,000 respectively.

2. Non-audit fee

The Company paid fee for review financial statement of an associated company (Beacon Offshore Co., Ltd.) for the year 2014 of Baht 30,000 to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. because the associate used different audit firm from the Company.

7. OTHER CORPORATE GOVERNANCE

The Company as a securities company has complied with the laws and regulations and good corporate governance practices which improve its standards as follows

- 1) The Company applied for membership of the Compliance Club membership of the Association of Securities Company. The objective of this club is to promote the coordination of compliance officers to share information, knowledge, and review Rules and Regulations. Seminar are held between the members to increase the understanding of their work and to buildup good relationships between the member and Regulators.
- 2) The Company organizes for Compliance officers to take part in compliance seminars and courses which is in compliance with the SEC's regulation and take refresher course every 2 years after their first appointment.

Corporate Social Responsibility



Seamico Securities Public Company Limited was highly focused on corporate social responsibility throughout the year. The Company was engaged in developing local communities as well as showing great concerns for global environmental through CSR campaigns. Apart from providing a complete range of securities services to support customers in their everyday life and business, we also help strengthen local communities and the nation with various activities including supporting the economy, education, environment, society etc.



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The Company and KT ZMICO Securities Company Limited together with an affiliated company had approached to develop and contributed to major development with variety aspects through different organization who are serving with particular areas in which details of activities are as following.

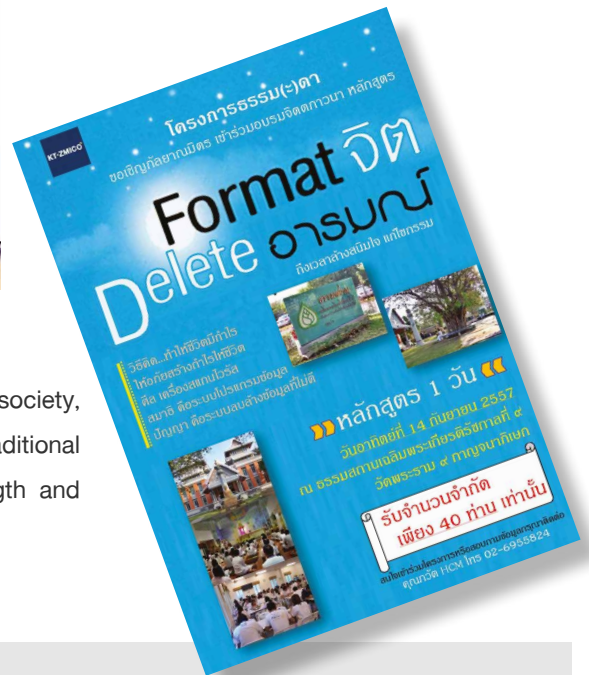
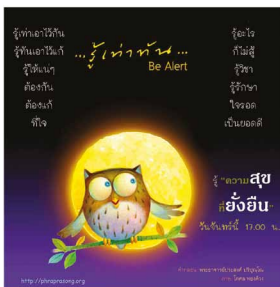
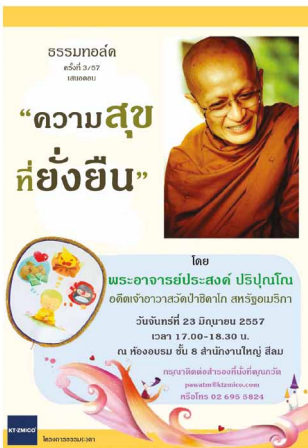
- **Economy & Business**

Sustaining economic development gives people the tools they need to help themselves, while also strengthening society. The company actively promotes balanced economic development through business training, education and the sharing of knowledge

- **Employees**

To provide our employees with a high quality of life, healthy lifestyle and fulfilling careers, Employees are encouraged to take part of any course of education to support their duty





Religion
Religion is one of the major parts in THAI society, The Company consistently supports the traditional of Buddhism to help give society strength and moral support

Employees

To provide our employees with a high quality of life, healthy lifestyle and fulfilling careers, Employees are encouraged to take part of any course of education to support their duty



Environment

The Company encourages businesses to adopt green policies with the environmental preservation vocational and restoration and support special projects to protect like reforestation and adopts energy conservation measures.

Internal Control and Risk Management

For 2014, the Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, and the Company's external auditor including concerning management officers to review the quarterly and annual financial statements for 2014 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.

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

The Board of Directors is of the opinion that there is sufficiency and satisfaction in internal control system which could obtained reasonable assurance that the separate and consolidated financial statement of the company included the financial information stated in Annual Report for the year ended December 31, 2014 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

Related Parties and Connected Transactions

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approvals of related party transactions were in compliance with rule and regulations of The SEC. As at 31 December 2014, 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
		2014	2013	2012		
1) Quam Limited Related by way of common director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Other payable	-	-	0.02	- Actual expense incurred	Mr. Bernard Pouliot resigned from director of the Company effective May 7, 2013. Mr. Kenneth Kin Hing Lam resigned from director of the Company effective August 30, 2013.
	- Other expenses	-	-	0.19	- Actual expense incurred	
2) Quam Securities Company Limited. A company under Quam Group Related by way of common director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Accrued research advisory services	-	-	0.09	- At the rate agreed by the contract	Mr. Bernard Pouliot resigned from director of the Company effective May 7, 2013. Mr. Kenneth Kin Hing Lam resigned from director of the Company effective August 30, 2013.
	- Research advisory expense	-	3.35	0.09	- At the rate agreed by the contract	
3) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director, Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Accrued private fund management fee	0.03	0.04	0.07		The Company has holding of 100 per cent in their equity
	- Other payable	-	0.10	-		
	- Private Fund management fee	0.45	0.56	0.10	- At the rate of 0.2 per cent of net asset value of the fund as under the contract	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
3) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director, Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Compliance service fee	-	0.03	-	- At the rate determined under the contract Of Baht 10,000 per month from August 5, 2013 to November 5, 2013.	The agreement was terminated from March 2014 onwards
	- Office rental expense	0.12	0.73	-	- At the rate determined under the contract April - July 2013 of Baht 105,315 per month and Baht 62,025 per month since August 2013.	
	- Service income	-	2.08	-	- At the rate determined under contract of Baht 521,000 per month (April - July 2013)	
4) KT ZMICO Securities Co., Ltd. (Seamico's current associate) Related by way of common director Mr. Suthep Wongvorazathe Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Other payable	0.53	0.61	0.22	- Actual expense incurred	The Company has holding of 49.64 per cent in their equity the agreement was terminate from April 2013 onwards
	- Outsourcing fee	5.61	3.25	1.80	- At the rate of Baht 150,000 per month, since August 2013 at rate of Baht 440,000 per month., since June 2014 at rate 487,500 Baht per month	
	- Office rental expense	-	0.15	0.59	- At the rate of Baht 49,503 per month (January - March 2013).	
	- Advisory fee income	-	-	5.25	- At the rate determined under the contract at 15 per cent of revenue	
	- Research fee income	3.00	2.80	-	- At the rate agreed by the contract	
5) Thanh Cong Securities Company J.S.C. Related by way of common director Mr. Chaipatr Srivisarvacha	- Other receivable	0.03	-	0.16	- At the rate agreed by the contract	The Company has holding of 18.88 per cent in their equity. Mr. Pinit Puapan resigned from director of Thanh Cong Securities Company J.S.C. effective March 29, 2013

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
<p>6) Beacon Offshore Ltd. (Seamico's currant associate) Related by way of there is a, representative from Samico Securities Plc. Mr. Chirayu Chueyam as Beacon's Director</p>	- Interest income from Bill of Exchange	4.81	-	-	- At the interest rate of Bill of Exchange	The Company has holding of 19.05 per cent in their equity
<p>7) Related with subsidiary and associate Solaris Asset Management Co., Ltd. and KT ZMICO Securities Co., Ltd.</p>	- Office rental income	0.31	-	0.02	- At the rate agreed by the contract of Baht 18,000 per month The new agreement start from March 2014 at the rate agreed by the contract of Baht 30,525 per month	
	- Selling agent fee expenses	0.97	0.59	0.88	- At the rate agreed by the contract	
	- Service fee expenses	0.59	1.11	3.54	- At the rate agreed by the contract of Baht 295,000 per month and Baht 25,000 per month as from April 2013 to May 2014 and Baht 66,600 as from June 2014 onwards.	
	- Private Fund management	1.00	-	-	- At the rate of 0.5 per cent of net asset value of the fund as under the contract	

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
1) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director, Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Investment in common shares	50.06	20.14	19.19	- Investment portion 100 per cent in year 2014, portion 78.33 per cent in year 2013 and portion 75.34 per cent in year 2012	
	- Increase investment in common shares	9.90	17.40	25.00	- 2014: 1.8 million shares at the 5.5 Baht per share 2013: 0.7 million shares at the 10 Baht per share, 1.8 million shares at the 5.5 Baht per share 2012: 2.5 million shares at the 10 Baht per share	
	- Investment value in mutual fund at year end	-	100.72	-	- At NAV of the fund	
	- Investment in mutual fund managed by subsidiary	31.20	10.00	6.00	- Value of investment	
	- Withdrawal mutual fund managed by subsidiary	122.21	-	40.65	- At NAV of the fund	
	- Investment value in private fund at year end	60.28	96.31	384.43	- At NAV of the fund	
	- Investment in private fund managed by subsidiary	-	-	380.99	- Value of investment	
	- Withdrawal private fund managed by subsidiary	55.00	293.69	-	- Value of investment	
2) KT ZMICO Securities Co., Ltd. (Seamico's current associate) Related by way of common director Mr. Suthep Wongvorazathe Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Investment in common shares	1,239.40	1,237.50	1,087.50	- Investment portion at 49.64 per cent	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
3) Thanh Cong Securities Company J.S.C. Related by way of common director Mr. Chaipatr Srivisarvacha	- Investment in common shares	92.60	94.26	88.55	- Total 6,796,500 shares at price VND 11,500 per share	The Company has holding of 18.88 per cent in their equity. Mr. Pinit Puapan resigned from director of Thanh Cong Securities Company J.S.C. effective March 29,2013
4) Evolution Capital Plc. Related by way of common director, Mr. Chaipatr Srivisarvacha	- Purchase interest in subsidiary (Solaris Asset Management Co., Ltd.)	6.75	-	-	- Total 4.55 million shares at the price Baht 1.48317 per share	Mr. Chaipatr Srivisarvacha resigned from director of Evolution capital Plc. effective July 31, 2012.
5) Beacon Offshore Ltd. (Seamico's currant associate) Related by way of there is a representative from Samico Securities Plc. Mr. Chirayu Chueyam as Beacon's director	- Investment in common shares - Interest in Bill of Exchange	60.00 19.89	- -	- -	- Total 2 million shares at the price Baht 30 per share - Value of investment	The Company has holding of 19.05 per cent in their equity.

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
	- No transaction -					

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2014	2013	2012		
	- No transaction -					

Audit Committee's opinion with regard to related parties and connected transaction as of December 31, 2014

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods and/or services	The transactions are reasonable at market rate or fair value.
2. Purchase / Sale of assets and investment	The transactions are reasonable at market rate or fair value.
3. Lending	- No transaction -
4. Management contracts or agreements to provide assistance	- No transaction -

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 Securities and Exchange Commission. Any connected transactions shall be considered in terms of transparency, fairness and benefit to the company.

The Company operated only Investment Advisory Service by ceased other types of Securities business. The types of connected transactions are mostly investment in subsidiary and associated companies also investment in mutual fund and private fund managed by subsidiary which related to normal business activities. The groups of related parties are disclosed in the "Related Parties and Connected Transactions" table above.

Management Discussion and Analysis

1. Overall operating results for the year ended December 31, 2014

Seamico Securities Public Company Limited (“The Company”) and its subsidiary incurred a net profit of Baht 158 million for the year ended December 31, 2014 compared with the net profit of Baht 134 million recorded last year. The increase was mainly from the fee and service income recognized from the subsidiary “Solaris Assets Management Company Limited” (“Solaris”) in which the revenue has increased from Baht 14 million to Baht 56 million resulted in an increase by Baht 42 million because Solaris is able to manage mutual fund and private fund whereby the revenue has increased by 287 per cent. Furthermore, the Assets Under Managements have increased from Baht 4 billion to Baht 16.30 billion or 280 per cent. The Company also recorded gain from securities which is increased from Baht 7 million to Baht 37 million, net increase of Baht 30 million were divided into gain on debt security of Baht 13 million, and gain on equity security of Baht 17 million. However, share of profit from associated companies has decreased from Baht 163 million to Baht 145 million resulting in net decrease of Baht 18 million which came from share of profit from KT ZMICO Securities Company Limited (“KT ZMICO”) decreased by Baht 10 million and share of loss from Beacon Offshore Company Limited (“Beacon”) amounting to Baht 8 million in which the Company has started to invest in Beacon with 19.05% shareholding since March 2014. The Company incurred total operating expenses of Baht 103 million which came from fee and service expenses from Solaris of Baht 21 million, personnel expenses of Baht 39 million, premises and equipment expenses of Baht 11 million, directors’ remuneration of Baht 10 million, consulting fees of Baht 9 million, and income tax revenue of Baht 5.4 million. From the abovementioned reasons, the Company generated net profit of Baht 158 million in 2014.

