

SEAMICO

Annual Report 2012

Seamico Securities Public Company Limited
รายงานประจำปี 2555 บริษัทหลักทรัพย์ ซีมีโก้ จำกัด (มหาชน)



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Message from Executive Chairman

2012 had turned into a bright year for the Thai market. The Stock Exchange of Thailand Index increased 36% from 1,025.32 points at the end of 2011 to 1,391.93 points at the end of 2012. The overall average trading volume of the market increased from Baht 29.47 billion in 2011 to Baht 32.30 billion in 2012 or 10%. The global sentiment for equities markets had turned into a bull market with the Thai market outperforms most of the major markets. This was a great support to our businesses. The company made a net profit of Baht 92 million in 2012 compared with a net profit of Baht 21 million recorded in the previous year, primarily from the realized share of profit of associated company KT ZMICO and the reduction in income tax expenses which is a result of the decreasing in tax rate from 30% to 23%.

Great achievements had been recognized through out 2012. The customer base of KT ZMICO increased by 21% from 2011 and it expanded its securities business of offshore trading especially securities business in Laos. Further more, in late 2012, KT ZMICO and the Stock Exchange of Thailand have been collaborated to open trading securities via ASEAN Link. In the beginning, the first three exchanges connected on ASEAN Link are Malaysia, Singapore, and Thailand. Going forward, the Bank of Thailand has relaxed its offshore investment regulations which should be a great support to the business in the near future. Thai investors are expected to have increasing interests in cross border investments in the coming years, particularly the opportunities in the fast growing ASEAN economies.

We have strengthening our foothold in the Indochina region with our vision is “To be an innovative and competitive financial service provider in Thailand and Indochina region with dynamic characteristics”. We have been re-iterated our brand image as “Gateway to Indochina” in parallel to our strong footholds in Indochina countries including Vietnam, Lao PDR, Myanmar, Cambodia, and our home-based Thailand. Our solid position has drawn attention among global investors which support our primary and secondary businesses.

Through out years of efforts, we have won an “Excellent” rating for the AGM 2012 assessed by the Thai Investors Association. We also earned a “Very Good” rating for the Corporate Governance 2012 assessed by the Thai Institute of Director (IOD). We remain committed to keep our strong corporate value and to strive success in all our business units.

I would like to express my sincere gratitude to all our hard working and dedicated employees and stakeholders for supporting us to the great achievement. We believe all stakeholders are very pleased of our successes and would continue to work closely with us to achieve my challenging ambition.



Chaipatr Srivisarvacha
Executive Chairman

Report of the Board of Directors' Responsibilities for Financial Statements

Seamico Securities Public Company Limited and its subsidiaries

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

The Board of Directors has appointed an Audit and Risk Management Committee, which comprises of 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 2012 are reasonably reliable.



Chaipatr Srivisarvacha

Executive Chairman and Chief Executive Officer

Audit & Risk Management Committee's Report

Seamico Securities Public Company Limited

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

- | | | |
|----|-------------------------|----------|
| 1. | Mr. James M. Kelso | Chairman |
| 2. | Ms. Phornpun Phornprapa | Member |
| 3. | Mr. Peter Emil Romhild | Member |

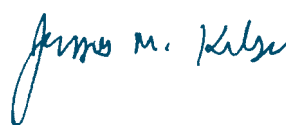
The Committee has the important responsibility to review the Company's financial reports in order to ensure their accuracy and that they comply with accounting standards and the sufficiency of disclosure, to review the appropriateness and effectiveness of the internal control and audit systems, to review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

The Audit & Risk Management Committee held 5 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 2012 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. The Audit & Risk Management Committee engaged an independent advisor to provide guidance and advice as to the methods and range of valuation for the Company's interest in KT ZMICO. In addition, the Audit & Risk Management Committee suggested that the Company to re-activate the Investment Advisory License in order to maintain the qualification of listed company.

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

For 2013, the Audit & Risk Management Committee has proposed to the Board of Directors that Mr. Chavala Tienpasertkij, Mr. Permsak Wongpatcharakorn, and Mr. Niti Jungnitnirundr of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors for at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



(Mr. James M. Kelso)

(Chairman, Audit & Risk Management Committee)

Financial Highlights

Million Baht

	2010	2011	2012
Total Assets	1,853.23	1,969.23	1,972.34
Paid-Up Share Capital	416.95	451.31	511.31
Total Shareholders' Equity	1,669.68	1,742.67	1,784.73
Securities Business Income	28.31	11.90	51.15
Securities Business Expenses	6.40	4.56	5.12
Net Income (Loss)	67.28	23.03	98.72
Profitability Ratio			
Gross Profit Margin (%)	77.41	61.66	89.99
Net Profit Margin (%)	36.10	17.58	61.89
Return on Equity (%)	3.45	1.37	5.64
Efficiency Ratio			
Return on Total Assets (%)	3.17	1.24	5.07
Asset Turnover (Times)	0.01	0.01	0.03
Financial Policy Ratio			
Liquid Assets to Total Assets (%)	12.03	20.72	21.96
Earning Assets to Total Assets (%)	71.35	66.15	74.86
Debt to Equity (Times)	0.11	0.13	0.10
Payout Ratio (%)	-	70.94	116.62
Others Ratio			
Investment in Securities to Total Asset (%)	7.41	7.28	13.75
Net Liquid Equity (%)	N/A*	N/A*	N/A*
Per Share			
Book Value (Baht)	2.05	1.93	1.75
Earning Per Share (Baht)	0.08	0.03	0.01
Dividend Per Share (Baht)	-	0.05	0.06
Capital Reduction (Baht)	0.50	-	-
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.

General Information

Name : Seamico Securities Public Company Limited.
Address : 16th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500.
Type of Business : Seamico Securities incorporated and resident in Thailand to do business in accordance with the Securities and Exchange Act B.E.2535.

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

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

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

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

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

Registration No : 0107537002460
Telephone : 66 (0) 2695-5000.
Fax : 66 (0) 2631-1709.
Home page : www.seamico.com

Number and type of paid-up shares

Paid-up shares	:	1,022,619,448 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 Management	Ordinary	18,450,000	13,900,000	139	75.34
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	222,763,600	110,350,800	1,087.50	49.54
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: * The subsidiary company increased its paid up share capital by Baht 2.5 million and called to payment for such share capital to the Company.

On October 19, 2012, the Company paid the amount of Baht 2.5 million with the holding of the Company increased to 75.34% (from 75% 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

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

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

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

Nature of Business

Changes and Development

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 and on March 31, 2009, the Company signed a shareholders’ agreement with KTB. The Company agreed to transfer its securities business, operating assets and employees, including the refinancing of accounts receivable credit balance to KTZMICO. The agreement entitled the Company to receive Baht 500 million for the transfer of assets, with up front payment in the amount of Baht 300 million paid on May 4, 2009 and another Baht 200 million will be received within three years based on KTZMICO’s earnings before interest, taxes, depreciation and amortization (“EBITDA”). The Company had already received a total of Baht 200 million in April 2012

The objective and necessity of transferring securities business to KTZMICO are:

- To reduce the risk as a Local Independent Broker among the strong competition. The liberalization of the securities business and brokerage fees started on January 1, 2012.
- To increase source of funds and business supports from KTB, another major shareholders of KTZMICO. This will enable the Company to form an appropriate capital structure in order to achieve the highest possible returns for shareholders.
- To increase customer base by penetrating into KTB’s customers, which are mainly retail, institutional customers and high net worth individuals.

In December 2010, KTZMICO expanded its business to Laos. KTZMICO currently holds 30% stake in BCEL-KT Securities Company Limited, the joint venture between Laos’ largest commercial bank, Banque pour le Commerce Extérieur Lao (BCEL) and KTZMICO. BCEL-KT was the first securities company in Laos and acted as underwriter for EDL Generation’s initial public offering.

In February 2011, the Company entered into an agreement with a financial advisor to identify potential purchasers of investment in Thanh Cong Securities Joint Stock Company (TCSC), a securities company in Vietnam, in which the Company is currently holding 18.88% stake. On May 12, 2011, the Board of Directors’ meeting No. 2/2011 acknowledged the progress of the sale of such investment that the financial advisor still cannot identify the purchasers. As at December 31, 2011, the Company suspended the sale of such investment.

In September 2011, KTZMICO disposed of 25% stake in Seamico Asset Management Co., Ltd., the subsidiary, to Evolution Capital Public Company Limited.

In April 2012, Seamico Asset Management Co., Ltd. changed the name to be Solaris Asset Management Co., Ltd. (“Subsidiary”).

In January 2012, Subsidiary’s the extraordinary shareholders’ meeting passed a special resolution to increase the authorized capital from Baht 152 million to Baht 182 million. Its capital is called for first payment Baht 20 million on January 27, 2012, and the remaining Baht 10 million on July 27, 2012.

In October 2012, Subsidiary’s the extraordinary shareholders’ meeting passed a special resolution to increase the authorized capital in the amount of Baht 10 million. Its capital is called for the first payment of Baht 2.5 million.

On January 22, 2013, Subsidiary received the remaining capital Baht 7.5 million. Then subsidiary has fully paid-up capital of Baht 192 million, which cause the subsidiary held by the Company and Evolution Capital Public Company Limited 76.30% and 23.70%, respectively.

Future Plans

After transferring the securities business to KTZMICO on May 1, 2009, the Company stopped offering brokerage services in Thailand to act in accordance with the Shareholders Agreement between KTB and the Company. The Company has temporarily ceased its operation on securities and derivative business since business transferred until December 31, 2011. In addition, The Company was granted by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to extend the suspension period for securities and derivative businesses until April 30, 2013 and December 31, 2013, respectively.

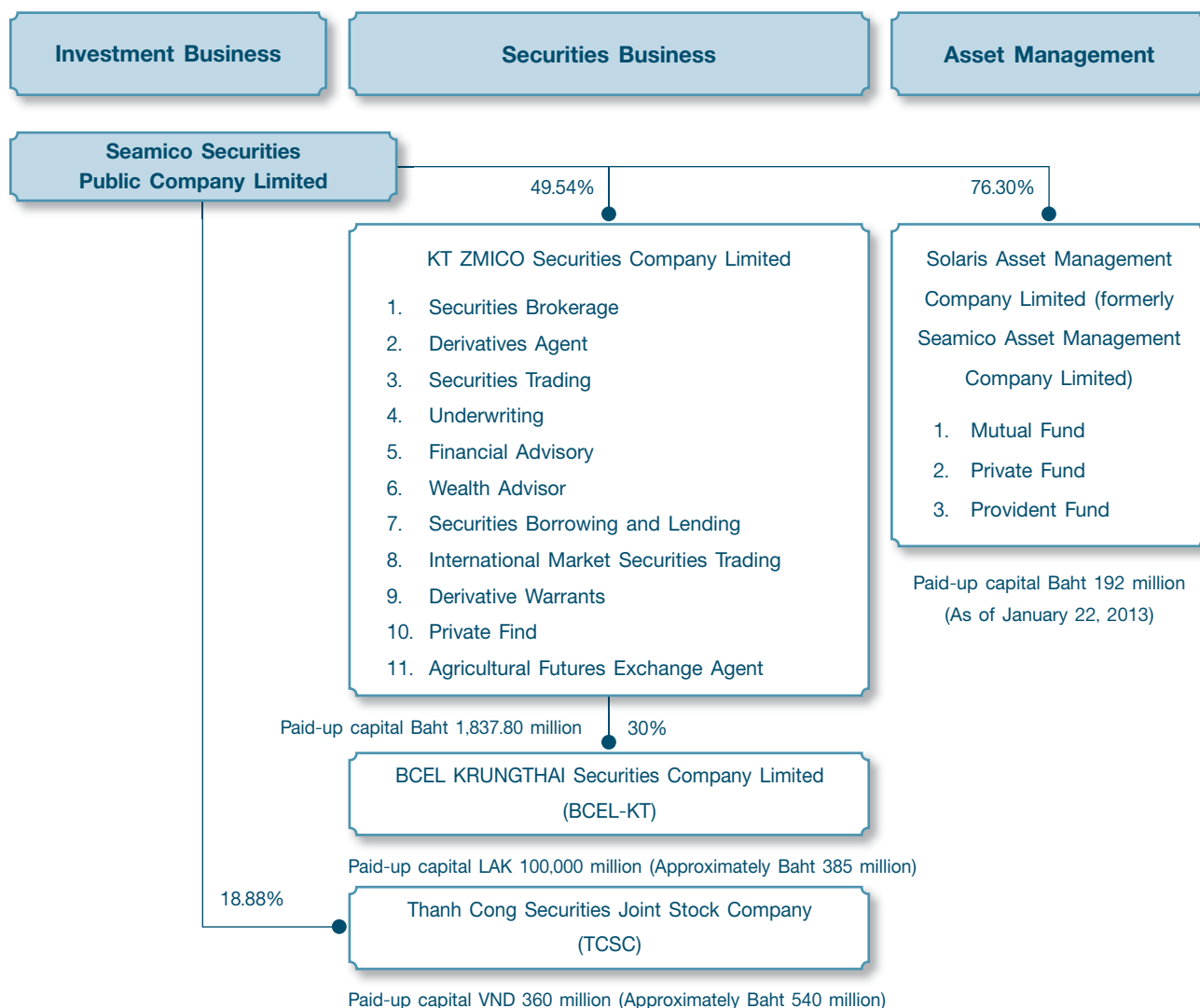
However, The Company continues as a listed company which most businesses are related to investment whereas securities and derivative businesses has operated by KT ZMICO Securities Co., Ltd. and fund management business has operated by Solaris Asset Management Co., Ltd.

The Company plan for 2013 is to re-activate Investment Advisory business that does not compete with KTZMICO.

Business Overview

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

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



Consolidated Revenue Structure

	2010		2011		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Fees and Services Incomes						
Financial Advisory	4.57	2.45	-	-	5.25	3.29
Asset Management	8.22	4.41	7.24	5.53	9.89	6.20
Gain (Loss) on Securities Trading	5.11	2.74	(1.51)	(1.15)	27.04	16.96
Interest and Dividend Income	10.41	5.59	6.17	4.71	8.97	5.62
Share of Profit (Loss) in Associate	110.51	59.30	74.77	57.08	100.69	63.13
Gain on Asset Transferred to Associate	46.25	24.81	43.86	33.48	6.99	4.38
Other Income	1.30	0.70	0.46	0.35	0.67	0.42
Total Income	186.36	100.00	131.00	100.00	159.00	100.00

TYPES OF BUSINESS

The Company restructured itself around three main business groups:

1) Investment 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, 2012, KTZMICO encompasses 19 branches, with 8 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, is one of the two securities companies in Laos.

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. In 2012, KTZMICO has started to service in Myanmar as a financial advisory.

3) Asset Management Business

The Company conducts securities business relating to private funds, mutual funds and provident funds management under Solaris Asset Management Company Limited (formerly Seamico Asset Management Company Limited). At the end of December 2012, Solaris Asset Management offered 12 Fixed Income and Equity Funds, 1 Foreign Investment Fund and 5 Private Fund with net asset value of Baht 3,834.62 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 business 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 2009, the company expanded its business to Laos under BCEL-KT, a joint venture between KTZMICO and BCEL. As at December 31, 2010, KTZMICO held 30% of share capital (1 million shares, paid-up 30%, par at 100,000 kip) with 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 paid-up capital, making the total investment Baht 115.52 million.
- Enhance the competitiveness of asset management business through Solaris Asset Management (formerly Seamico Asset Management Company Limited) as the asset management business is expected to grow whereas mutual funds will become an alternative source of saving in the future. In September 2011, the Company disposed of 25% stake in Solaris Asset Management to Evolution Capital Public Company Limited. Evolution Capital Plc will support in terms of expanding the customer base to institutional clients group. As at January 22, 2013, Seamico Securities Plc. and Evolution Capital Plc. hold 76.30% and 23.70% of paid up capital of Solaris Asset Management, respectively.

2. Securities Business

After the merger, the Company's securities business was transferred to KTZMICO. 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.

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 Smart phone 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.

In 2012, 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 contributes to the increasing of KTZMICO's trading volume. As at December 31, 2012, KTZMICO's outstanding credit balance loan stood at Baht 2,982 million, compared to Baht 1,842 million at the end of 2011. This business of providing loans to clients has been heavily 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	FY2010	FY2011	FY2012
SET & MAI Market Turnover	7,033,947	7,191,481	7,914,567
SET & MAI Market Turnover (exclude Proprietary Trading)	6,188,253	6,243,180	6,886,046
KTZMICO's Trading Volume	569,681	523,296	570,353
KTZMICO's Market Share (exclude Proprietary Trading)	4.60%	4.19%	4.14%
Rank	6	11	10

Market Turnover for year 2012 was Baht 6,886,046 million; trading volume of KTZMICO was Baht 570,353 million, accounting for 4.14% market share.

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

	FY2010		FY2011		FY2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Top 10 Securities Trading Clients	61,894	10.86	76,225	14.57	85,378	14.97

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	FY2010	FY2011	FY2012
Retail : Institution	92 : 8	85 : 15	86 : 14
Local : Foreign	93 : 7	89 : 11	89 : 11
Cash Account : Credit Balance	74 : 26	82 : 18	83 : 17

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, and experience and

investment history. In order to assess whether to approve a credit line, a client’s financial status as well as settlement ability is examined in order to prevent or limit any loss that might occur. KTZMICO 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, Interest Rate Futures, Silver Futures, Crude Oil Futures including USD Futures which first trading on June 5, 2012.

In 2012, trading volume of KTZMICO was 1,205,627 contracts, accounting for 5.76% market share.