In 2014, KT ZMICO had a market share of 2.96 per cent in the equity market (SET & MAI excluding market share of proprietary trading) and was ranked No. 13 among securities companies. For derivatives market, KT ZMICO achieved 5.89 per cent market share and was ranked No. 4 in the derivative market.

Major Impact that affects the operations in 2014

After transferring the securities business, Since May 2009, the Company’s operating results depend largely on the operating results of KT ZMICO. The main source of income of the Company’s financial statement is from share of profit of KT ZMICO under equity method which is equivalent to 49.64 per cent of issued and paid-up share capital of KT ZMICO. Moreover, other sources of income include gain on trading securities, interest and dividend income from investments in debt and equity securities for cash management in order to provide the Company with liquidity for day-to-day operations and fee and service income from private fund and mutual fund management of subsidiary (“Solaris”).

The Securities Industry and the Thai Market

In 2014, the SET trading volume rose from the year 2013.

- The SET Index increased by 15 per cent from 1,298.71 points at the end of 2013 to 1,497.67 points at the end of 2014.
- The combined market capitalisation of the SET and MAI increased from Baht 11,674 billion at the end of 2013 to Baht 14,239 billion at the end of 2014, or an increase of 22 per cent.

- The overall average daily trading volume of the market (the SET and MAI) decreased from Baht 50.33 billion in 2013 to Baht 45.47 billion in 2014, or a decrease of 10 per cent.
- The overall average daily trading volume for derivative contract in the derivatives market increased from Baht 68,017 contracts in 2013 to Baht 147,025 contracts in 2014, or an increase of 116 per cent.

Customer Base Expansions

- The customer base of KT ZMICO Securities Co., Ltd. increased by 20.50 per cent from 2013 from increment of KTB's customer base by 27.90 per cent from the prior year. In addition, KT ZMICO Securities Co., Ltd. continuously rendering security business services in the Indochina countries.
- In 2014, Solaris Asset Management Co., Ltd, the subsidiary, launched 10 mutual funds, with approved fund size of Baht 9,583 million. As at the end of 2014, there were 52 mutual funds and private funds under management with total net asset value of Baht 16,303 million.

Underwriting business

- KT ZMICO provides security underwriting business in which the Company is being an underwriter of many securities such as government bond, state enterprise bond, ordinary share, preference share, debenture, convertible debenture, and other financial debt securities. In 2014, KT ZMIO was being a selling agent and underwriter of 23 securities with the underwriting amount of Baht 9,053.45 million and recorded underwriting income of Baht 124.27 million increased from 2013 in which the Company underwrote 10 securities with the underwriting amount of Baht 1,866.95 million and recorded underwriting income of Baht 19.15 million.

Investment Activities

- The Company has an investment in KT ZMICO's ordinary shares at Baht 1,239.4 million with the 49.64 per cent shareholding interest in KT ZMICO.
- The Company has an investment in Thanh Cong Securities J.S.C. ("TCSC"), a security company in Vietnam at Baht 156.02 million with the 18.88 per cent shareholding interest in TCSC which is the same as the previous year.

In 2014, the Company set up allowance for impairment for investment in TCSC in addition of Baht 1.6 million. Thereby, as at December 31, 2014, the Company has recorded an allowance for impairment for such investment in sum of Baht 63.42 million and the book value investment was shown at Baht 92.60 million.

- On October 17, 2012, the Company entered into an agreement with Soloris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for the period of one year which will be expired on October 17, 2013 and the contract will be automatically renewed for every one year. Under the agreement, the Company agreed to pay a management fee at the rate of 0.2 per cent per annum of the net asset value of the fund. As at December 31, 2014, the fund has net asset value at Baht 60 million.
- The Company has investment in ordinary shares of Beacon Offshore Company Limited ("Beacon") amounting to Baht 60 million in which the Company has started to invest in Beacon with 19.05 per cent shareholding since March 2014. Beacon provides sale and service of safety and survival equipment for the marine and offshore industries.

Local and International Awards and Recognitions

- The Company won an "Excellent" rating for the AGM 2014 assessed by the Thai Investors Association.

- The Company earned a “Good” rating for the Corporate Governance 2014 assessed by the Thai Institute of Director (IOD).

Financial Position

- As at December 31, 2014, shareholders’ equity was Baht 2,408 million which increased from Baht 2,374 million as of December 31, 2013. This was due to the fact that the Company generated net profit attribute to the owners of the parent in 2014 of Baht 158 million and being decreased from the difference arising from change of partial interest in subsidiary of Baht 6 million, and payment of dividend of Baht 118 million.
- The Company was approved to temporarily discontinue its Securities trading business and Derivatives trading business from the Office of the Securities and Exchange Commission (SEC), effective from May 1, 2009 to December 31, 2011. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivatives business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011 and until December 31, 2015 as the letter issued by the Stock Exchange of Thailand No. Bor Sor Chor. 05/2557 dated June 25, 2014. Therefore, the Company is not required to maintain its net liquid capital as define by the SEC as from May 1, 2009 onwards.

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service according to its existing Securities trading business and Derivative trading business license from the SEC by which the Company is required to maintain its net liquid capital as according to the requirement of the Notification SEC No. Kor Thor 4/2557.

As at December 31, 2014, the Company is able to maintain its net liquid capital more than the condition.

- The Company remains free of external debts.

2. Operating Results Classified by Line of Businesses

During 2014, the Company and its subsidiary recorded the total income of Baht 254 million, an increase of 27 per cent from the previous year.

(Million Baht)

	2014		2013	
	Amount	%	Amount	%
Fee and service income	56.29	22.10	14.12	7.06
Gains on trading in securities	37.21	14.61	6.87	3.43
Interest and dividend income	9.84	3.87	6.38	3.19
Share profit of associated companies by equity method	144.61	56.78	163.12	81.50
Gain on transfer of assets and its business to associated company	1.73	0.68	5.92	2.96
Other income	5.00	1.96	3.75	1.87
Total income	254.68	100.00	200.16	100.00

(1) Security business income

1.1) Fee and Service Income

The Company and its subsidiary earned Baht 56 million of fee and service income in 2014 which came from fee and service income from private funds and mutual funds management. Fee and service income increased by Baht 42 million from the previous year resulted from fee and service income from Solaris by

which the revenue increased by 287 per cent and Asset Under Management has increased from Baht 4 billion to Baht 16.30 billion or 280 per cent.

1.2) Gain on Trading in Securities

During 2014, the Company realized gain on securities trading of Baht 37 million which resulted from;

- Gain on equity securities trading	Baht	21 million
- Gain on debt securities trading	Baht	16 million

1.3) Interest and dividend income

In 2014, the Company earned interest income of Baht 9 million from deposits at bank and financial institutions, investment in debt and dividend income from securities.

1.4) Share of profit from associated company

In 2014, the Company recognized share of profit from associated company (KT ZMICO) under equity method of Baht 152 million. In addition, the Company recognized share of loss from Beacon Offshore Company Limited under equity method of Baht 8 million.

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

On May 1, 2009, the Company transferred its business to KT ZMICO with the payment of Baht 500 million received from KT ZMICO. On May 4, 2009 the Company received up front payment of Baht 300 million. The remaining payment of Baht 200 million will be received within 3 years based on the operating results of KT ZMICO. The Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3-year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

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

The Company will realize such “unrealized gain on transfer of assets to the associated company” as income when the Company has lower percentage of shareholding in KT ZMICO or when KT ZMICO sells such transferred assets to the third parties.

In 2009 - 2012, the separate financial statements additionally recorded gain on transfer of assets and business to KT ZMICO of Baht 200 million. However, the Company recognized such gain on transfer of assets and business to associated company as income of Baht 100 million in the consolidated financial statement according to the shareholding percentage of the third parties in KT ZMICO at 50.55 per cent, was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated statement of financial position.

In addition, KT ZMICO transferred assets to the third parties. Therefore, the Company reversed “unrealized gain on transfer of assets to the associated company” and recorded gain on transfer of assets and business to associated company of Baht 35 million.

During 2013 - 2014, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “Unrealized gain on transfer of asset to the associated company” as gain on transfer assets and business to associated company in consolidated financial statement of Baht 8 million.

At the end of 2014, the total unrealized gain on transfer of assets to the associated company was Baht 148 million which is summarized in the table below.

(Million Baht)

	Gain on transfer of asset		Unrealized gain on transfer of asset (liabilities)
	Separated (income)	Consolidated (income)	
Recorded as at transferred date (May 2, 2009)	185	94	91
In 2009 - 2013			
Increased gain on transferred of business to KT ZMICO	200	100	100
KT ZMICO sold the transferred assets to the third party	-	35	(35)
In 2013 - 2014			
KT ZMICO sold the transferred assets to the third party	-	8	(8)
Balance as at 2014			148

(2) **Securities Business Expenses**

In 2014, The Company had total expenses of Baht 102 million, an increase of Baht 36 million or 54 per cent from previous year.

2.1) Fee and Service Expenses

In 2014, Fees and Service expenses were at Baht 21 million which mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

(Million Baht)

	2014		2013	
	Amount	%	Amount	%
Fees and services expenses	20.98	20.44	6.31	9.46
Bad debts and doubtful debts (reversal)	(2.70)	(2.63)	-	-
Operating expenses	82.67	80.57	66.06	99.09
Impairment loss on securities (reversal)	1.66	1.62	(5.70)	(8.55)
Total expenses	102.61	100.00	66.67	100.00

2.2) Bad debts and doubtful debts

During 2014, the Company reversed allowance for doubtful debts amounting to Baht 2.7 million due to the collateral value has increased. The collateral value for the year 2013 remains unchanged from 2012, therefore, it does not affect the amount of doubtful accounts.

3) Operating Expenses

Major portions of operating expenses were personnel expenses and consulting fees which accounted for 48 per cent and 11 per cent of total operating expenses respectively. Total operating expenses increased by Baht 17 million or 25 per cent from previous year was resulted from personnel expense increase by Baht 10 million, due to the fact that the number of employees in the Company and the subsidiary has increased from last year, and premises and equipment expenses increased by Baht 3 million because there were office renovations and rental office space has increased.

(4) Profit Margin

The net profit margin decreased from 67 per cent at the end of 2013 to 62 per cent at the end of 2014. This resulted from share of profit of associated companies under equity method decreased by Baht 18 million, fee and service expenses increased by Baht 15 million, personnel expenses increased by Baht 10 million, premises and equipment expenses increased by Baht 3 million, directors' remunerations increased by Baht 4.5 million, and impairment loss from investment increased by Baht 7 million.

(5) Return on Equity

Return on equity was 6.70 per cent in 2014 which increased from 6.57 per cent in 2013.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Component of Assets

As at December 31, 2014, the Company and its subsidiary had total assets of Baht 2,640 million by which 33 per cent was current assets and 67 per cent was non-current assets.

Major changes to assets were as follows:

- Cash and Cash Equivalent

Cash and cash equivalents as at December 31, 2014 were Baht 303 million, a decrease of Baht 235 million, or 44 per cent from year 2013 (See details in 2.1 Cash Flow).

- Cash at financial institution

As at December 31, 2014, the Company has fixed deposit amounting Baht 50 million which has been secured as collateral for bank guarantee issued for performance bid bond to one bidding project. Additional fixed deposit of Baht 12 million belongs to Solaris for general purposes.

- Investment in Securities

During the year 2014, the Company set up allowance for loss on impairment for ordinary shares of Thanh Cong Securities J.S.C. ("TCSC") of Baht 1.6 million which resulting in book value of TCSC has decreased to Baht 92.6 million from the original cost of Baht 156 million.

In additions, the Company has entered into an agreement with Solaris Asset Management Co., Ltd., which is subsidiary company, to manage the Company's private fund. Total net asset value as at December 31, 2014 was Baht 60 million. The total remaining amounts were investment for cash and liquidity management of the Company by investing in debt securities including bills of exchange amounting to Baht 332 million and corporate bonds amounting to Baht 26 million.

- Investment in subsidiary company

On January 29, 2014, the extraordinary shareholders' meeting of the subsidiary company has passed a special resolution to increase its share capital of Baht 9,900,000, from Baht 115,500,000 to Baht 125,400,000 by issuing additional 1,800,000 ordinary shares with the par value of Baht 5.5 per share and will be sold to the existing shareholders at the par value, in order to be used as working capital and expand its business. The subsidiary company already received cash for such increased share capital on March 6, 2014 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 11, 2014.

On February 27, 2014 the Board of Directors' meeting has passed a resolution to approve the Company entered into the agreement with Evolution Capital Public Company Limited to purchase shares in Solaris Asset Management Co., Ltd., the subsidiary, totally 4,550,000 shares at Baht 1.48317 per share, total amount Baht 6,748,423.50. With the condition that within the period of 2 years from the payment date, if the Company can sell all of its shares in Solaris Asset Management Co., Ltd. to the third party at the higher purchase price per share after the deduction of any applicable taxes and necessary and reasonable expenses (if any) than the price per share received from Evolution Capital Public Company Limited. The Company will pay the difference arising on shares of 4,550,000 shares to Evolution Capital Public Company Limited. On February 28, 2014 the Company purchased such shares from Evolution Capital Public Company Limited already with difference loss arising from the purchase of Baht 5,563,540. Consequently, this increases a holding of the Company in subsidiary to 100%.

- Investment in associated companies

On March 21, 2014 the Company entered into an investment agreement to purchase 2 million ordinary shares of Beacon Offshore Ltd., the share has par value of Baht 10 per share, totally in amount of Baht 60 million, which is 19.05 per cent of total shares. Beacon provides sale and service of safety and survival equipment for the marine and offshore industries.

On December, 3 2014, the Board of Investment Committee's meeting passed the resolution to buy additional investment in ordinary shares in KT ZMICO Securities Co., Ltd. which is the Company's

associated company amounting 99,000 shares at Baht 19.18 each from the existing shareholder. As a result, the shareholding in this associated company has increased from 49.60 per cent to 49.64 per cent.

As at December 31, 2014, the Company had investment in two associated companies comprising (1) KT ZMICO Securities Co., Ltd with the shareholding interest of 49.64 per cent which the investment under cost method and equity method were Baht 1,239.4 million and Baht 1,447.3 million, respectively, and (2) Beacon Offshore Co., Ltd with the shareholding interest of 19.05 per cent which the investment under cost method and equity method were Baht 60 million, and Baht 52.3 million, respectively.

- Securities Business Receivables

Securities business receivables as at December 31, 2014 were Baht 10 million consisted of securities business receivables for proprietary trading at Baht 3 million and Securities Business receivables under litigation at Baht 63 million with related deduction of allowance for doubtful account of Baht 56 million. However, The Company has already reserved full amount of provision for doubtful accounts as per the SEC guideline.

During 2014, the Company wrote off Baht 201 million of securities business receivables together with the related allowance for doubtful accounts because the court judged that the debtors were bankrupt or the litigations were ended.

- Building improvements and equipment - net

Building improvement and equipment - net as at December 31, 2014 increased by Baht 7.7 million or 409 per cent from year 2013 because the Company renovates the rental office, purchases office equipment, and motor vehicle totalling Baht 9.7 million and the Company depreciated its assets amounting to Baht 2 million as according to their useful lives.

- Assets classified as held for sale - net

In September 2009, the Company received the land with total area of 26 Rai and 93 square wah at Amphur Talang , Phuket from debtor in bill of exchange that had matured but unable to be redeemed by the issuer to settle its debt amounting to Baht 157 million. The land was appraised at Baht 220 million by an independent appraisal. Subsequently in December 2014, the Company entered into an agreement to buy and to sell land with the contract price of Baht 183.63 million. The Company received deposit amounting Baht 39.63 million. According to the agreement, the Company must transfer the land to the buyer if the Company received the remaining portion of Baht 144 million within one year after the agreement date.

The remaining land amounting Baht 8 million was the land and condominium in settlement from debtors. In 2014, the Company sold the certain part of the land amounting Baht 2.2 million to the third party.

1.2 Quality of Assets

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

Investment

As at December 31, 2014, the Company had total investments of Baht 506 million (original cost was Baht 562 million), or 19 per cent of total assets which the details are as follows :-

(Million Baht)

Classification	Cost/ Amortised cost	Fair value
Trading securities		
Equity securities - Listed securities	50.48	52.40
Debt securities - Corporate bond	25.49	25.98
Debt securities - Bill of exchange	326.74	331.89
Mutual fund	2.87	2.87
Total	405.58	413.14
Add Revaluation adjustments	7.56	-
Total Trading securities - net	413.14	413.14
General investments		
Ordinary shares	156.51	93.08
Preferred shares	0.13	0.13
Total	156.64	93.21
Less Allowance for loss on impairment	(63.43)	-
Total General investments - net	93.21	93.21
Total investments - net	506.35	506.35

The proportions of investment as at December 31, 2014 are as follows;

Investment in listed securities	10 per cent
Investment in corporate bond and bill of exchange	71 per cent
Investment in unit trust	1 per cent
Investment in general investment	18 per cent

Securities Business Receivables and Accrued Interest Receivables

The Company had total securities receivables and accrued interest receivables as at December 31, 2014 of Baht 66 million including securities business receivables for proprietary trading of Baht 3 million and the remaining amount of Baht 63 million is Securities Business receivables under litigation with allowance for doubtful debt of Baht 56 million, or 85 per cent of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at December 31, 2014 were Baht 303 million which decreased from December 31, 2013 by Baht 235 million. The summary of cash-in flow and cash-out flow from various activities are shown in the following table.

Activities	Million Baht
Cash used in Operating Activities	(160)
Cash provided by Investing Activities	43
Cash used in Financing Activities	(118)
Net decrease in Cash and Cash Equivalent	(235)

The Company has used cash in the activities below to generate greater income and facilitate liquidity.

- Operating Activities

During 2014, cash from operating activities decreased by Baht 160 million.

Cash decreased from :-

- Deposit at financial institution increased by Baht 62 million.
- Investment in trading securities increased by Baht 99 million.
- Other assets increased by Baht 9 million.
- Securities business payable decreased by Baht 50 million.
- Operating activities by Baht 4 million.

Cash increased from :-

- Securities business receivables decreased by Baht 51 million.
- Accrued expenses and other liabilities increased by Baht 13 million.

- Investing Activities

During 2014, cash from investing activities increased by Baht 43 million.

Cash decreased from :-

- Cash paid for purchase of investment in associates of Baht 62 million.
- Cash paid for repurchase interest in subsidiary of Baht 7 million.
- Cash paid for purchase of equipment and intangible assets of Baht 9 million.

Cash increased from :-

- Cash received from disposal of available for sales investments of Baht 11 million.
- Cash received from sales of asset held for sales of Baht 4 million.
- Cash received from interest and dividend from investments in securities of Baht 3 million.
- Cash received from dividend from associate (KT ZMICO Securities Co., Ltd) of Baht 64 million.
- Deposit received from disposal of asset held for sales of Baht 39 million.

- Financing Activities

During 2014, cash from financing activities decreased by Baht 118 million due to the dividend payment to shareholders.

2.2 Significant Liquidity Ratios

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

	Dec 31, 2014	Dec 31, 2013
Liquid Assets to Total Assets Ratio (%)	27	33
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

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

3. Capital expenditure

Capital expenditure on investment

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

4. Sources of Capital

4.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2014 and 2013 were 0.10 times for the same period.

4.2 Shareholders' equity

As at December 31, 2014, shareholders' equity totalled Baht 2,408 million, an increase of Baht 34 million, or 1.44 per cent from December 31, 2013. The shareholders' equity increased from net profit attributed to the owners of parent in 2014 of Baht 158 million and surplus on re-measuring available-for-sale investment increased by Baht 1 million. Shareholders' equity decreased from share of other comprehensive loss of an associated company of Baht 2 million, difference arising from disposal of partial interest in subsidiary of Baht 5 million, and dividend payment of Baht 118 million.

4.3 Liabilities

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



Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Seamico Securities Public Company Limited and its subsidiary, and the separate financial statements of Seamico Securities Public Company Limited which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related consolidated and separate statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial positions of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited as at December 31, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No.4301

BANGKOK
February 24, 2015

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statements of Financial Position

Seamico Securities Public Company Limited and its Subsidiary
As at December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
ASSETS					
Cash and cash equivalents	5	302,602,464	538,011,791	281,723,738	520,355,686
Deposits at financial institutions	6	62,193,218	-	50,155,821	-
Securities business receivables - net	7	10,102,377	58,480,079	10,102,377	58,480,079
Investments - net	9.1	506,356,725	409,977,492	506,356,725	409,977,492
Investments in subsidiary and associated companies - net	10	1,499,565,987	1,358,857,228	1,349,467,800	1,257,648,990
Building improvements and equipment - net	11	9,521,080	1,866,784	8,240,790	636,159
Intangible assets - net	12	4,713,307	5,830,466	3,322,150	3,327,063
Deferred tax assets - net	13	62,003,829	56,813,134	30,560,186	33,699,555
Assets classified as held for sale - net	14	162,873,800	165,188,800	162,873,800	165,188,800
Other assets	15	19,601,976	10,973,612	2,646,443	3,627,467
TOTAL ASSETS		2,639,534,763	2,605,999,386	2,405,449,830	2,452,941,291

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

Statements of Financial Position (Continued)

Seamico Securities Public Company Limited and its Subsidiary
As at December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Securities business payable - net		4,425,775	54,238,462	4,425,775	54,238,462
Accrued expenses		13,110,320	7,239,407	10,238,062	5,617,128
Unrealized gain on transfer of business to an associated company	35	148,451,960	150,182,894	-	-
Employment benefits obligation	16	4,651,990	4,645,917	3,485,103	3,802,265
Deposit received in advance	17	39,629,250	-	39,629,250	-
Other liabilities	18	20,780,016	13,489,532	13,664,086	12,936,394
Total liabilities		<u>231,049,311</u>	<u>229,796,212</u>	<u>71,442,276</u>	<u>76,594,249</u>
OWNERS' EQUITY					
Share capital					
Authorized share capital					
1,883,929,172 ordinary shares of Baht 0.50 each	19	<u>941,964,586</u>	<u>941,964,586</u>	<u>941,964,586</u>	<u>941,964,586</u>
Issued and paid-up share capital					
1,307,736,926 ordinary shares of Baht 0.50 each, fully paid	19	653,868,463	653,868,463	653,868,463	653,868,463
Premium on share capital	22	1,496,406,747	1,496,406,747	1,496,406,747	1,496,406,747

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

Statements of Financial Position (Continued)

Seamico Securities Public Company Limited and its Subsidiary
As at December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
LIABILITIES AND OWNERS' EQUITY					
(CONTINUED)					
Other components of equity		2,956,023	3,722,089	-	(771,327)
Retained earnings					
Appropriated					
Statutory reserve	23	108,383,352	108,383,352	108,383,352	108,383,352
Unappropriated		151,430,939	110,960,723	75,348,992	118,459,807
Difference arising on disposal of partial interest					
in subsidiary	10	(4,560,072)	1,003,468	-	-
Total equity attributable to owners of					
the parent		2,408,485,452	2,374,344,842	2,334,007,554	2,376,347,042
Non-controlling interests		-	1,858,332	-	-
Total owners' equity		2,408,485,452	2,376,203,174	2,334,007,554	2,376,347,042
TOTAL LIABILITIES AND OWNERS' EQUITY		2,639,534,763	2,605,999,386	2,405,449,830	2,452,941,291

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

Statements of Comprehensive Income

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Fee and service income	24	56,293,566	14,123,962	-	-
Gain on investments	9.2	37,213,830	6,868,395	37,213,830	6,868,395
Share of profit of associated company accounted for under equity method		144,613,632	163,120,024	-	-
Interest and dividend income		9,839,704	6,377,155	73,695,605	160,240,125
Gain on transfer of business to an associated company	35	1,730,934	5,914,457	-	-
Other income		4,998,051	3,752,188	4,631,500	5,202,561
Total revenues		<u>254,689,717</u>	<u>200,156,181</u>	<u>115,540,935</u>	<u>172,311,081</u>
EXPENSES					
Finance cost		8,802	-	8,802	-
Fee and service expenses	25	20,975,365	6,311,688	500,869	617,226
Operating expenses					
Personnel expenses		39,418,397	29,676,236	20,713,264	15,388,915
Premises and equipment expenses		11,274,299	7,847,910	5,735,451	2,674,141
Directors' remuneration	26	10,139,666	5,629,666	9,069,666	4,689,666
Consulting fee		9,003,963	11,393,294	7,914,146	9,873,181
Communication and information expenses		2,229,879	1,810,023	1,131,424	782,233
Other expenses	27	10,596,202	9,701,575	7,273,254	7,417,569
Bad debts and doubtful accounts (reversal)		(2,698,173)	-	(2,698,173)	-
Impairment loss on securities (reversal)	29	1,660,421	(5,704,987)	(11,611,145)	10,737,106
Total expenses		<u>102,608,821</u>	<u>66,665,405</u>	<u>38,037,558</u>	<u>52,180,037</u>
INCOME BEFORE INCOME TAX		<u>152,080,896</u>	<u>133,490,776</u>	<u>77,503,377</u>	<u>120,131,044</u>
INCOME TAX (EXPENSES) BENEFIT	30	<u>5,383,526</u>	<u>(3,088,624)</u>	<u>(2,946,538)</u>	<u>(1,905,733)</u>
NET INCOME		<u>157,464,422</u>	<u>130,402,152</u>	<u>74,556,839</u>	<u>118,225,311</u>

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

Statements of Comprehensive Income (Continued)