	FY2010	FY2011	FY2012
No. of Contracts - TFEX	4,519,436	10,027,116	10,457,927
No. of Contracts - KTZMICO	381,436	737,162	1,205,627
Market Share	4.22%	3.68%	5.76%
Rank	7	11	6

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. Since offering SBL service in 2009, KTZMICO is able to maintain its market share among the Top 5. In 2013, KTZMICO still plans to expand its KTB customer base to continually increase its market share.

- Derivative Warrants (DW)

KTZMICO began offering Derivative Warrants (DW) for the first time in December 2010. KTZMICO offered a total of 58 Derivative Warrants for 2012. As of February 28, 2013, there are 23 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)
BANP18CD	20,000,000	BANPU	14 Aug 2013	365.00	200.00
BBL18CC	20,000,000	BBL	17 May 2013	150.00	50.00
BIGC18CA	20,000,000	BIGC	11 Mar 2013	160.00	50.00
CPF18CB	20,000,000	CPF	4 Mar 2013	27.00	25.00
CPF18CC	20,000,000	CPF	26 Aug 2013	30.00	20.00
DTAC18CA	20,000,000	DTAC	4 Mar 2013	75.00	25.00
ESSO18CD	20,000,000	ESSO	20 Aug 2013	10.00	8.00
HEMR18CA	20,000,000	HEMRAJ	7 Oct 2013	2.70	2.00
IVL18CE	20,000,000	IVL	4 Mar 2013	26.00	25.00
IVL18CF	20,000,000	IVL	26 Aug 2013	23.50	20.00
IVL18PB	20,000,000	IVL	4 Mar 2013	40.00	25.00
LH18CC	20,000,000	LH	14 May 2013	8.00	5.00
PTT18CD	20,000,000	PTT	14 May 2013	280.00	100.00
PTTE18CC	20,000,000	PTTEP	14 Aug 2013	153.00	50.00
PTTG18CB	20,000,000	PTTGC	11 Mar 2013	55.00	25.00
SCB18CA	20,000,000	SCB	4 Mar 2013	140.00	50.00
SCB18PA	20,000,000	SCB	4 Mar 2013	190.00	50.00
TCAP18CA	20,000,000	TCAP	4 Mar 2013	26.66	24.68553
TCAP18CB	20,000,000	TCAP	26 Aug 2013	35.00	20.00
THAI18CC	20,000,000	THAI	17 May 2013	20.00	10.00
TOP18CE	20,000,000	TOP	20 Aug 2013	65.00	25.00
TPIP18CA	20,000,000	TPIPL	7 Oct 2013	13.50	10.00
TRUE18CE	20,000,000	TRUE	20 Aug 2013	5.50	4.00

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 in the near future.

- 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 2012, investments in securities were classified into two 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.

In 2012, KTZMICO ranked 2nd among securities companies in corporate bond outright trading.

- 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:

	FY2010	FY2011	FY2012
No. of clients	8	4	9
Underwriting Value (Million Baht)	3,796.86	1,512.40	4,274.03
Fee Charged (Million Baht)	25.75	4.36	37.61

- 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)	FY2010	FY2011	FY2012
Revenue	176.10	47.96	173.21

- 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. In the beginning, KTZMICO was a unit trust selling agent, before being approved by the SEC to be a selling agent for omnibus account. It currently covers 18 Asset Management Companies with financial planners who have more than 16 years experience. At the end of December 2012, Asset under management was Baht 4,381 million. Moreover, KTZMICO continues acted as a participating dealer in ETF Fund.

- Private Fund

In February 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.

- 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 is equipped with GL Trade which is one of the most highly efficient and flexible trading systems in the global markets. The Direct Market Access (DMA) can access over 130 financial markets with super fast execution of up to 4,000 transactions per second. The system provides real-time market information which covers stocks, debentures, treasuries bonds, structured products, foreign exchange, and commodities on one screen. 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 derivative business to commodities. KTZMICO was approved from the Office of Agricultural Futures Trading Commission in November 2012. Also, KTZMICO was approved to be a member of the Agricultural Futures Exchange of Thailand in December 2012. Currently, this is during the preparation period, and being made its trading and settlement rules to provide risk control more efficiently and strictly, and expects to operate by mid of 2013.

3. **Asset Management Business**

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

As at December 31, 2012, Solaris Asset Management Company Limited has total asset under management of Baht 3,834.62 million. Most of funds are fixed income mutual funds which contributes high yield. In addition, it has expanded to manage private funds.

INDUSTRY OUTLOOK AND COMPETITION

Industry Overview in 2012

Amid concerns over the negative impact of the slowdown of the world's major economies, 2012 was a golden year for investment in the Thai stock market. The positive investment sentiment in Thailand in 2012 was driven mainly by i) excess liquidity resulting from various economic stimulus packages facilitated by the easing monetary policies of major central banks; and ii) domestic micro and macro environments that were favorable to investment. Overall, the Thai economy rapidly recovered from the severe flooding in Bangkok and other central provinces in late 2011. Meanwhile, the valuations of listed companies were very attractive and their earnings showed strong growth. Hence, the Thai bourse marked the highest trading turnover (both in the SET and MAI) in ASEAN at Baht 32.3 billion, an increase of 9.6% from a year earlier. In addition, on December 27, 2012, the SET Index hit a 16-year high at 1,397.19 points before closing at 1,391.93 points, representing a gain of 35.8% (compared with the figure seen as of the end of 2011) and the highest rise among Asia Pacific indexes.

Market Statistics in 2012

	2010	2011	2012
Market Data of SET			
SET Index - end of year (points)	1,032.76	1,025.32	1,391.93
Market Capitalization (Million Baht)	8,334,684.11	8,407,696.09	11,831,448.07
Market Turnover (Million Baht)	6,937,889.87	7,040,457.88	7,615,637.96
Market Daily Turnover (Million Baht)	28,668.97	28,854.34	31,084.24
Market P/E (times)	15.35	12.07	18.25
Market P/BV (times)	2.04	1.87	2.41
Dividend Yield (%)	2.92	3.72	2.98
No. of Listed Companies in SET (companies)	473	471	477
No. of Newly-listed Companies in SET	4	5	8
Market Data of MAI			
MAI index-end of year (points)	272.79	264.23	415.68
Market capitalization (Million Baht)	55,128.36	77,310.14	133,017.08
Market Turnover (Million Baht)	96,057.57	151,022.76	298,928.56
Market Daily Turnover (Million Baht)	396.93	618.95	1,220.12
Market P/E (times)	18.39	16.36	22.80
Market P/BV (times)	2.08	2.46	3.24
Dividend Yield (%)	3.11	2.97	1.58
No. of Listed Companies in MAI (companies)	66	73	81
No. of Newly-listed Companies in MAI	7	7	10

Source: The Stock Exchange of Thailand

Despite heavy foreign investment inflows towards the Thai market as evidenced by huge net buying of Baht 76.4 billion in 2012, retail investors remained the major contributors, with trading volume increasing to 58% of the total volume (compared with 55% in 2011). By contrast, the volume contributed by foreign investors and corporate investment portfolios fell to 22% and 11%, respectively, compared with 23% and 13% in 2011. Meanwhile, the trading volume from local institutional investors remained flat at 9% of the total volume.

Thanks to a lively market atmosphere in 2012, fundraising activities through the equity market hit a 10-year high, with a total value of Baht 263.9 billion. Out of the total, Baht 50.6 billion came from investment in the primary market, i.e., the listing of 18 companies (eight companies listed in the SET and ten companies in the MAI), and from the establishment of six property funds. The remaining Baht 213.3 billion was raised in the secondary market.

Similarly, trading in the Thailand Futures Exchange (TFEX) was also heavy. In 2012 the daily market turnover in the TFEX increased by 6.5% to 43,823 contracts per day, equivalent to a value of Baht 22.1 billion per day. New products were continuously introduced, e.g., USD Futures and Sector Futures. Moreover, existing products were improved. For instance, the number of short-term monthly contracts for the SET50 Index Futures was increased and the contracts of SET50 Options became less complicated.

Competition in the industry

The liberalization of brokerage fees did not significantly intensify the competition in the securities business. This was due in part to the fact that securities brokerage firms were well prepared for liberalization, having calculated commission fees based on a sliding scale since 2009. Hence, most brokerage firms did not seek to compete by reducing commission fees. Rather, they placed an emphasis on improving their services, including trading systems, new product launches, increasing the quality of research and new marketing activities (e.g., seminars to educate people on investment and offering premium products to clients), in order to maintain their client bases.

In regard to the market share in 2012, KTZMICO was ranked 10th, accounting for 4.14% compared with 4.19% in 2011. The company's market share in the derivatives market improved remarkably from 3.68% in 2011 to 5.76% in 2012.

The rosy outlook for the Thai stock market in 2013 is likely to continue, thanks to high liquidity worldwide as well as the expected steady recovery of major economies. Meanwhile, the Thai economy will continue to be driven by both a new CAPEX cycle, especially in regard to the government's investment in infrastructure projects, and the rapid spending growth in the provinces. Therefore, Thai listed companies are likely to offer impressive returns on both equity and dividend yields. Nonetheless, the market may become more volatile if the central bank signals changes in its policies. With a favorable environment, price competition (in regard to commission fees) may not be very intense; however, fierce competition may be seen in other areas. Competition in underwriting services, for instance, is likely to become fiercer given the fact that in 2012 various brokerage firms successfully provided underwriting services that, in turn, brought investors impressive returns.