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
OTHER COMPREHENSIVE INCOME (LOSS)					
Gain (loss) on re-measuring available-for-sale investments	9.4	-	(964,158)	-	(964,158)
Reclassification adjustments relating to available-for-sale investments disposed of in the period	9.4	964,158	-	964,158	-
Actuarial losses on defined benefit plans		-	(312,508)	-	(915,043)
Share of other comprehensive income of an associated company		(1,537,393)	700,090	-	-
Share of actuarial losses on defined benefit plans of an associated company		-	(5,802,372)	-	-
Income tax relating to components of other comprehensive income	9.4	(192,831)	192,831	(192,831)	192,831
TOTAL OTHER COMPREHENSIVE LOSS - NET		<u>(766,066)</u>	<u>(6,186,117)</u>	<u>771,327</u>	<u>(1,686,370)</u>
TOTAL COMPREHENSIVE INCOME		<u>156,698,356</u>	<u>124,216,035</u>	<u>75,328,166</u>	<u>116,538,941</u>
NET PROFIT ATTRIBUTABLE TO:					
Owners of the parent		158,137,870	134,439,095	74,556,839	118,225,311
Non-controlling interests		(673,448)	(4,036,943)		
		<u>157,464,422</u>	<u>130,402,152</u>		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				<u>75,328,166</u>	<u>116,538,941</u>
Owners of the parent		157,371,804	128,122,409	75,328,166	116,538,941
Non-controlling interests		(673,448)	(3,906,374)		
		<u>156,698,356</u>	<u>124,216,035</u>		
EARNINGS PER SHARE OF OWNERS OF THE PARENT					
BASIC EARNINGS PER SHARE	BAHT	0.121	0.120	0.057	0.105
WEIGHTED AVERAGE					
NUMBER OF ORDINARY SHARES	19 SHARES	1,307,736,926	1,122,356,536	1,307,736,926	1,122,356,536

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

Statements of Changes in Owners' Equity

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS										
	Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Other components of equity Surplus (deficit) on re-measuring available-for-sale investments	Share of other comprehensive income (loss) of an associated company	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings (deficit)	Difference arising on disposal of partial interest in subsidiary	Total equity attributable to owners of the parent	Non-controlling interests	Total owners' equity
Balance as at January 1, 2013	511,309,724	-	1,116,138,100	-	3,793,326	108,383,352	44,105,341	1,003,468	1,784,733,311	5,764,706	1,790,498,017
Total comprehensive income	-	-	-	(771,327)	700,090	-	128,193,646	-	128,122,409	(3,906,374)	124,216,035
Share capital increased	19 142,558,739	-	380,268,647	-	-	-	-	-	522,827,386	-	522,827,386
Dividend	20 -	-	-	-	-	-	(61,338,264)	-	(61,338,264)	-	(61,338,264)
Ending balance as at December 31, 2013	<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>(771,327)</u>	<u>4,493,416</u>	<u>108,383,352</u>	<u>110,960,723</u>	<u>1,003,468</u>	<u>2,374,344,842</u>	<u>1,858,332</u>	<u>2,376,203,174</u>
Balance as at January 1, 2014	653,868,463	-	1,496,406,747	(771,327)	4,493,416	108,383,352	110,960,723	1,003,468	2,374,344,842	1,858,332	2,376,203,174
Total comprehensive income	-	-	-	771,327	(1,537,393)	-	158,137,870	-	157,371,804	(673,448)	156,698,356
Difference arising on change of partial interest in subsidiary	-	-	-	-	-	-	-	(5,563,540)	(5,563,540)	-	(5,563,540)
Non-controlling interests decreased	-	-	-	-	-	-	-	-	-	(1,184,884)	(1,184,884)
Dividend	20 -	-	-	-	-	-	(117,667,654)	-	(117,667,654)	-	(117,667,654)
Ending balance as at December 31, 2014	<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>-</u>	<u>2,956,023</u>	<u>108,383,352</u>	<u>151,430,939</u>	<u>(4,560,072)</u>	<u>2,408,485,452</u>	<u>-</u>	<u>2,408,485,452</u>

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

Statements of Changes in Owners' Equity (Continued)

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

								BAHT
		SEPARATE FINANCIAL STATEMENTS						
	Notes	Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Other components of equity Surplus (deficit) on re-measuring available- for-sale investments	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings	Total owners' equity
Balance as at January 1, 2013		511,309,724	-	1,116,138,100	-	108,383,352	62,487,803	1,798,318,979
Total comprehensive income		-	-	-	(771,327)	-	117,310,268	116,538,941
Share capital increased	19	142,558,739	-	380,268,647	-	-	-	522,827,386
Dividend	20	-	-	-	-	-	(61,338,264)	(61,338,264)
Ending balance as at December 31, 2013		<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>(771,327)</u>	<u>108,383,352</u>	<u>118,459,807</u>	<u>2,376,347,042</u>
Balance as at January 1, 2014		653,868,463	-	1,496,406,747	(771,327)	108,383,352	118,459,807	2,376,347,042
Total comprehensive income		-	-	-	771,327	-	74,556,839	75,328,166
Dividend	20	-	-	-	-	-	(117,667,654)	(117,667,654)
Ending balance as at December 31, 2014		<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>-</u>	<u>108,383,352</u>	<u>75,348,992</u>	<u>2,334,007,554</u>

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

Statements of Cash Flows

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

BAHT

	CONSOLIDATED		SEPARATE		
	Notes	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		152,080,896	133,490,776	77,503,377	120,131,044
Adjustments					
Depreciation and amortization		3,230,519	1,961,121	1,504,509	182,716
Gain on disposal of assets classified as held for sale		(1,435,534)	-	(1,435,534)	-
Gain on sales of office equipment		(27,157)	(405,026)	(5,856)	-
Bad debt and doubtful accounts (reversal)		(2,698,173)	-	(2,698,173)	-
Unrealized (gain) loss on re-measuring trading investments		(7,211,950)	1,706,692	(7,211,950)	1,706,692
Gain on sale of available-for-sale investments		(696,114)	-	(696,114)	-
Impairment loss (reversal) from equity securities		1,660,421	(5,704,987)	1,660,421	(5,704,987)
Impairment loss (reversal) from investment in subsidiary		-	-	(13,271,566)	16,442,093
Share of profit of an associated company accounted for under equity method		(144,613,632)	(163,120,024)	-	-
Gain on transfer of business to an associated company		(1,730,934)	(5,914,457)	-	-
Finance cost		8,802	-	8,802	-
Interest and dividend income		(9,839,705)	(6,377,155)	(73,695,605)	(160,240,125)
Employee benefit expenses (reversal)		6,073	2,339,154	(317,162)	1,951,275
Cash received from interest		9,447,856	3,089,253	9,097,017	2,595,441
Cash paid for income tax		(1,731,654)	(514,785)	(194,059)	(128,658)
Loss from operating before changes in operating assets and liabilities		(3,550,286)	(39,449,438)	(9,751,893)	(23,064,509)
(Increase) decrease in operating assets					
Deposit at financial institutions		(62,193,218)	-	(50,155,821)	-
Investments in trading securities		(99,863,545)	(125,651,220)	(99,863,545)	(125,651,220)
Securities business receivables		51,075,875	(54,432,819)	51,075,875	(54,432,819)
Other assets		(9,146,416)	(1,037,995)	(1,134,183)	127,648
Increase (decrease) in operating liabilities					
Securities business payable		(49,812,687)	54,238,462	(49,812,687)	54,238,462
Accrued expenses		5,870,913	(793,138)	4,620,934	(171,284)
Other liabilities		7,173,981	(2,262,120)	614,838	(1,770,309)
Net cash from operating activities		(160,445,383)	(169,388,268)	(154,406,482)	(150,724,031)

Statements of Cash Flows (Continued)

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase of investments		-	(10,000,000)	-	(10,000,000)
Proceeds from disposal of investments		10,696,114	-	10,696,114	-
Cash paid for purchase of investment in subsidiary		-	-	(9,900,000)	(17,400,000)
Cash paid for purchase of investment in associates		(61,898,820)	(149,999,850)	(61,898,820)	(149,999,850)
Cash paid for repurchase in subsidiary		(6,748,424)	-	(6,748,424)	-
Cash paid for acquisition of equipment		(9,581,389)	(914,963)	(8,980,447)	(525,941)
Proceeds from disposal of equipment		71,573	435,514	15,789	-
Cash paid for acquisition of intangible assets		(93,320)	(18,000)	-	-
Proceeds from sale of assets classified as held for sale		3,755,113	-	3,755,113	-
Proceeds from interest and dividend					
from investments in securities		2,641,553	1,002,366	2,641,553	1,002,366
Cash received from dividend of an associated company		64,266,300	154,365,120	64,266,300	154,365,120
Deposit received from disposal of asset held for sale		39,629,250	-	39,629,250	-
Net cash from investing activities		<u>42,737,950</u>	<u>(5,129,813)</u>	<u>33,476,428</u>	<u>(22,558,305)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid on liabilities under finance lease agreements		(34,240)	-	(34,240)	-
Cash received from share capital increased		-	522,827,386	-	522,827,386
Cash paid for dividend		(117,667,654)	(61,338,264)	(117,667,654)	(61,338,264)
Net cash from financing activities		<u>(117,701,894)</u>	<u>461,489,122</u>	<u>(117,701,894)</u>	<u>461,489,122</u>
Net increase (decrease) in cash and cash equivalents		<u>(235,409,327)</u>	<u>286,971,041</u>	<u>(238,631,948)</u>	<u>288,206,786</u>
Cash and cash equivalents as at January 1,		538,011,791	251,040,750	520,355,686	232,148,900
Cash and cash equivalents as at December 31,	5	<u><u>302,602,464</u></u>	<u><u>538,011,791</u></u>	<u><u>281,723,738</u></u>	<u><u>520,355,686</u></u>
Non-cash items					
Decrease in surplus on re-measuring					
available-for-sale investments (net of tax)		771,327	(11,398,751)	771,327	(11,398,751)

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

Notes to the Financial Statements

Seamico Securities Public Company Limited and its Subsidiary
For the Year Ended December 31, 2014

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

Seamico Securities Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 18th Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

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

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

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

As at December 31, 2014 and 2013, the Company has one head office.

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company has temporarily ceased its operation on securities and derivative business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission as the letter No. SEC.Thor. 701/2552. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivative business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011. Consequently, the Company applied the approval system work flow of Investment advisory service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to re-operate its Investment Advisory Services According to the letter No. SEC. BorThor. 994/2556 dated on May 2, 2013 starting from May 2, 2013 onward.

Moreover, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2015 according to the letter No. BorSorChor.05/2557 dated June 25, 2014.

Currently, the major businesses of the Company are related to investment and securities businesses which shall not compete with KT ZMICO Securities Co., Ltd.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company prepares its financial statements in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2009) “Presentation of Financial Statements”, and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.

2.2 The consolidated financial statements for the years ended December 31, 2014 and 2013 include the accounts of the Company and Solaris Asset Management Co., Ltd., which the Company has a shareholding of 100% and 78.33%, respectively in its equity. Significant transactions and balances between the Company and the subsidiary have been eliminated.

Additionally, the consolidated financial statements for the years ended December 31, 2014 and 2013 also included interest in an associated company’s equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

The consolidated financial statements for the years ended December 31, 2014 also included interest in an associated company’s equity which is determined from the financial statements of Beacon Offshore Ltd.

3. NEW THAI FINANCIAL REPORTING STANDARDS

Summary of new Thai Financial Reporting Standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2014 onwards, as follow:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible assets

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2012)	Share -Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Disclosure - Service Concession Arrangements
TSIC 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets Form Customers

Above TFRSs have no material impact on these financial statements.

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2014), which was announced in the Royal Gazette and effective from October 15, 2014 onwards to replace the Accounting Framework (Revised 2009). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2015 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20 (Revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard (TFRS), which is effective for the accounting period beginning on or after January 1, 2016 onwards as follow:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4 (Revised 2014)	Insurance Contracts
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The management of the Company and its subsidiary will adopt the above TFRSs relevant to the Company and its subsidiary in the preparation of the financial statements when they become effective.

The management of the Company and its subsidiary have assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4.1 Revenue and expense recognition

Brokerage fees

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

Fees and service income

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

Interest on margin loans

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

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

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

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

Gain (loss) on trading in securities and derivatives

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

Interest and dividend on investments in securities

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

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

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

4.3 Recognition and amortization of customer deposits

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

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with original maturity not more than 3 months and without commitments, call note receivables and term note receivables with original maturity not more than 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

4.5 Investments in debt and equity securities

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

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

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

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

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

Gains and losses on sale of investments are determined by the weighted average method and recognized in the statements of comprehensive income.

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

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

4.6 Investments in subsidiary and associated companies

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

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

4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

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

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

- a) Assets classified as loss are to satisfy the following criteria:
 - 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
 - 2) Loan balances which the Company has forgiven
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
 - 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

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

4.9 Building improvement and equipment

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

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

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

Impairment

At the end of reporting period, the Company reviews whether there is an indicator indicating that the assets are impaired. In case there is an indicator, the Company will estimate the recoverable amount of such assets. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized as expense immediately.

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

4.10 Assets classified as held for sale

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

Assets held for sale consist of immovable property and golf membership which are stated at the lower of cost or fair value after deducting cost to sell. Loss on impairment will be recorded as expense in the statements of comprehensive income.

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

4.11 Intangible assets

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

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

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

4.12 Securities and derivatives business payables

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

4.13 Long-term lease

4.13.1 Operating lease

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

4.13.2 Finance lease

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

4.14 Employee benefits

4.14.1 Provident fund

The Company and its subsidiary set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. The contributions for provident fund are recorded as expense in the statements of comprehensive income for the period they incur.

4.14.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized in the statements of comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the statements of comprehensive income in order to allocate such costs throughout the service period.

4.14.3 Unused paid vacation leave

The Company and its subsidiary recognize the expected cost of short-term employee benefits in the form of accumulating unused paid vacation leave when the employees render service that increases their entitlement to future paid vacation leave. The expected cost of accumulating unused paid vacation leave is measured as the additional amount that the Company and its subsidiary expect to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

4.15 Provisions

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

4.16 Income tax

Income tax comprises current income tax and deferred income tax.

4.16.1 Current income tax

Current income tax is the amount income tax expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company and its subsidiary generally recognize deferred tax liabilities for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered by the Company and its subsidiary. The Company and its subsidiary do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiary measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiary to off set the recognized amounts and the Company and its subsidiary intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiary present income tax expenses or income related to profit or loss in the statement of comprehensive income. Current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period are recognized directly in other comprehensive income.

4.17 Earnings (loss) per share

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

During the periods, the Company has no potential ordinary share for calculating diluted earnings (loss) per share.

4.18 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 at the end of reporting period are translated to Thai Baht at the exchange rate prevailing at the end of reporting period. Gain and loss resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

4.19 Risk management and prevention

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

4.20 Related parties

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

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

4.21 Use of management judgments

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

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2014 Baht	December 31, 2013 Baht	December 31, 2014 Baht	December 31, 2013 Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	771,426,076	557,105,908	294,609,407	535,066,025
<u>Less</u> Cash deposits held for customers*	<u>(468,823,612)</u>	<u>(19,094,117)</u>	<u>(12,885,669)</u>	<u>(14,710,339)</u>
Total cash and cash equivalents	<u>302,602,464</u>	<u>538,011,791</u>	<u>281,723,738</u>	<u>520,355,686</u>

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

As at December 31, 2014 and 2013, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 468.82 million and Baht 19.09 million, respectively, and the separate statements of financial position in amounting to Baht 12.89 million and Baht 14.71 million, respectively, which the Company must return to the customers at call.

As at December 31, 2014 and 2013, the securities business cash customers of 516 accounts and 565 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 35) have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 5.06 million and Baht 6.88 million, respectively, and shares with the values of Baht 161.21 million and Baht 131.12 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. DEPOSIT AT FINANCIAL INSTITUTIONS

As at December 31, 2014 the Company has fixed deposit amounting Baht 50 million which has been secured as collateral for bank guarantee issued for performance bid bond to one bidding project (see Note 32.11).

7. SECURITIES BUSINESS RECEIVABLES - NET

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Securities business receivables	3,356,944	54,432,819
Other receivables		
Receivables under litigation	62,654,566	263,597,908
Installment receivables	-	7,091
Other receivables	-	406,073
Total securities business receivables	66,011,510	318,443,891
<u>Less</u> Allowance for doubtful accounts (see Note 8)	<u>(55,909,133)</u>	<u>(259,963,812)</u>
Total	<u>10,102,377</u>	<u>58,480,079</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2014			As at December 31, 2013		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	3,356,944	-	3,356,944	54,432,819	-	54,432,819
Substandard debts	6,745,433	-	6,745,433	4,047,260	-	4,047,260
Doubtful debts	55,909,133	(55,909,133)	-	259,963,812	(259,963,812)	-
Total	<u>66,011,510</u>	<u>(55,909,133)</u>	<u>10,102,377</u>	<u>318,443,891</u>	<u>(259,963,812)</u>	<u>58,480,079</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Over 3 years	62,654,566	264,011,072
Total	<u>62,654,566</u>	<u>264,011,072</u>

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Beginning balance of the period	259,963,812	259,963,812
Doubtful accounts (reversal)	(2,698,173)	-
<u>Less</u> Bad debts written-off	<u>(201,356,506)</u>	<u>-</u>
Ending balance of the period (see Note 7)	<u>55,909,133</u>	<u>259,963,812</u>

During the year ended December 31, 2014, the Company wrote off Baht 201.36 million of securities business receivables from cash balance and credit balance (Margin loans) customers, together with the related allowance for doubtful accounts because the court judged that the debtors were bankrupt or the litigations were ended.

9. INVESTMENTS - NET

9.1 The Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2014		As at December 31, 2013	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - List securities	50,480,922	52,397,518	28,716,807	28,298,907
Debt securities - Government bond	-	-	47,979,545	47,973,685
Debt securities - Corporate bond	25,487,223	25,980,817	15,324,888	15,175,881
Debt securities - Bill of exchange	326,742,238	331,895,908	118,679,844	118,914,104
Mutual fund	<u>2,870,000</u>	<u>2,870,775</u>	<u>95,015,754</u>	<u>95,706,946</u>
Total	405,580,383	413,145,018	305,716,838	306,069,523
<u>Add</u> Revaluation adjustments	<u>7,564,635</u>	<u>-</u>	<u>352,685</u>	<u>-</u>
Total trading securities - net	<u>413,145,018</u>	<u>413,145,018</u>	<u>306,069,523</u>	<u>306,069,523</u>
<u>Available-for-sale securities</u>				
Mutual fund	-	-	10,000,000	9,035,842
<u>Add</u> Revaluation adjustments	<u>-</u>	<u>-</u>	<u>(964,158)</u>	<u>-</u>
Total available-for-sale securities - net	<u>-</u>	<u>-</u>	<u>9,035,842</u>	<u>9,035,842</u>
<u>General investments</u>				
Ordinary shares	156,517,201	93,086,707	156,517,201	94,747,127
Preference shares	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Total	156,642,201	93,211,707	156,642,201	94,872,127
<u>Less</u> Allowance for impairment	<u>(63,430,494)</u>	<u>-</u>	<u>(61,770,074)</u>	<u>-</u>
Total general investments - net	<u>93,211,707</u>	<u>93,211,707</u>	<u>94,872,127</u>	<u>94,872,127</u>
Total investments - net	<u>506,356,725</u>	<u>506,356,725</u>	<u>409,977,492</u>	<u>409,977,492</u>

9.2 Gain (loss) on investments

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on re-measuring trading investments	7,211,951	(1,706,692)	7,211,951	(1,706,692)
Gain on sale of trading investments	29,305,765	8,575,087	29,305,765	8,575,087
Gain on sale of available-for-sale investments	696,114	-	696,114	-
Total	<u>37,213,830</u>	<u>6,868,395</u>	<u>37,213,830</u>	<u>6,868,395</u>

9.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Interest income	8,355,886	454,209	7,945,487	454,209
Dividends	1,483,818	621,205	65,750,118	154,986,325
Total	<u>9,839,704</u>	<u>1,075,414</u>	<u>73,695,605</u>	<u>155,440,534</u>

9.4 Surplus on re-measuring available-for-sale investments recognized in owners' equity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Beginning balance of the period	(771,327)	-	(771,327)	-
Changes during the period				
- from deferred tax adjustment	(192,831)	192,831	(192,831)	192,831
- from re-measuring of investments	-	(964,158)	-	(964,158)
- from sale of investments	964,158	-	964,158	-
Ending balance of the period	<u>-</u>	<u>(771,327)</u>	<u>-</u>	<u>(771,327)</u>

9.5 The Company has general investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2014			As at December 31, 2013		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	7,808	866	6,942	7,808	866	6,942
	<u>7,808</u>	<u>866</u>	<u>6,942</u>	<u>7,808</u>	<u>866</u>	<u>6,942</u>

10. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

The Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

Company name	Type of business	Type of shares	CONSOLIDATED FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at invested	As at	As at	As at	As at	As at	As at	As at
			December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Million Baht		Million Baht		%		Million Baht		Million Baht		
Associate										
KT ZMICO										
Securities Co., Ltd.	Securities business	Ordinary share	2,138	2,138	49.64	49.60	1,239.4	1,237.5	1,447.3	1,358.9
Beacon Offshore Ltd.	Sale equipment for marine & offshore industries		105	-	19.05	-	60.0	-	52.3	-
							<u>1,299.4</u>	<u>1,237.5</u>	<u>1,499.6</u>	<u>1,358.9</u>

Company name	Type of business	Type of shares	SEPARATE FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at invested	As at	As at	As at	As at	As at	As at	As at
			December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Million Baht		Million Baht		%		Million Baht		Million Baht		
Subsidiary										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary share	125.4	115.5	100.0	78.33	173.1	156.4	50.1	23.9
Less Allowance for impairment							<u>(123.0)</u>	<u>(136.3)</u>	<u>-</u>	<u>-</u>
							<u>50.1</u>	<u>20.1</u>	<u>50.1</u>	<u>23.9</u>

SEPARATE FINANCIAL STATEMENTS

Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method		
			As at	As at	As at	As at	As at	As at	As at	As at	
			invested	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2014	2013	2014	2013	2014	2013	2014	2013	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht			
Associate											
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,138	2,138	49.64	49.60	1,239.4	1,237.5	1,447.3	1,358.9	
Beacon Offshore Ltd.	Sale equipment for marine & offshore industries		105	-	19.05	-	60.0	-	52.3	-	
							1,299.4	-	1,499.6	-	
							1,349.5	1,257.6	1,549.7	1,382.8	

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

	As at December 31,	
	2014	2013
	Million Baht	Million Baht
Total assets	7,700.0	6,546.3
Total liabilities	(4,974.7)	(4,134.7)
Net assets	2,725.3	2,411.6
	For the years ended December 31,	
	2014	2013
	Million Baht	Million Baht
Total revenue	2,103.8	2,078.5
Net income for the period	264.1	329.1
Net other comprehensive income (loss) for the period	(3.1)	(10.3)
Dividend received from an associated company	64.3	154.4

On February 18, 2013, the extraordinary shareholders' meeting of the subsidiary company has passed a resolution to approve the decreasing the subsidiary's authorized and paid-up capital from Baht 192,000,000 to Baht 105,600,000 and the par value of share from Baht 10 per share to Baht 5.5 per share for decrease of retained deficit of the subsidiary. Additionally, the meeting had a resolution to approve the amendment of the subsidiary's Memorandum of Association to reflect the decrease of the subsidiary's authorized and paid up capital. Consequently, the subsidiary company registered the decrease of authorized and paid-up share capital and amendment of the subsidiary's Memorandum of Association with the Ministry of Commerce on April 2, 2013.

On June 20, 2013, the extraordinary shareholders' meeting of the subsidiary company has passed a special resolution to increase its share capital of Baht 9,900,000, from Baht 105,600,000 to Baht 115,500,000 by issuing additional 1,800,000 ordinary shares with the par value of Baht 5.5 per share and will be sold to the existing shareholders at the par value, in order to be used as working capital and expand its business. The subsidiary company already received cash for such increased share capital on June 25, 2013 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on July 1, 2013.

On January 29, 2014, the extraordinary shareholders' meeting of the subsidiary company has passed a special resolution to increase its share capital of Baht 9,900,000, from Baht 115,500,000 to Baht 125,400,000 by issuing additional 1,800,000 ordinary shares with the par value of Baht 5.5 per share and will be sold to the existing shareholders at the par value, in order to be used as working capital and expand its business. The subsidiary company already received cash for such increased share capital on March 6, 2014 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 11, 2014.

On February 27, 2014 the Board of Directors' meeting has passed a resolution to approve the Company entered into the agreement with Evolution Capital Public Company Limited to purchase shares in Solaris Asset Management Co., Ltd., the subsidiary, totally 4,550,000 shares at Baht 1.48317 per share, total amount Baht 6,748,423.50. With the condition that within the period of 2 years from the payment date, if the Company can sell all of its shares in Solaris Asset Management Co., Ltd. to the third party at the higher purchase price per share after the deduction of any applicable taxes and necessary and reasonable expenses (if any) than the price per share received from Evolution Capital Public Company Limited. The Company will pay the difference arising on shares of 4,550,000 shares to Evolution Capital Public Company Limited. On February 28, 2014 the Company purchased such shares from Evolution Capital Public Company Limited already with difference loss arising from the purchase of Baht 5,563,540. Consequently, this increases a holding of the Company in subsidiary to 100%.

As at December 31, 2014 and 2013, the paid-up share capital of the subsidiary is Baht 125.4 million and Baht 115.5 million, respectively, consisting of 22,800,000 ordinary shares and 21,000,000 ordinary shares, respectively, of Baht 5.5 per share. As at December 31, 2014, the subsidiary's shares are held by the Company 100% (As at December 31, 2013, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 78.33% and 21.67%, respectively).