PRODUCTS AND SERVICES PROVIDED

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 margin loan. Also KTB supports call loan and bank overdraft. Moreover, the Board of Directors' approve to issue bill of exchange at a 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 2012, KTZMICO had Net Liquid Capital of Baht 1,174 million with NCR ratio at 23% and total shareholders equity of Baht 2,102 million.

Risk Factors

Risk from subsidiaries

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

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

The Company has core business in brokerage 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.

In 2012, the third year of new brokerage commission structures, the sliding scale method and the liberalization of the ASEAN Economic Community (AEC) in 2015. The Company realize of the impacts. Therefore, 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 2013.
- Cooperation between the company and KTB, the company has succeeded in expanding customer base and generating income continuously.
- The expansion of financial products by issuing Derivatives Warrants - DW, which were listed on the Stock Exchange from the end of 2010 to 2012 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 expects to provide high net worth clients through transactions Private Fund Management which will be one of the company new strategic transactions in 2013 starting 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 which will impact on major income contributed by external factors such as market risk, interest rate risk, and foreign exchange risk related to changes in the economic situation and financial markets. Also, these factors may cause the net asset value under fund management will be decrease and adversely affect the company's operating results.

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

Shareholders Structure and Management

1. Shareholders

1.1 MAJOR SHAREHOLDERS (as at 28th December 2012)

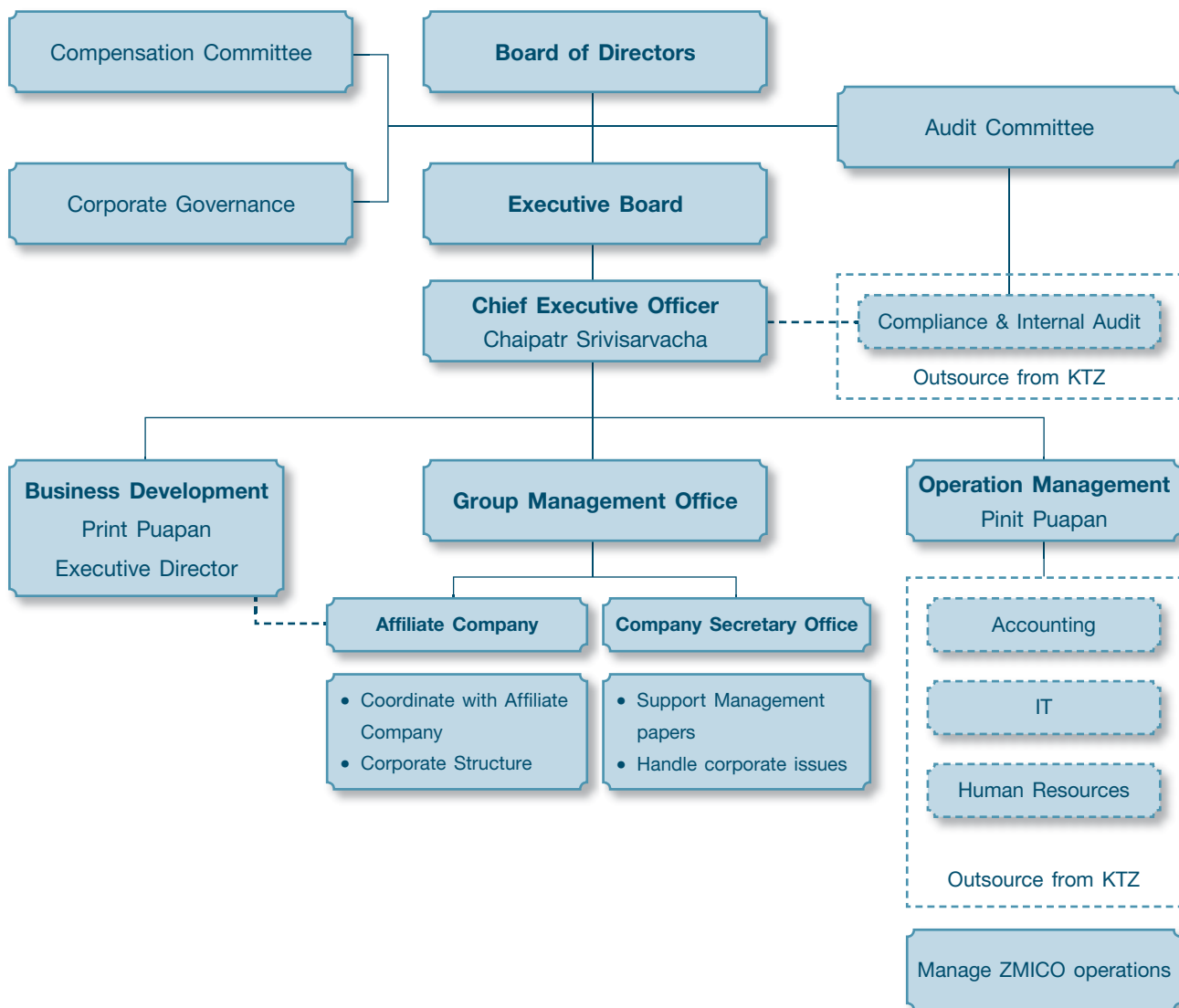
	Name	No. of Shares Held	% of Paid-up Capital
1	QUAM SECURITIES COMPANY LIMITED A/C CLIENT	179,625,782	17.565
2	RAFFLES NOMINEES (PTE) LIMITED	136,400,012	13.338
3	AMETHYST HOLDINGS LIMITED	91,991,713	8.996
4	THAI NVDR COMPANY LIMITED	64,490,269	6.306
5	MR. TAWEECHAT JURANGKUL	36,400,000	3.559
6	HSBC PRIVATE BANK (SUISSE) SA, SINGAPORE BRANCH	31,196,067	3.051
7	HSBC (SINGAPORE) NOMINEES PTE LTD	31,080,352	3.039
8	CHAKRIT HOLDINGS CO., LTD.	21,146,322	2.068
9	MR. VACHIRA THAYANARAPORN	11,582,000	1.133
10	THAILAND SECURITIES DEPOSITORY CO., LTD FOR DEPOSITOR	9,572,578	0.936
	OTHER	409,134,353	40.008
	TOTAL	1,022,619,448	100.000

1.2 MAJOR SHAREHOLDER GROUP

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

2. Management

Organization Chart



2.1 MANAGEMENT STRUCTURE

2.1.1 COMMITTEE OF THE COMPANY

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

2.1.2 COMMITTEE AND RESPONSIBILITIES

1. BOARD OF DIRECTORS

Name - Surname	Position
1. Mr. Chaipatr Srivisarvacha	Authorized Director
2. Mr. Pinit Puapan	Authorized Director
3. Mr. Bernard Pouliot	Director
4. Mr. Robert W. McMillen	Director
5. Mr. Kenneth K.H. Lam	Director
6. Mrs. Phornpun Phornprapa	Independent Director
7. Mr. James M. Kelso	Independent Director
8. Mr. Peter J. Emblin	Director
9. Mr. Peter E. Romhild*	Independent Director
10. Mr. Maung Aung Htun*	Director
Mrs. Duangrat Watanapongchat	Company Secretary and Secretary to the Board of Directors

Note: * Mr. Peter E. Romhild has been appointed as an independent director replacing Mr. Praphant Asva-aree who had resigned from his directorship on 23rd February 2012 and Mr. Maung Aung Htun has been appointed as a director replacing Mr. Ekamol Kiriwat who had resigned from his directorship on 1st April 2011. Such appointment was approved by the Securities and Exchange Commission on 8th May 2012 and registered with the registrar, Ministry of Commerce, on 10th May 2012.

DEFINITION OF INDEPENDENT DIRECTOR OF THE COMPANY

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

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

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

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

SELECTION OF INDEPENDENT DIRECTOR

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

Directors Authorization and Limitation thereof

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

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

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

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

2. EXECUTIVE COMMITTEE

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

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

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

The Executive Committee does not have the power to approve any transaction (i) which may cause a conflict of interest against the Company or its subsidiary companies; or (ii) in which the interest held by any member or related party of the Executive Committee is in conflict with the Company or its subsidiary companies in accordance with applicable rules and regulations of the SET. Typically, these transactions

need the consideration and approval of the Board of Directors and/or a shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

3. AUDIT AND RISK MANAGEMENT COMMITTEE

Name - Surname	Position
1. Mr. James M. Kelso (CPA)	Chairman of Audit and Risk Management Committee
2. Mrs. Phornpun Phornprapa (ACP)	Member
3. Mr. Peter E. Romhild (DCP)	Member
Mrs. Aree Termwatanapakdee	Secretary to the Audit and Risk Management Committee

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

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

- Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
 - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.
12. Review Charter of Audit and Risk Management Committee at least once a year.
 13. Perform self-assessment at least once a year and report the results to the Board of Directors.
 14. Take all necessary actions to insure that the Board of Directors / Executive Management have evaluated, addressed and are monitoring the material risk associated with the Company's operations.