On December, 3 2014, the Board of Investment Committee's meeting passed the resolution to buy additional investment in ordinary shares in KT ZMICO Securities Co., Ltd. which is the Company's associated company amounting 99,000 shares at Baht 19.18 each from the existing shareholder. As a result, the shareholding in this associated company has increased from 49.60% to 49.64%.

On March 21, 2014 the Company entered into an investment agreement to purchase 2 million ordinary shares of Beacon Offshore Ltd., the share has par value of Baht 10 per share, totally in amount of Baht 60 million, which is 19.05% of total shares. Beacon provides sale and service of safety and survival equipment for the marine and offshore industries.

11. BUILDING IMPROVEMENTS AND EQUIPMENT - NET

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2013 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2014 Baht
Cost				
Building improvement	2,984,518	4,469,133	-	7,453,651
Office equipment	8,887,334	1,400,336	(880,912)	9,406,758
Vehicles	-	3,844,600	-	3,844,600
Total cost	<u>11,871,852</u>	<u>9,714,069</u>	<u>(880,912)</u>	<u>20,705,009</u>
Accumulated depreciation				
Building improvement	(2,225,825)	(864,338)	-	(3,090,163)
Office equipment	(7,779,243)	(740,696)	841,179	(7,678,760)
Vehicles	-	(415,006)	-	(415,006)
Total accumulated depreciation	<u>(10,005,068)</u>	<u>(2,020,040)</u>	<u>841,179</u>	<u>(11,183,929)</u>
Total building improvements and equipment - net	<u>1,866,784</u>	<u>7,694,029</u>	<u>(39,733)</u>	<u>9,521,080</u>

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	Balance as at December 31, 2012 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2013 Baht
Cost				
Building improvement	2,627,657	356,861	-	2,984,518
Office equipment	8,424,432	558,102	(95,200)	8,887,334
Vehicles	934,030	-	(934,030)	-
Total cost	11,986,119	914,963	(1,029,230)	11,871,852
Accumulated depreciation				
Building improvement	(2,053,692)	(172,133)	-	(2,225,825)
Office equipment	(7,421,679)	(452,763)	95,199	(7,779,243)
Vehicles	(934,030)	-	934,030	-
Total accumulated depreciation	(10,409,401)	(624,896)	1,029,229	(10,005,068)
Total building improvements and equipment - net	1,576,718	290,067	(1)	1,866,784
Depreciation for the years ended December 31,				
2014			Baht	2,020,040
2013			Baht	624,896

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	Balance as at December 31, 2013 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2014 Baht
Cost				
Building improvement	187,439	4,469,133	-	4,656,572
Office equipment	1,142,825	799,394	(26,500)	1,915,719
Vehicles	-	3,844,600	-	3,844,600
Total cost	1,330,264	9,113,127	(26,500)	10,416,891
Accumulated depreciation				
Building improvement	(20,639)	(707,490)	-	(728,129)
Office equipment	(673,466)	(377,100)	17,600	(1,032,966)
Vehicles	-	(415,006)	-	(415,006)
Total accumulated depreciation	(694,105)	(1,499,596)	17,600	(2,176,101)
Total building improvements and equipment - net	636,159	7,613,531	(8,900)	8,240,790

SEPARATE FINANCIAL STATEMENTS

	Balance as at December 31, 2012 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2013 Baht
Cost				
Building improvement	-	187,439	-	187,439
Office equipment	804,323	338,502	-	1,142,825
Total cost	804,323	525,941	-	1,330,264
Accumulated depreciation				
Building improvement	-	(20,639)	-	(20,639)
Office equipment	(516,303)	(157,163)	-	(673,466)
Total accumulated depreciation	(516,303)	(177,802)	-	(694,105)
Total building improvements and equipment - net	288,020	348,139	-	636,159
Depreciation for the years ended December 31,				
2014			Baht	1,499,596
2013			Baht	177,802

As at December 31, 2014 and 2013, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 8.6 million and Baht 9.0 million, respectively.

For the separate financial statements as at December 31, 2014 and 2013 the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounted to Baht 0.5 million and Baht 0.4 million, respectively.

12. INTANGIBLE ASSETS - NET

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2014						
	Useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	1,241,973	93,320	(1,210,479)	-	124,814
Total		5,830,466	93,320	(1,210,479)	-	4,713,307

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2013						
	Useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	2,560,199	18,000	(1,336,226)	-	1,241,973
Total		7,148,692	18,000	(1,336,226)	-	5,830,466

Amortization for the years ended December 31,

2014	1,210,479
2013	1,336,226

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2014						
	Useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	6,515	-	(4,913)	-	1,602
Total		3,327,063	-	(4,913)	-	3,322,150

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2013

	Useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	11,429	-	(4,914)	-	6,515
Total		<u>3,331,977</u>	<u>-</u>	<u>(4,914)</u>	<u>-</u>	<u>3,327,063</u>

Amortization for the years ended December 31,

2014	Baht	<u>4,913</u>
2013	Baht	<u>4,914</u>

* Deferred license fees have indefinite useful lives as they have no expiring date and they are expected to contribute to the Company and its subsidiary's net cash inflows indefinitely.

As at December 31, 2014 and 2013, in the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 7.21 million and Baht 1.05 million, respectively. For the separate financial statements, there is no computer software items which have been fully amortized but are still in use.

13. DEFERRED INCOME TAX - NET

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	1,602,758	216,610	1,602,758
Allowance for impairment of investments	32,378,201	32,378,201	32,378,201	32,378,201
Employee benefit obligations	233,378	-	-	-
Unrealized loss on re-measuring trading investments	169,477	155,401	169,477	155,401
Unrealized loss on re-measuring available-for-sale investments	-	192,831	-	192,831
Tax loss carried forward	8,629,668	-	-	-
Other assets	10,357	28,357	10,357	28,357
Unrealized gain on transfer of business to an associated company	<u>22,767,392</u>	<u>23,113,579</u>	<u>-</u>	<u>-</u>
	<u>64,405,083</u>	<u>57,471,127</u>	<u>32,774,645</u>	<u>34,357,548</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,682,404	225,938	1,682,404	225,938
Amortization of license fees	718,850	432,055	532,055	432,055
	<u>2,401,254</u>	<u>657,993</u>	<u>2,214,459</u>	<u>657,993</u>
Deferred tax assets - net	<u>62,003,829</u>	<u>56,813,134</u>	<u>30,560,186</u>	<u>33,699,555</u>

The movements of deferred tax assets and liabilities during the periods are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2014	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2014
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	(1,386,148)	-	216,610
Allowance for impairment of investments	32,378,201	-	-	32,378,201
Employee benefit obligations	-	233,378	-	233,378
Unrealized loss on re-measuring trading investments	155,401	14,076	-	169,477
Unrealized gain on re-measuring available investments	192,831	-	(192,831)	-
Other assets	28,357	(18,000)	-	10,357
Tax loss carried forward from subsidiary	-	8,629,668	-	8,629,668
Unrealized gain on transfer of business to an associated company	23,113,579	(346,187)	-	22,767,392
	<u>57,471,127</u>	<u>7,126,787</u>	<u>(192,831)</u>	<u>64,405,083</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	225,938	1,456,466	-	1,682,404
Amortization of derivative license	432,055	286,795	-	718,850
	<u>657,993</u>	<u>1,743,261</u>	<u>-</u>	<u>2,401,254</u>
Deferred tax assets - net	<u>56,813,134</u>	<u>5,383,526</u>	<u>(192,831)</u>	<u>62,003,829</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2013	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2013
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	-	-	1,602,758
Allowance for impairment of investments	33,519,195	(1,140,994)	-	32,378,201
Unrealized loss on re-measuring trading investments	-	155,401	-	155,401
Unrealized gain on re-measuring available investments	-	-	192,831	192,831
Tax loss carried forward	1,006,077	(1,006,077)	-	-
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	24,296,470	(1,182,891)	-	23,113,579
	<u>60,452,857</u>	<u>(3,174,561)</u>	<u>192,831</u>	<u>57,471,127</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	(185,937)	-	225,938
Amortization of derivative license	332,055	100,000	-	432,055
	<u>743,930</u>	<u>(85,937)</u>	<u>-</u>	<u>657,993</u>
Deferred tax assets - net	<u>59,708,927</u>	<u>(3,088,624)</u>	<u>192,831</u>	<u>56,813,134</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1, 2014	recognized in profit or loss (see Note 30)	recognized in other comprehensive income	December 31, 2014
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	(1,386,148)	-	216,610
Allowance for impairment of investments	32,378,201	-	-	32,378,201
Unrealized loss on re-measuring trading investments trading investments	155,401	14,076	-	169,477
Unrealized loss on re-measuring trading investments available investments	192,831	-	(192,831)	-
Other assets	28,357	(18,000)	-	10,357
	<u>34,357,548</u>	<u>(1,390,072)</u>	<u>(192,831)</u>	<u>32,774,645</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments trading investments	225,938	1,456,466	-	1,682,404
Amortization of derivative license	432,055	100,000	-	532,055
	<u>657,993</u>	<u>1,556,466</u>	<u>-</u>	<u>2,214,459</u>
Deferred tax assets - net	<u>33,699,555</u>	<u>(2,946,538)</u>	<u>(192,831)</u>	<u>30,560,186</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1, 2013	recognized in profit or loss (see Note 30)	recognized in other comprehensive income	December 31, 2013
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	-	-	1,602,758
Allowance for impairment of investments	33,519,195	(1,140,994)	-	32,378,201
Unrealized loss on re-measuring trading investments trading investments available investments	-	155,401	-	155,401
	-	-	192,831	192,831
Tax loss carried forward	1,006,077	(1,006,077)	-	-
Other assets	28,357	-	-	28,357
	<u>36,156,387</u>	<u>(1,991,670)</u>	<u>192,831</u>	<u>34,357,548</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	(185,937)	-	225,938
Amortization of derivative license	332,055	100,000	-	432,055
	<u>743,930</u>	<u>(85,937)</u>	<u>-</u>	<u>657,993</u>
Deferred tax assets - net	<u>35,412,457</u>	<u>(1,905,733)</u>	<u>192,831</u>	<u>33,699,555</u>

For the years ended December 31, 2014 and 2013, the Company has unused tax losses carryforward amounting to Baht 29.03 million and Baht 23.12 million, respectively, which will be expired within 5 years.

For the year ended December 31, 2014, the subsidiary reviewed the carrying amount of deferred tax and recognized deferred tax assets of Baht 8.68 million because the subsidiary expects to have sufficient future taxable profit will be available against which the temporary differences can be utilized of Baht 43.38 million and unused tax loss carryforward is Baht 64.19 million, which will be expired within 5 years.

14. ASSETS CLASSIFIED AS HELD FOR SALE - NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Land	158,052,466	160,257,466
Condominium	4,873,120	4,873,120
Golf membership	-	200,000
	<u>162,925,586</u>	<u>165,330,586</u>
<u>Less</u> Allowance for impairment	<u>(51,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale - net	<u>162,873,800</u>	<u>165,188,800</u>

The Company received the land, condominium and golf membership in settlement of debtors in bill of exchange that had matured but unable to be redeemed by the issuer and margin loans accounts. At present, the Company is in process to find the potential buyers. In the second quarter 2014, the Company sold golf membership and partial of lands to outside parties with gain on sale of Baht 1.44 million.

15. OTHER ASSETS

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Accrued interest income	255,931	2,520,635	180,853	2,505,118
Prepaid insurance	130,219	641,797	130,219	106,194
Prepaid repair and maintenance	159,601	143,468	12,468	-
Other deposits	1,133,228	540,977	786,878	194,627
Fund management fee and service income receivables	8,581,486	1,386,357	-	-
Corporate income tax claim receivable	2,246,437	972,377	322,718	297,494
Value-added-tax receivable	1,865,064	3,932,317	-	-
Others	5,230,010	835,684	1,213,307	524,034
Total	<u>19,601,976</u>	<u>10,973,612</u>	<u>2,646,443</u>	<u>3,627,467</u>

16. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Post-employment benefits obligation	3,844,803	4,049,657	3,091,722	3,577,473
Unused paid vacation leave	807,187	596,260	393,381	224,792
	<u>4,651,990</u>	<u>4,645,917</u>	<u>3,485,103</u>	<u>3,802,265</u>

Post-employment benefits obligation

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefits plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current service cost	700,430	363,419	438,895	149,554
Interest cost	123,844	63,778	104,482	30,668
Past service cost	(1,029,128)	1,715,517	(1,029,128)	1,715,517
	<u>(204,854)</u>	<u>2,142,714</u>	<u>(485,751)</u>	<u>1,895,739</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Beginning balance of post-employment benefits obligation	4,049,657	1,594,435	3,577,473	766,691
Current service cost	700,430	363,419	438,895	149,554
Interest cost	123,844	63,778	104,482	30,668
Past service cost	-	1,715,517	-	1,715,517
Adjust retirement age	(1,029,128)	-	(1,029,128)	-
Actuarial losses on defined benefit plans	-	312,508	-	915,043
Ending balance of post-employment benefits obligation	<u>3,844,803</u>	<u>4,049,657</u>	<u>3,091,722</u>	<u>3,577,473</u>

On July 4, 2014, the Board of Directors' meeting of the Company has passed a resolution to change staff regulations subject "Employee retirement" from retirement age at 55 years to age 60 years. The Company has already informed the change to The Department of Labour Protection and Welfare, Ministry of Labour on July 10, 2014.