4. NOMINATING AND COMPENSATION COMMITTEE

Name - Surname	Position
1. Mr. Bernard Pouliot	Member
2. Mr. Kenneth K.H. Lam	Member
3. Mr. Peter E. Romhild	Member

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE NOMINATING AND COMPENSATION COMMITTEE

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

5. CORPORATE GOVERNANCE COMMITTEE

Name - Surname	Position
1. Mr. Bernard Pouliot	Chairman of Corporate Governance Committee
2. Mr. Kenneth K.H. Lam	Member
3. Mr. Peter E. Romhild	Member

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

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

2.1.3 ATTENDANCE RECORD IN 2012

Board of Directors

In 2012, the Board of Directors met 9 times. Details of the attendance are as follows:

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

Executive Committee

In 2012, the Executive Committee met 5 times. The attendance details, including attendance in person and conference calls are as follows:

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

Audit and Risk management Committee

In 2012, the Audit and Risk Management Committee met 5 times. The attendance details, including attendance in person and conference calls are as follows:

Name	Position	No. of Meetings Attended
1. Mr. James M. Kelso	Chairman of Audit and Risk Management Committee	5/5
2. Mrs. Phornpun Phornprapa	Member	5/5
3. Mr. Peter E. Romhild	Member	4/4

Nominating and Compensation Committee

In 2012, the Nominating and Compensation Committee met 3 times. The attendance details, including attendance in person and conference calls are as follows:

Name	Position	No. of Meetings Attended
1. Mr. Bernard Pouliot	Chairman of Nominating and Compensation Committee	3/3
2. Mr. Kenneth K.H. Lam	Member	2/3
3. Mr. Peter E. Romhild	Member	-

2.1.4 MANAGEMENT AND COMPANY SECRETARY

1. Mr. Chaipatr Srivisarvacha
 - Authorized Director
 - Vice Chairman
 - Chairman of the Executive Committee
 - Chief Executive Officer
2. Mr. Pinit Puapan
 - Authorized Director
 - Managing Director
3. Mrs. Duangrat Watanapongchat
 - Company Secretary
 - Secretary to the Board of Directors and Executive Committee
4. Mrs. Banchit Chittanusart
 - Executive Vice President
 - Finance, Account and Treasury Department
 - KT ZMICO Securities Co., Ltd.
 - (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)

DIRECTORS AND MANAGEMENT PROFILES

Name-Surname	Mr. Chaipatr Srivisarvacha
Position	<ul style="list-style-type: none"> - Authorized Director - Executive Chairman and CEO - Vice Chairman
Age	53 Years
Date of Appointment	18 April 2007
Education	MBA (Finance), Illinois Benedictine College (1984)
Training	Director Certification Program (DCP) (2003)
% of Shareholding	0%
Experience	
25 June 2007 - Present	- Executive Chairman and CEO, Seamico Securities Plc.
28 May 2007 - Present	- Vice Chairman, Seamico Securities Plc.
1 May 2009 - Present	- Executive Chairman and CEO, KT ZMICO Securities Co., Ltd.
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.
28 May 2012 - Present	- Governor, The Stock Exchange of Thailand
20 June 2012 - Present	- Director, Thailand Futures Exchange Plc.
1 January 2013 - Present	- Chairman Derivatives Investor Protection Fund Committee, Thailand Futures Exchange Plc.
2003 - Present	- Independent Director and Audit Committee Member, Brooker Group Plc.
14 March 2011 - Present	- Independent Director, Precious Shipping Plc.
20 October 2010 - Present	- Director, Global Alliance Partners Ltd.
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 Pcl.

Name-Surname	Mr. Bernard Pouliot
Position	<ul style="list-style-type: none"> - Director - Vice Chairman - Member of Executive Committee - Chairman of Corporate Governance Committee - Member of Nominating and Compensation Committee
Age	61 Years
Date of Appointment	26 September 1997
Education	Bachelor Degree, Major - Commerce, University of Quebec (1974)
% of Shareholding	0.26%
Experience	
March 2008 - Present	- Vice Chairman, Seamico Securities Plc.
4 May 2007 - March 2008	- Chairman of the Board of Director, Seamico Securities Plc.
13 December 2010 - Present	- Member of Executive Committee, Seamico Securities Plc.
28 May 2007 - Present	- Chairman of Corporate Governance Committee, Seamico Securities Plc.
Present	- Member of Nominating and Compensation Committee, Seamico Securities Plc.
November 1994 - Present	- Director, Seamico Securities Plc.
1998 - 28 May 2007	- Director and Member of Executive Committee, Seamico Securities Plc.
2000 - Present	- Chairman, Quam Limited

Name-Surname	Mr. Pinit Puapan
Position	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Executive Committee
Age	46 Years
Date of Appointment	30 January 2009
Education	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School (2006) - MSC, Economics, London School of Economics (1990) - BA, Economics & Political Science, Tufts University (1989)
Training	<ul style="list-style-type: none"> - Audit Committee Program (2004) - Director Accreditation Program (DAP) (2004)
% of Shareholding	0%
Experience	
2 March 2009 - Present	- Authorized Director, Seamico Securities Plc.
3 July 2007 - Present	- Managing Director, Seamico Securities Plc.
28 May 2007 - Present	- Member of the Executive Committee, Seamico Securities Plc.
21 May 2007 - 21 October 2008	- Authorized Director, Seamico Securities Plc.
28 October 2008 - Present	- Authorized Director and Managing Director, KT ZMICO Securities Co., Ltd.
28 April 2009 - Present	- Director, Solaris Asset Management Co., Ltd.
August 2009 - Present	- Director, Thanh Cong Securities J.S.C.
2002 - Present	- Director, Thai Dairy Industry Co., Ltd.
2002 - Present	- Independent Director, Charn Issara Development Plc.
2008 - Present	- Director, Ideas 1606 Co., Ltd.
2010 - 31 January 2012	- Director, BCEL-KT Securities Co., Ltd.

Name-Surname	Mr. Robert William McMillen
Position	<ul style="list-style-type: none"> - Director - Member of Executive Committee
Age	57 Years
Date of Appointment	7 November 1997
Education	<ul style="list-style-type: none"> - Chartered Accountant, Major - Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major - Accounting, The New South Wales University of Technology (1982) - Director Accreditation Program (DAP) (2007)
Training	
% of Shareholding	0%
Experience	
29 May 2007 - Present	- Director, Seamico Securities Plc.
13 December 2010 - Present	- Member of Executive Committee, Seamico Securities Plc.
1 June 2006 - 28 May 2007	- Director and Member of Executive Committee, Seamico Securities Plc.
24 August 2005 - 31 May 2006	- Authorized Director and President, Seamico Securities Plc.
1 June 2000 - 23 August 2005	- Authorized Director and Chief Executive Officer, Seamico Securities Plc.
November 1997 - 31 May 2000	- Authorized Director and Managing Director, Seamico Securities Plc.
1 October 2003 - Present	- Authorized Director and Member of Executive Committee, Brooker Group Plc.
8 August 2003 - 30 September 2003	- Authorized Director and Chairman of Executive Committee, Brooker Group Plc.
1998 - 7 August 2003	- Non-Authorized Director and Member of Executive Committee, Brooker Group Plc.
19 December 2012 - Present	- Director, L.V. Technology Plc.
February 2006 - Present	- Chairman and Authorized Director, McMillen Advantage Capital Limited
June 2006 - Present	- Chairman and Authorized Director, MAC Capital Advisors Limited
November 2007 - Present	- Chairman and Authorized Director, MAC Capital Limited
June 2006 - Present	- Vice Chairman and Authorized Director, MAC Sharaf Securities (U.A.E.) LLC.
August 2004 - Present	- Authorized Director, Quam Asset Management (BVI) Limited
March 2005 - Present	- Authorized Director, Quam Funds (SPC) Limited
January 2007 - Present	- Authorized Director, Quam Funds Plus (SPC) Limited
September 2008 - Present	- Authorized Director, Quam Multi-Strategy Funds (SPC) Limited
August 2010 - Present	- Director, Quam Ventures (BVI) Limited
August 2010 - Present	- Director and Vice Chairman, Global Alliance Partners Limited (former Chairman)
2003 - 17 May 2008	- Non-Authorized Director, Burda-Rizzoli (Thailand) Company Limited

Name-Surname	Mr. Kenneth Kin Hing Lam
Position	<ul style="list-style-type: none"> - Director - Member of Nominating and Compensation Committee - Member of Corporate Governance Committee
Age	59 Years
Date of Appointment	26 September 1997
Education	<ul style="list-style-type: none"> - Master Degree, Major - Business Administration, Chinese University of Hong Kong (1983) - Honourary Doctor of Law, Lincoln University (2012) - Honourary Fellowship, Canadian Chartered Institute of Business Administration (2012)
% of Shareholding	0.55%
Experience	
November 1997 - Present	- Director, Seamico Securities Plc.
Present	- Member of Nominating and Compensation Committee, Seamico Securities Plc.
28 May 2007 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
1998 - December 2010	- Member of Executive Committee, Seamico Securities Plc.
2000 - Present	- Deputy Chairman, CEO, Quam Limited
Present	- Managing Director, Quam Securities Company Limited
Present	- Authorized Director, Quam Asset Management Limited
Present	- Independent Non-Executive Director, Hon Kwok Land Investment Co., Ltd.
1994 - 2009	- Authorized Director, Quam Capital Limited

Name-Surname	Mrs. Phornpun Phornprapa
Position	<ul style="list-style-type: none"> - Independent Director - Member of Audit and Risk Management Committee
Age	60 Years
Date of Appointment	18 April 2007
Education	Marry Mount College, U.S.A.
Training	Audit Committee Program (2008)
% of Shareholding	0.02%
Experience	
21 May 2007 - Present	- Independent Director, Seamico Securities Plc.
28 May 2007 - Present	- Audit and Risk Management Committee, Seamico Securities Plc.
1977 - Present	- Director, Siam Motors Co., Ltd.
1979 - Present	- Managing Director, Thaworn Holding Co., Ltd.
1979 - Present	- Managing Director, Thaworn Estate Co., Ltd.
1980 - Present	- Managing Director, Siam Country Club and Resort Co., Ltd.
1981 - Present	- Vice President, Universal Mining Co., Ltd.
1982 - Present	- Vice President, Siam Leasing Co., Ltd.

Name-Surname	Mr. James Michael Kelso
Position	<ul style="list-style-type: none"> - Independent Director - Chairman of Audit and Risk Management Committee
Age	58 Years
Date of Appointment	28 May 2007
Education	<ul style="list-style-type: none"> - New York University, Graduate School of Business Administration, Master of Business Administration - Colgate University, Bachelor of Arts (Major History) - Certified Public Accountant (CPA) (RET)
% of Shareholding	0%
Experience	
25 July 2007 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Chairman of Audit and Risk Management Committee, Seamico Securities Plc.
2003 - Present	<ul style="list-style-type: none"> - Chief Executive Officer and Director, IPG Financial Services Pte. Ltd.

Name-Surname	Mr. Peter John Emblin
Position	<ul style="list-style-type: none"> - Director - Member of Executive Committee
Age	54 Years
Date of Appointment	26 February 2010
Education	<ul style="list-style-type: none"> - B.Bus., Fellow of the Financial Services Institute of Australasia - Fellow of the Thai Institute of Directors
Training	Director Certification Program (DCP) (2012)
% of Shareholding	0%
Experience	
18 March 2010 - Present	<ul style="list-style-type: none"> - Director, Seamico Securities Plc.
11 November 2010 - Present	<ul style="list-style-type: none"> - Member of Executive Committee, Seamico Securities Plc.
November 2008 - Present	<ul style="list-style-type: none"> - Executive, Thai Strategic Capital Management Co., Ltd.

Name-Surname	Mr. Peter Emil Romhild
Position	<ul style="list-style-type: none"> - Independent Director - Member of Audit and Risk Management Committee - Member of Nominating and Compensation Committee - Member of Corporate Governance Committee
Age	61 Years
Date of Appointment	27 April 2012
Education	EAC's Internal School, Copenhagen
Training	Director Certification Program (DCP) (2012)
% of Shareholding	0%
Experience	
10 May 2012 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Audit and Risk Management Committee, Seamico Securities Plc. - Member of Nominating and Compensation Committee, Seamico Securities Plc. - Member of Corporate Governance Committee, Seamico Securities Plc.
April 2012 - Present	<ul style="list-style-type: none"> - Vice Chairman, ECCO (Thailand) Co. Ltd.
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.

Name-Surname	Mr. Maung Aung Htun
Position	<ul style="list-style-type: none"> - Director
Age	53 Years
Date of Appointment	27 April 2012
Education	Bsc (Eng) Hons, Imperial College, University of London (1982)
Training	Director Accreditation Program (DAP) (2004)
% of Shareholding	0.00002%
Experience	
10 May 2012 - Present	<ul style="list-style-type: none"> - Director, Seamico Securities Plc.
Present	<ul style="list-style-type: none"> - Director, Nam Seng Insurance Plc.
Present	<ul style="list-style-type: none"> - Director, Draco PCB Plc.
March 2011 - Present	<ul style="list-style-type: none"> - Director, KT ZMICO Securities Co., Ltd.
January 1998 - Present	<ul style="list-style-type: none"> - Executive Chairman & Founder, Thai Strategic Holdings Ltd.
Present	<ul style="list-style-type: none"> - Director, Asian University of Science and Technology
Present	<ul style="list-style-type: none"> - Director, Wuttisak Inter Clinic Group Ltd.
Present	<ul style="list-style-type: none"> - Non Executive Director, GHP Arbitrium Far East
Present	<ul style="list-style-type: none"> - Director, Thai Private Equity & Venture Capital Association

Name-Surname	Mrs. Duangrat Watanapongchat
Position	<ul style="list-style-type: none"> - Company Secretary - Secretary to the Board of Directors - Secretary to the Executive Committee
Age	55 Years
Education	<ul style="list-style-type: none"> - Master of Science, Accounting, Thammasat University (1983) - Bachelor of Law, Sukhothai Thammathirat Open University (1995)
Training	<ul style="list-style-type: none"> - Directors Certification Program (2002) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.06%
Experience	
1 December 2012 - Present	- Company Secretary, Secretary to the Board of Directors, Secretary to the Executive Committee, Seamico Securities Plc.
1 October 2012 - Present	- Chief of Portfolio Management & Trading, Secretary to the Board of Directors KT ZMICO Securities Co., Ltd.
19 April 2007 - 30 November 2012	- Deputy Managing Director, Company Secretary, Secretary to the Board of Directors, Secretary to the Executive Committee, Seamico Securities Plc.
May 2009 - 30 September 2012	- Chief Operation Officer, Secretary to the Board of Directors KT ZMICO Securities Co., Ltd.
2009 - Present	- Director, Thanh Cong Securities J.S.C.
21 June 2012 - 30 September 2012	- Authorized Director, Solaris Asset Management Co., Ltd.
December 2006 - 13 December 2007	- Authorized Director, Seamico Derivatives Co., Ltd.
25 April 2002 - 18 April 2007	- Authorized Director, Member of Executive Committee and Deputy Managing Director, Seamico Securities Plc.
1 June 2000 - 2002	- Deputy Managing Director, Seamico Securities Plc.
1994 - 31 May 2000	- Authorized Director and Deputy Managing Director, Seamico Securities Plc.

Name-Surname	Mrs. Banchit Chittanusart
Position	Executive Vice President - Finance, Account and Treasury Department
Age	50 Years
Education	- Master Degree of Accounting, Thammasat University (1990)
Training	- Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.00001%
Experience	
April 2009 - Present	- Executive Vice President - Financial Control and Treasury Department, KT ZMICO Securities Co., Ltd. (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)
October 2008 - March 2009	- Director, KTB Securities Co., Ltd.
April 2004 - September 2008	- Executive Vice President - Finance, Account and Treasury Department, Seamico Securities Plc.
February 1998 - March 2004	- Senior Director of Finance and Accounting Department, Government Pension Fund

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANY'S DIRECTORS

Company Name	Solaris Asset Management Company Limited
Location	287 Liberty Square 8th 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, Managing Director
5. Mr. Chaipatr Srivisarvacha	Director
6. Mr. Pichai Yimjaipoonsup	Director
7. Mr. Simon Morris Gerovich	Director
8. Mr. Arthur Hüge Napolitano	Director
9. Mr. Praves Suttirat	Independent Director

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

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

2.2 DIRECTOR SELECTION

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

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

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

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

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

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

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

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

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

2.3 REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2012

2.3.1 Monetary Remuneration

Directors

	Name	Responsibilities	Remuneration	
			Directors' Fee	Bonus*
1.	Mr. Chaipatr Srivisarvacha**	<ul style="list-style-type: none"> • Authorized Director • Vice Chairman • Chairman of Executive Committee • Chief Executive Officer 	-	-
2.	Mr. Pinit Puapan**	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Executive Committee 	-	-
3.	Mr. Bernard Pouliot	<ul style="list-style-type: none"> • Vice Chairman of the Board of Directors • Member of Executive Committee • Chairman of Corporate Governance Committee • Member of Nominating and Compensation Committee 	375,000	285,714.29
4.	Mr. Robert W. McMillen	<ul style="list-style-type: none"> • Director • Member of Executive Committee 	370,000	285,714.29
5.	Mr. Kenneth K.H. Lam	<ul style="list-style-type: none"> • Director • Member of Corporate Governance • Member of Nominating and Compensation Committee 	285,000	285,714.29
6.	Mrs. Phornpun Phornprapa	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee 	380,000	285,714.29
7.	Mr. James M. Kelso	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee 	385,000	285,714.29
8.	Mr. Peter J. Emblin	<ul style="list-style-type: none"> • Director • Member of Executive Committee 	360,000	285,714.29
9.	Mr. Peter E. Romhild***	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee • Chairman of Nominating and Compensation Committee • Member of Corporate Governance Committee 	240,000	-
10.	Mr. Maung Aung Htun***	<ul style="list-style-type: none"> • Director 	180,000	-
	Mr. Praphant Asva-aree	<ul style="list-style-type: none"> • Resigned on 23rd April 2012 	100,000	285,714.29
Total			2,675,000	2,000,000.03

Note * Bonus of 2011 performance paid in 2012

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

*** Mr. Peter E. Romhild has been appointed as an independent director replacing Mr. Praphant Asva-aree who had resigned from his directorship on 23rd February 2012 and Mr. Maung Aung Htun has been appointed as a director replacing Mr. Ekamol Kiriwat who had resigned from his directorship on 1st April 2011.