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at December 31, 2014 and 2013 are as follows:

Financial assumptions	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014	As at December 31, 2013
	% per annum	% per annum
Discount rate	4.1	4.1
Employee turnover rate	8.0 - 20.0	8.0 - 20.0
Expected rate of salary increase	subject to the range of age of employee 5.0 - 7.0	subject to the range of age of employee 5.0 - 7.0

17. DEPOSIT RECEIVED IN ADVANCE

On December 29, 2014, the Company entered into an agreement to buy and to sell land with the contract price of Baht 183.63 million. The land was the Company's asset classified as held for sale with the book value of Baht 157.31 million. The Company received deposit amounting Baht 39.63 million. According to the agreement, the Company must transfer land to the buyer if the Company received the remaining portion of Baht 144 million within one year after the agreement date.

18. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Withholding tax payable	666,078	421,753	321,082	272,637
Value-added-tax payable	224,653	280,910	224,653	280,910
Others payable	7,391,741	6,092,888	5,860,758	5,636,916
Amounts of capital reduction not redeemed by shareholders	1,017,378	1,041,377	1,017,378	1,041,377
Liabilities under finance lease	107,242	-	107,242	-
Others	11,372,924	5,652,604	6,132,973	5,704,554
Total	<u>20,780,016</u>	<u>13,489,532</u>	<u>13,664,086</u>	<u>12,936,394</u>

19. SHARE CAPITAL

On July 12, 2013, the extraordinary shareholders' meeting 1/2013 of the Company has passed the resolution for the following agendas;

- (1) To approve the reduction of the Company's authorized capital from Baht 511,343,615.50 to Baht 511,309,724 by cancelling 67,783 authorized unissued shares with the par value of Baht 0.50 per share and the amendment of Clause 4 of the Company's Memorandum of Association to be consistent with the authorized capital reduction. The Company has already registered such decrease of its share capital and amended the Company's Memorandum of Association with the Ministry of Commerce on July 25, 2013.
- (2) To consider and approve an increase of the Company's authorized capital from Baht 511,309,724 to Baht 941,964,586 by issuance of 861,309,724 new ordinary shares with a par value of Baht 0.50 per share and the amendment of Clause 4 of the Company's Memorandum of Association to be consistent with the authorized capital increase. The Company has already registered such increase of its share capital and amended the Company's Memorandum of Association with the Ministry of Commerce on August 2, 2013.

According to such increase in authorized share capital, the Company has received paid-up share capital as follows:

- (1) From the sale of newly issued ordinary shares to the existing shareholders of the Company of 10,117,478 shares with a par value of Baht 0.50 per share at price Baht 1.76 per share, totaling Baht 17,806,761.
- (2) From the sale of newly issued ordinary shares to private placement of 275,000,000 shares with a par value of Baht 0.50 per share at price Baht 1.85 per share, totaling 508,750,000 Baht.

The Company has already registered such increase of its share capital with the Ministry of Commerce on September 4, 2013.

Weighted average number of ordinary shares as at December 31, is calculated as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,	
	2014	2013
	Shares	Shares
Beginning balance of ordinary shares	1,307,736,926	1,022,619,448
Add Weighted average additional ordinary shares issued during the period	-	99,737,088
Weighted average number of ordinary shares as at December 31,	1,307,736,926	1,122,356,536



Net asset value

As at December 31, 2014 and 2013, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares at the end of reporting date, is as follow:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Net asset value (per share)	1.84	1.82	1.78	1.82

20. DIVIDEND

On April 28, 2014, the ordinary shareholders' meeting of the year 2014 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2013 to the shareholders at the rate of Baht 0.09 per share equalling to Baht 117.67 million. The dividend was paid on May 12, 2014.

On May 10, 2013, the ordinary shareholders' meeting of the year 2013 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2012 to the shareholders at the rate of Baht 0.06 per share equalling to Baht 61.34 million. The dividend was paid on May 22, 2013.

21. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiary are to sustain the Company and its subsidiary's ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH").

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding "Ongoing capital adequacy of some specific intermediaries".

As at December 31, 2014, the Company is able to maintain its net liquid capital more than the required condition.

22. PREMIUM ON SHARE CAPITAL

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

23. STATUTORY RESERVE

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

24. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	56,293,566	14,123,962	-	-
Total	<u>56,293,566</u>	<u>14,123,962</u>	<u>-</u>	<u>-</u>

25. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	500,000	500,000	-	-
Others	20,475,365	5,811,688	500,869	617,226
Total	<u>20,975,365</u>	<u>6,311,688</u>	<u>500,869</u>	<u>617,226</u>

26. DIRECTORS' REMUNERATION

Directors' represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2014 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 28, 2014 and April 1, 2014, respectively. Directors' remuneration for the year 2013 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on May 10, 2013 and April 12, 2013, respectively.

27. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Entertainment expenses	159,292	121,556	65,988	100,652
Publication and marketing expenses	637,317	645,565	34,884	69,122
Traveling expenses	983,839	1,363,750	914,603	1,323,214
SET fee	2,038,223	2,190,772	2,038,224	2,190,772
Stationery and office supply	836,363	794,550	426,502	639,870
Others	5,941,168	4,585,382	3,793,053	3,093,939
Total	<u>10,596,202</u>	<u>9,701,575</u>	<u>7,273,254</u>	<u>7,417,569</u>

28. PROVIDENT FUND

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

For the years ended December 31, 2014 and 2013, the Company has contributed Baht 0.5 million to the fund and the subsidiary has contributed Baht 0.5 million and Baht 0.4 million respectively, to the fund.

29. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Impairment loss (reversal) from equity securities	1,660,421	(5,704,987)	1,660,421	(5,704,987)
Impairment loss (reversal) on investment in subsidiary	-	-	(13,271,566)	16,442,093
Total	<u>1,660,421</u>	<u>(5,704,987)</u>	<u>(11,611,145)</u>	<u>10,737,106</u>

30. CORPORATE INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Income tax (expenses) benefit (see Note 13)	5,383,526	(3,088,624)	(2,946,538)	(1,905,733)
Total	<u>5,383,526</u>	<u>(3,088,624)</u>	<u>(2,946,538)</u>	<u>(1,905,733)</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Income before tax	152,080,896	133,490,776	77,503,377	120,131,044
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied				
by the income tax rate - expenses	(30,416,179)	(26,698,156)	(15,500,675)	(24,026,209)
Tax effect of the non-deductible income and expense	26,166,299	32,916,945	12,736,824	31,427,889
Effect of the temporary difference not				
recognized as deferred tax assets	2,385,661	(3,678,671)	2,385,661	(3,678,671)
Effect of tax loss carried forward not recognized				
as deferred tax assets	(1,182,200)	(4,622,665)	(1,182,200)	(4,622,665)
Write off deferred tax of tax loss carry forward				
which is expired	-	(1,006,077)	-	(1,006,077)
Written-off allowance for doubtful accounts	(1,386,148)	-	(1,386,148)	-
Deferred tax income relating to the deductible				
of temporary difference (see Note 13)	8,676,251	-	-	-
Use of tax loss carryforward	1,139,842	-	-	-
Income tax (expenses) benefit (see Note 13)	<u>5,383,526</u>	<u>(3,088,624)</u>	<u>(2,946,538)</u>	<u>(1,905,733)</u>

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% of net income for an accounting period beginning on or after January 1, 2012 and 20% of net income for two consecutive accounting period beginning on or after January 1, 2013 and according to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were reduced from 30% to 20% of net income for an accounting period beginning on or after January 1, 2015, up to December 31, 2015.

31. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at December 31, 2014 and 2013 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014 Baht	As at December 31, 2013 Baht	As at December 31, 2014 Baht	As at December 31, 2013 Baht
Subsidiary				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 10)	-	-	50,064,280	20,144,290
Investment in mutual fund managed by subsidiary (see Note 9.1)	-	100,717,285	-	100,717,285
Investment in private fund managed by subsidiary	60,275,519	96,314,342	60,275,519	96,314,342
Accrued private fund management fee expenses	-	-	26,402	43,616
Other payables	-	-	-	96,479
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,447,297,832	1,358,857,228	1,239,403,520	1,237,504,700
Other payables	533,695	606,748	533,695	606,748
Beacon Offshore Ltd.				
Investment in associate (see Note 10)	52,268,154	-	60,000,000	-
Investment in Bill of Exchange	19,886,695	-	19,886,695	-
Related companies				
Under common directors				
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares - net	92,597,089	94,257,511	92,597,089	94,257,511
Other receivable	30,155	-	30,155	-

Significant transactions with related parties for the years ended December 31, 2014 and 2013 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2014	2013	2014	2013	
	Baht	Baht	Baht	Baht	
Subsidiary					
Solaris Asset Management Co., Ltd.					
Investment in ordinary shares	-	-	9,900,000	17,400,000	2014 : 1.8 million shares at 5.50 Baht 2013 : 0.75 million shares at 10 Baht and 1.8 million shares at Baht 5.50
Withdrawal mutual fund managed by subsidiary	122,213,178	-	122,213,178	-	Investment value
Withdrawal private fund manage by subsidiary	55,000,000	293,688,848	55,000,000	293,688,848	Investment value
Investment in mutual fund managed by subsidiary	31,197,425	10,000,000	31,197,425	10,000,000	2014 : 3.12 million units at Baht 10.0 2013 : 0.99 million units at Baht 10.1
Service income	-	-	-	2,084,000	At the rate determined under the contract of Baht 521,000 per month (see Note 32.5)
Rental expense	-	-	124,050	731,385	At the rate determined under the contract April - July 2013 of Baht 105,315 per month and Baht 62,025 per month since August 2013 and being cancelled since March 2014 (see Note 32.6)
Compliance service expense	-	-	-	30,000	At the rate determined under the contract of Baht 10,000 per month from August 5, 2013 to November 5, 2013
Management fee of private fund	-	-	450,035	563,663	At the rate determined under the contract 0.2% of net asset value per year
Associate					
KT ZMICO Securities Co., Ltd.					
Research paper	3,000,000	2,800,800	3,000,000	2,800,800	At the rate determined under the contract (see Note 32.7 and Note 32.8)
Service expenses	5,612,500	3,250,000	5,612,500	3,250,000	At the rate determined under the contract (see Note 32.1)
Rental expenses	-	148,509	-	148,509	At the rate determined under the contract (see Note 32.2)
Beacon Offshore Ltd.					
Interest received from Bill of exchange	4,811,041	-	4,811,041	-	At the rate determined under the contract
Withdrawal from Bill of exchange	64,000,000	-	64,000,000	-	Investment value
Investment in Bill of exchange	3,330,000	-	3,330,000	-	Investment value
Related companies					
Under common directors					
Quam Securities Company Limited					
Consulting fee	-	3,351,396	-	3,351,396	At the rate determined under the contract
Evolution Capital Plc.					
Purchase interest in subsidiary	6,748,424	-	6,748,424	-	4.55 million share at Baht 1.48317 per share

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2014	2013	2014	2013	
	Baht	Baht	Baht	Baht	
Related with subsidiary and associate					
Rental income	305,250	-	305,250	-	At the rate determined under the contract Baht 30,525 per month as from March 2014 onwards
Selling agent fee expense	966,476	592,861	966,476	592,861	At the rate determined under the contract
Service fee expenses	591,200	1,110,000	591,200	1,110,000	At the rate determined under the contract of Baht 295,000 per month and Baht 25,000 per month as from April 2013 to May 2014 and Baht 66,000 as from June 2014 onwards
Private fund management fee income	1,002,519	-	1,002,519	1,002,519	At the rate determined under the contract at 0.5% of net asset value per year

For the years ended December 31, 2014 and 2013, compensations paid to key management personnel under TAS 24 (Revised 2009) "Related Party Disclosures" are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Short-term employee benefits	6,325,474	6,108,640	3,498,333	3,349,400
Post-employment benefits	635,883	309,200	579,227	165,929
Total	<u>6,961,357</u>	<u>6,417,840</u>	<u>4,077,560</u>	<u>3,515,329</u>

32. COMMITMENTS

Transactions with related parties

32.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, Operating, Information technology including information system development and technical support, Compliance, Human Resource management, General Support and General management. The term of agreement is one year and will be automatically extended one year by payment in amount of Baht 150,000 per month unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time. Subsequently, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis.

On August 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating and corporate secretary. The term of agreement is one year starting from August 1, 2013 to July 31, 2014 and being extended for another three months of which the Company pays monthly fee and the rate of Baht 290,000. Subsequently on October 31, 2014 the Company extended the agreement for another 14 months starting from November 1, 2014 to December 31, 2015.

- 32.2 On May 1, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for rental office at 16th Floor (No. 1601), Liberty Square, for operating business in amount of Baht 49,503 per month. The term of agreement is from May 1, 2009 to January 31, 2010 and the Company has continued the agreement to March 31, 2013. However, the Company already cancels such agreement.
- 32.3 On October 17, 2012, the Company entered into an agreement with Solaris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for one year. Contract, which will be expired on 17 October 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund.
- 32.4 The Company received the employees transferred from Solaris Asset Management Co., Ltd. which is subsidiary company according to the Employee Transfer Agreements dated March 28, 2013 effective date since April 1, 2013. However, since August 1, 2013 the Company transferred the employees to the subsidiary company according to the Employee Transfer Agreements dated July 31, 2013.
- 32.5 On April 1, 2013, the Company entered into the agreement with Solaris Asset Management Co., Ltd. which is subsidiary company for management service of Compliance, Fund Administration, Fund Operation, Information Technology, Investment, Product Development and Business Administration. The agreement is effective from April 1, 2013 onwards at Baht 521,000 per month unless either party notifies another party for the cancellation. However, on July 1, 2013 the Company cancelled the Management Service Agreement resulting the end of services on July 31, 2013.
- 32.6 On April 1, 2013, the Company entered into the agreement with Solaris Asset Management Co., Ltd. which is subsidiary company for providing rental office at 8th Floor (No. 801A, 807), Liberty Square, in the amount of Baht 105,315 per month. The term of agreement is from April 1, 2013 to January 31, 2016. However, on August 1, 2013 the Company has amended the agreement to reduce the space and the rental fee, the rental fee amounting to Baht 62,025 per month that effective since August 1, 2013 to January 31, 2016. However, on March 1, 2014 the Company has cancelled the agreement.
- 32.7 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2-year and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 32.8 On April 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for management service and investment banking analysis of offshore. The term of agreement is 3 months and will be expired on June 30, 2013. The Company agreed to receive a fee with total amount of Baht 800,800.

Transactions with other business parties

- 32.9 As at December 31, 2014 and 2013, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2014	As at December 31, 2013	As at December 31, 2014	As at December 31, 2013
Within 1 year	3.9	1.9	2.6	0.4
Over 1 year to 5 years	0.2	1.7	0.2	0.2
Total	4.1	3.6	2.8	0.6

- 32.10 On April 29, 2014, the Company entered into a fee allocation agreement with Mac Capital Advisors Limited, under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. The agreement will be expired on December 31, 2016. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.

- 32.11 Letter of guarantee and commitment

As a December 31, 2014, the Company has fixed deposit amounting Baht 50 million which has been secured as collateral for bank guarantee issued for performance bid bond to one bidding project. (see Note No. 6).

33. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the years ended December 31, 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	For the years ended December 31, 2014				Consolidated Financial Statement
	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	
Revenue from external customers	152,345	56,294	27,822	-	236,461
Inter - segment revenues	-	-	-	-	-
Total revenues	152,345	56,294	27,822	-	236,461
Segment income (loss)	152,345	4,420	27,822	-	184,587
Unallocated income and expenses :					
Interest and dividend incomes					9,840
Gain on transfer of business to the associated company					1,731
Other income					4,998
Servicing and administrative expenses					(49,075)
Income tax - benefit					5,383
Net profit					157,464

Unit: Thousand Baht)

	For the years ended December 31, 2013				Consolidated Financial Statement
	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	
Revenue from external customers	163,120	14,124	12,573	-	189,817
Inter - segment revenues	-	-	-	-	-
Total revenues	163,120	14,124	12,573	-	189,817
Segment income (loss)	163,120	(18,091)	12,573	-	157,602
Unallocated income and expenses :					
Interest and dividend incomes					6,377
Gain on transfer of business to the associated company					5,914
Other income					3,752
Servicing and administrative expenses					(40,155)
Income tax - expense					(3,088)
Net profit					130,402

Assets classified by segment of the Company as at December 31, 2014 and 2013 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Unallocated assets	Consolidated Financial statement
Assets by segment					
As at December 31, 2014	1,457,400	61,244	558,625	562,266	2,639,535
As at December 31, 2013	1,417,338	22,613	409,977	756,071	2,605,999

34. RISK MANAGEMENT

34.1 Liquidity risk

The Company

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

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

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

However, as at December 31, 2014 and 2013, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note No.1)

Also, according to the Notification of the Securities and Exchange Commission No. KorKhor. 7/2551, Re: Determination of Paid-Up Registered Capital of Securities Company, the securities company licensed to undertake securities business in the category of securities brokerage, excluding the securities company licensed to undertake securities brokerage of debt securities or investment units, shall have paid-up registered capital of not less than Baht 500 million, effective from January 1, 2012 onwards. The Company has already proceeded accordingly.

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at December 31, 2014, the Company is able to maintain its net liquid capital more than the condition.

Subsidiary

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

As at December 31, 2013, the subsidiary’s financial statements showed owners’ equity amounting of Baht 25.72 million, which is less than the specified warning level. On January 29, 2014, the extraordinary shareholders’ meeting of the subsidiary has passed a special resolution to increase its share capital of Baht 9.9 million and assign the Board of Directors of the Company to call for the capital payment from shareholders. The subsidiary has reported to the Office of the Securities and Exchange Commission (“SEC”) already on January 31, 2014, regarding the progress of the plan to recover its owners’ equity to the level not lower than Baht 30 million. On January 29, 2014, the Extraordinary shareholders’ meeting of the subsidiary has passed a resolution to increase its share capital of Baht 9.9 million. The subsidiary

already received cash for the increased share capital on March 6, 2014 and registered the capital increased with the Registrar of Partnerships and Companies on March 11, 2014.

Additionally, the Company has given a letter of undertaking dated February 5, 2014 to the subsidiary to confirm that it will continue providing the financial support to the subsidiary for the next 12 months from the date of such letter to enable the subsidiary to maintain capital adequacy under the requirement of the Office of the Securities and Exchange Commission.

As at December 31, 2014, the subsidiary's financial statements showed owners' equity amounting of Baht 41.39 million, which is in accordance with the SEC's regulations.

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2014 and 2013 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	295	8	-	-	-	-	303
Deposit at financial institution	-	62	-	-	-	-	62
Securities business receivables	-	3	-	-	-	63	66
Investments - net	-	335	-	26	145	-	506
Total	295	408	-	26	145	63	937

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	235	303	-	-	-	-	538
Securities business receivables	-	54	-	-	-	264	318
Investments - net	-	267	-	15	128	-	410
Total	235	624	-	15	128	264	1,266

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December, 2014

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	282	-	-	-	-	-	282
Deposit at financial institution	-	50	-	-	-	-	50
Securities business receivables	-	3	-	-	-	63	66
Investments - net	-	335	-	26	145	-	506
Total	282	388	-	26	145	63	904

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December, 2013

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non-	Total
						performing receivables	
Financial assets							
Cash and cash equivalents	220	300	-	-	-	-	520
Securities business receivables	-	54	-	-	-	264	318
Investments - net	-	267	-	15	128	-	410
Total	220	621	-	15	128	264	1,248

34.2 Significant financial instruments risk

As at December 31, 2014 and 2013, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

34.2.1 Interest rate risk

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

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non-		No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years	performing receivables	interest			Floating rate	Fixed rate
Financial assets											
Cash and cash equivalents	280	-	8	-	-	-	15	303	0.60 - 2.25	2.50	
Deposit at financial institution	-	-	62	-	-	-	-	62	-	1.25 - 2.75	
Securities business receivables	-	-	3	-	-	63	-	66	-	-	
Investments - net	-	-	335	-	26	-	145	506	-	-	
Total	280	-	408	-	26	63	160	937			
Financial liabilities											
Securities business payable	-	-	-	-	-	-	4	4	-	-	
Total	-	-	-	-	-	-	4	4			

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2013

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Within				Over performing receivables	No interest	Total	Interest rate (Percent)	
		At call	1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	220	-	303	-	-	-	15	538	0.40 - 2.25	2.40 - 2.95
Securities business receivables	-	-	54	-	-	264	-	318	-	-
Investments - net	-	-	267	-	15	-	128	410	-	-
Total	<u>220</u>	<u>-</u>	<u>624</u>	<u>-</u>	<u>15</u>	<u>264</u>	<u>143</u>	<u>1,266</u>		
Financial liabilities										
Securities business payable	-	-	-	-	-	-	54	54	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2014

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Within				Over performing receivables	No interest	Total	Interest rate (Percent)	
		At call	1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	268	-	-	-	-	-	14	282	0.60 - 2.25	-
Deposit at financial institution	-	-	50	-	-	-	-	50	-	1.25
Securities business receivables	-	-	3	-	-	63	-	66	-	-
Investments - net	-	-	335	-	26	-	145	506	-	-
Total	<u>268</u>	<u>-</u>	<u>388</u>	<u>-</u>	<u>26</u>	<u>63</u>	<u>159</u>	<u>904</u>		
Financial liabilities										
Securities business payable	-	-	-	-	-	-	4	4	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2013

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Within				Non- performing receivables	No interest	Total	Interest rate (Percent)	
		At call	1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	205	-	300	-	-	-	15	520	0.40 - 2.25	2.40
Securities business receivables	-	-	54	-	-	264	-	318	-	-
Investments - net	-	-	267	-	15	-	128	410	-	-
Total	205	-	621	-	15	264	143	1,248		
Financial liabilities										
Securities business payable	-	-	-	-	-	-	54	54	-	-
Total	-	-	-	-	-	-	54	54		

The average yield on average financial asset balances for interests bearing financial instruments are presented in the following table:

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2014

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	325,633,983	6,904,679	2.12
Deposit at financial institution	19,182,768	249,900	1.30
Investment in debt	276,018,865	12,162,192	4.41
Securities business receivables	17,901,638	-	-

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2013

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	273,795,192	5,301,741	1.94
Investment in debt	107,410,074	3,378,744	3.15
Securities business receivables	12,797,134	-	-

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2014

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	305,508,926	6,494,279	2.13
Deposit at financial institution	16,679,652	186,740	1.12
Investment in debt	276,018,865	12,162,192	4.41
Securities business receivables	17,901,638	-	-

Financial Instruments	(Unit : Baht)		
	SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2013		
	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	253,300,465	4,799,591	1.89
Investment in debt	107,410,074	3,378,744	3.15
Securities business receivables	12,797,134	-	-

34.2.2 Credit risk

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

34.2.3 Foreign exchange risk

As at December 31, 2014 and 2013, the Company and its subsidiary do not have any material financial instruments in foreign currency.

34.2.4 Market situation risk

The Company's exposure to market situation risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of the Company's investments. However, the Company manages such risk at acceptable levels through risk management policies as well as a risk monitoring function.

34.2.5 Fair value

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

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

As at December 31, 2014 and 2013, the fair values of financial assets and financial liabilities are not significantly different from their book values.

35. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company will receive returns from the transfer of business in the total amount of Baht 500 million by Baht 300 million will be received upfront and the remaining Baht 200 million will be received proportionately over 3 years depending on earnings before interest, tax, depreciation and amortization (“EBITDA”) of KT ZMICO Securities Co., Ltd. for the year 2009 to 2011, and the Company will also receive returns from transfer of margin loan accounts at the value on the transferring date.

During the year ended December 31, 2011, the Company recorded the last portion of gain on transfer of business to an associated company of Baht 70 million and recorded accrued income from an associated company on transfer of business at the same amount. Subsequently, on April 18, 2012, the Company already received such amount of cash. At the end of year 2011, the Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3-year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company recognized such gain on transfer of business to an associated company as income in the consolidated financial statements according to the shareholding percentage of the third parties in the associated company. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize such “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculates depreciation or sells such transferred assets to the third parties. The movements of unrealized gain on transfer of business to an associated company in the consolidated financial statements for the years ended December 31, 2014 and 2013 are as follows:

CONSOLIDATED	
FINANCIAL STATEMENTS	
Unrealized gain on transfer of business to an associated company	
For the years ended December 31,	
2014	2013
Million Baht	Million Baht
Beginning balance of the period	150.18
<u>Less</u> Recognize additional gain on transfer of business to the associated company because the associated company calculated depreciation and sold part of transferred assets to the third parties	156.10
	(1.73)
Ending balance of the period	<u>148.45</u>
	<u>150.18</u>

As a result of transfer of business, the Company has temporarily ceased its operation on securities and derivative business. Consequently, the Company applied the approval system work flow of investment advisory service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to reactivate its investment advisory service according to the letter No. SEC. BorThor. 994/2556 dated on May 2, 2013 starting from May 2, 2013 onward (see Note 1).

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 24, 2015.

The logo consists of a dark blue square with the word "SEAMICO" written in white, uppercase, sans-serif font in the center.

บริษัทหลักทรัพย์ ซีบีที จำกัด (มหาชน)
Seamico Securities Public Company Limited

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