Directors (Authorized) and Management

<u>Type of Remuneration</u>	<u>Remuneration (Baht)</u>
Salary and Bonus	4,273,000

2.3.2 Other Remuneration

For 2012, the Company contributed Baht 308,300 for the management to the Company's provident fund.

THE CHANGE IN DIRECTORS AND MANAGEMENT'S SECURITIES HOLDING

Director / Management	No. of Shares Held		Change Increase / (Decrease)
	31 Dec. 11	31 Dec. 12	
Mr. Chaipatr Srivisarvacha	738,088	0	(738,088)
Mr. Pinit Puapan	0	0	0
Mr. Bernard Pouliot	2,634,999	2,634,999	0
Mr. Robert W. McMillen	341,040	0	(341,040)
Mr. Kenneth K.H. Lam	5,618,169	5,618,169	0
Mrs. Phornpun Phornprapa	182,100	182,100	0
Mr. James M. Kelso	0	0	0
Mr. Peter J. Emblin	0	0	0
Mr. Peter E. Romhild	0	0	0
Mr. Maung Aung Htun	252	252	0
Mr. Duangrat Watanapongchat	620,297	620,297	0
Mrs. Banchit Chittanusart	101	101	0

2.4 CORPORATE GOVERNANCE 2012

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

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). In 2012, the Company has rated at "Very Good Grade" from the survey of good governance that was assessed by IOD continuously for 5 years since 2008.

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

1. Rights of Shareholders**The rights to obtain information**

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

Voting rights

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

The rights to express opinions and ask questions

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

The rights to be treated equally

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

2. Equitable Treatment of Shareholders

The Company arranges meetings of shareholders by supporting sufficient information and the shareholders have opportunities to express their opinions and ask questions. In 2012, the Company has website to request the shareholders to propose additional agenda items and nominate qualified directors before AGM meeting. The Company also provides a proxy form for shareholders who can not attend meetings to appoint an independent director as a grantee.

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

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

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

3. Roles of Stakeholders

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

3.1 Shareholders

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

3.2 Clients

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

3.3 Employees

Employees are a key success factor. Appropriate remuneration competitive to other companies in the same industry is provided and reviewed regularly. The Company provides

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

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

3.4 Governance office, Government, Public Corporate

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

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

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

3.5 Society, Community, Environment

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

3.6 Creditors, Suppliers, Competitors

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

4. Disclosure and Transparency

Disclosure policy

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

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

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

Directors' reporting

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

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

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

Remuneration of directors and management

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

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

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

Board of Directors meetings

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

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

The attendance record of Directors for 2012 as shown in "ATTENDANCE RECORD IN 2012"

Investor relations

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

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

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

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

5. Board Responsibilities

Leadership and vision

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

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

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

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

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

Conflict of interest

The Company guards against conflicts of interest, as follows:

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

Code of ethics

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

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

- **The balance of power for non-executive directors**

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

The Composition of the Board of Directors

Executive Directors	2	persons
Non-Executive Directors	8	persons
<u>Consisting of:</u>		
Independent Directors	3	persons
Outside Directors	5	persons

- **The Appointment of Audit and Risk Management Committee**

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

- **Aggregation or segregation of positions**

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

- **Committees**

Various committees have been established, such as:

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

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

- **Control system and internal audit**

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

In relation to operational controls:

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

In relation to internal audits

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

In relation to risk management

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

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

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1. Philosophy of Work of the Company

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

2. Policies Concerning the Board of Directors

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

3. Structure of Board of Directors

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

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

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

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

4. Duties and responsibilities of the Board of Directors

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

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

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

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

5. Work Performance of the Board of Directors

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

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

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

6. Duties and Responsibilities of the Management

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

7. Policy on the Conflict of Interest

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

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

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

8. Policy on the Internal Control and Risk Management System

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

9. Policy on the Accounting and Financial Transactions

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

10. Policy on the Trading of Securities

The Board of Directors and Executive Management shall have the duty to report their securities holding in compliance with the rules and regulations of the Securities Exchange of

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

11. Policy on the Social Responsibility

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

2.5 SUPERVISION ON USING INSIDE INFORMATION

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

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

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

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

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

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

2.6 INTERNAL CONTROL AND RISK MANAGEMENT

For 2012, the Audit and Risk Management Committee held 5 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 2012 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. In addition, the Chairman of the Company's Audit & Risk Management Committee acted as an advisor to the Audit and Compliance Committee of KT ZMICO.

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

The Board of Directors is of the opinion that there is sufficiency and satisfaction in internal control system which could obtained reasonable assurance that the separate and consolidated financial statement of the company included the financial information stated in Annual Report for the year ended December 31, 2012 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

3. DIVIDEND POLICY

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

The Board of Directors will determine dividend policy of subsidiaries.

Corporate Social Responsibilities (CSR)

Seamico Securities Plc. 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 issues via various CSR campaigns including :

Village Development Partnership : VDP

Seamico Securities Plc. has joined the Population and Community Development Association (PDA) to set a 3-year plan project “The Seamico-Sum Had Village Development Partnership (VDP)” to develop Sum Had village in Ban-yang district, Lamplaimat, Buriram. The project, implemented from October 2008 to September 2011, was a holistic approach to development and contributes to five major development areas: social, economic, environment, health, and education.

In 2012, the company and KT ZMICO Securities Co., Ltd. engaged in program evaluation and impact assessment and found that the village still maintain activities for their community development, for example;

1. Community empowerment activities, the whole village community participation and monthly meeting
2. Income generating activities and financial & accounting training
3. Youth activities such as library for youth development, public charity activities and sport practicing
4. Environmental activities such as monthly village cleaning
5. Elderly and health activities such as quarterly medical check-up, public charity by the elders
6. Sumhad Village School : the School Lunch Farm and Scholarships Assessment

Among the tools used to track the villagers perceived quality of life is “The Bamboo Ladder”, a self-assessment scale. According to this assessment, the quality of life of Sumhad villager in year 2012, including physical health, mental health, education, participation and commitment, economics and environment, shows greater improvement than the previous record set in 2010 and 2011.



A Group Discussion for the quality of life in the village



PDA staff guidance for Village Financial Operation



Public Charity by the elders at Salawan Temple



Children Receiving Scholarships



Organic Pig Raising, the School Lunch Farm



Loy Kratong Activities at Sumhad Village School

- IDEACUBES

IDEACUBES was organized by MYSOCIALMOTION together with Thai Health Promotion Foundation, Thai Red Cross Society and Volunteer Spirit Network. IDEACUBES is an exciting public participation project aimed at inspiring ordinary people to take the first step towards social responsibility by taking simple actions which are small things that everyone can do in their daily lives to positively impact their community, society, and environment. It's a call to action for everyone to change our country, and change the world - by starting with ourselves. The ideas will be selected by 100 volunteer artists who will each produce the most creative, beautiful, or interactive 1mX1mX1m cube. Each IDEACUBE demonstrated one idea which persuaded the public to take action. The total of 100 unique IDEACUBES have been decorated in 20 prime locations throughout Bangkok to create Thailand's most exciting public participation project which enlightening the city, getting people excited, and triggering people of all ages, occupations, or nationalities to take actions.

KT ZMICO Securities Co., Ltd. gave sponsorship funds for a special exhibition that brings together the IDEACUBES from all over Bangkok for the exhibition finale - Citywide Ideas Exhibition. Our employees were encouraged to get involved in this project either through sharing ideas or taking action on ideas. After the exhibition, the IDEACUBES will be sold or auctioned to raise funds for the development and launch of new projects to further create social and environmental change.



The 5th 'Cancer Care', A Charity Fun Run

KT ZMICO has participated in the fifth 'Cancer Care' charity fun run on May 12, 2012 at Lumpini Park. The company donated money and encouraged the employees and clients to join the run and to donate money by purchasing an official 'Cancer Care' t-shirt. The project was organized by Four Seasons Hotel Bangkok, in association with the Thai Red Cross Society with the support of the Canadian Embassy. Proceeds from the run will go towards the research projects conducted by the 'Hematological Cancer Research Centre' at Chulalongkorn Hospital.



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 31st December 2012, 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
		2010	2011	2012		
1) Quam Limited (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Other payable	0.01	-	0.02	- Actual expense incurred	
	- Office rental	1.13	0.57	-	- Fee at the rate HKD 22,941 per month, which is a normal rate charged to other customers	
	- Other expenses	-	-	0.19	- Actual expense incurred	
2) Quam Securities Company Limited. (Formerly named APC Securities Co., Ltd.) A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr.Kenneth Kin Hing Lam	- Accrued research advisory services	-	-	0.09	- At the rate agreed by the contract	
	- Research advisory expense	-	-	0.09	- At the rate agreed by the contract	
3) Solaris Asset Management Co., Ltd. (Formerly named Seamico Asset Management Co.,Ltd.) (Seamico's current subsidiary)	- Accrued private fund management expenses	-	-	0.07	- At the rate of 0.2 percent of net asset value of the fund as under the contract for year 2012 and at the rate of 0.4 percent for year 2010.	The Company has holding of 75.34 Percent in their equity
	- Private Fund management expense	0.06	-	0.10		

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2010	2011	2012		
4) KT Zmico Securities Co.,Ltd. (Formerly named KTB Securities Co.,Ltd.) (Seamico's current associate) Related by way of common Director, Mr.Chaipatr Srivisarvacha	- Other receivable	0.24	-	-	- Actual expense incurred	The Company has holding of 49.54 Percent in their equity.
	- Other payable	-	0.47	0.22	- Actual expense incurred	
	- Outsourcing fee	1.80	1.80	1.80	- At the rate of Baht 150,000 per month	
	- Rental fee	0.59	0.59	0.59	- At the rate of Baht 49,503 per month	
	- Advisory fee income	-	-	5.25	- At the rate determined under the contract at 15 percent of revenue	
5) Thanh Cong Securities J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Other receivable	-	-	0.16	- At the rate agreed by the contract	The Company has holding of 18.88 percent in their equity.
6) Related with subsidiary and associate Solaris Asset Management Co.,Ltd. and KT Zmico Securities Co.,Ltd.	- Rental income	0.25	0.22	0.02	- At the rate agreed by the contract of Baht 18,000 per month	The agreement was terminated from February 2012 on wards.
	- Selling agent fee expenses	0.96	0.62	0.88	- At the rate agreed by the contract	
	- Service fee expenses	0.30	0.84	3.54	- At the rate agreed by the contract January 2010 - October 2011 Baht 25,000 per month November 2011 onwards Baht 295,000 per month.	

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2010	2011	2012		
1) Solaris Asset Management Co.,Ltd (Formerly named Seamico Asset Management Co.,Ltd.) (Seamico's current subsidiary)	- Investment in common shares	31.01	15.59	19.19	- Investment portion 100 percent in year 2010 portion, 75 percent in year 2011 and portion 75.34 percent in year 2012	
	- Increase investment in common shares	10.00	21.00	25.00	- 2012: 2.5 million shares at the 10 Baht per share 2011: 2.1 million shares at the 10 Baht per share 2010: 8 million shares at the 1.25 Baht per share	
	- Investment value in mutual fund at yearend	51.39	54.90	-	- At NAV of the fund	
	- Withdrawal mutual fund managed by subsidiary	-	-	40.65	- At NAV of the fund	
	- Withdrawal private fund managed by subsidiary	26.55	-	-	- Value of investment	
	- Investment in private fund managed by subsidiary	-	-	380.99	- At investment cost, Baht 380.99 million.	
	- Investment value in private fund at year end	-	-	384.43	- At NAV of the fund	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2010	2011	2012		
2) KT Zmico Securities Co.,Ltd. (Formerly name KTB Securities Co.,Ltd.) (Seamico's current associate) Related by way of common director Mr.Chaipatr Srivisarvacha and Mr.Pinit Puapan	- Investment in common shares - Receivable from transfer business - Income from transfer of business	1,087.50 71.82 71.82	1,087.50 70.00 70.00	1,087.50 - -	- Investment portion at 49.54 per cent - At the Pro-rated EBITDA	
3) Thanh Cong Securities J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Investment in common shares	80.54	84.78	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.
4) Evolution Capital Plc. Related by way of common Director, Mr. Chaipatr Srivisarvacha	- Disposal of partial in subsidiary (Solaris Asset Management Co., Ltd.)	-	7.68	-	- Total 3.7 million shares at the price Baht 2,076 per share	Mr.Chaipatr Srivisarvacha resigned from director of Evolution capital Plc. effective July 31, 2012.

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2010	2011	2012		
	- No transaction -					

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2010	2011	2012		
1) Thanh Cong Securities J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	Agreement to provide advisory services - Annual advisory fee	4.57	-	-	- Fee in accordance with the contract total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month.	The Company has holding of 18.88 percent in their equity.

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	The transactions are determined to be reasonable to develop and expand its international business.

Policy and Related Parties and Connected Transactions in the Future

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

The Company has approval to temporary discontinue its Securities trading business. The types of connected transactions are mostly investment in subsidiary and associated companies 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 in the year ended December 31, 2012

Seamico Securities Public Company Limited (“The Company”) and its subsidiary made a net profit of Baht 92 million for the year ended December 31, 2012 compared with the net profit of Baht 21 million recorded last year. The operating results increased from last year due to an increased in main sources of income for the year 2012 which is realized share of profit of associated company KT ZMICO Securities Company Limited (“KT ZMICO”) under equity method. KT ZMICO generated the better operating result due to an increased in trading volume of securities and derivatives business. The Company and its subsidiary’s main income for the year 2012 are realized share of profit of associated company under equity method of Baht 101 million, gain on securities of Baht 27 million and realized gain on transfer of assets and its business to associated company of Baht 7 million. During the period, the Company incurred total operating expenses of Baht 62 million, with some expenses from personnel expenses and directors and managements’ remuneration. The Company and its subsidiary recorded taxable expense of Baht 5 million, a decreasing in taxable expense is a result of the decreasing in tax rate from 30 percent to 23 percent. With the reason mentioned, the Company generated a net profit of Baht 92 million in 2012.

In 2012, KT ZMICO had a market share of 4.14 per cent in the equity market (SET & MAI) and was ranked 10 among securities companies. For Derivative market, KT ZMICO achieved 5.76 percent market share and was also ranked 6.

Major Impact in 2012

After transferring the securities business, Since May 2009, the Company’s operating results depend largely on the operating results of KT ZMICO Securities Co., Ltd. The main income source in the Company’s financial statement is from share of profit of associated company under equity method which is in equivalent to 49.54 percent of issued and paid-up share capital of such associated company. 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 Asset Management Co., Ltd.).

The Securities Industry and the Thai Market

In 2012, the SET index rose from the end of 2011.

- The SET Index increased 36 percent from 1,025.32 points at the end of 2011 to 1,391.93 points at the end of 2012.
- The combined market capitalisation of the SET and MAI increased from Baht 8,485 billion at the end of 2011 to Baht 11,964 billion at the end of 2012, or an increase of 41 percent.
- The overall average daily trading volume of the market increased from Baht 29.47 billion in 2011 to Baht 32.30 billion in 2012, or an increase of 10 percent.
- The overall average daily trading volume for derivatives contract of the derivatives market increased from Baht 41,095 contracts in 2011 to Baht 42,685 contracts in 2012, or an increase of 4 percent.

Customer Base Expansion

- The customer base of KT ZMICO Securities Co., Ltd. increased by 21 per cent from 2011 and it expanded its securities business to offshore trading especially securities business in Laos. Furthermore, in late 2012, KT Seamico Securities Co., Ltd. and the Stock Exchange of Thailand have been collaborated to open trading securities via ASEAN Link. In the beginning, the first three exchanges to be connected on ASEAN Link are Malaysia, Singapore and Thailand.

- In 2012, Solaris Asset Management Co.,Ltd. (Formerly Seamico Asset Management Co.,Ltd.), the subsidiary, launched 6 mutual funds, with approved fund size of Baht 5,582 million. As at 31 December 2012, there were 18 mutual funds and private funds under management with total net asset value of Baht 3,835 million.

Corporate and Investment Activities

- The Company has an investment in KT ZMICO's ordinary shares at Baht 1,087.50 million, therefore, the Company holds 49.54 percent interest in KT ZMICO.
- The Company has an investment in Thanh Cong Securities J.S.C. ("TCSC"), a securities company in Vietnam at Baht 156 million, therefore, the Company holds 18.88 percent interest in TCSC.

On October 29, 2009, the Board of Directors' meeting No. 7/2009 approved to sell all investment in TCSC, which is classified as general investment, to KT ZMICO Securities Company Limited, an associated company. Subsequently, the Company has changed the selling plan, therefore, on February 28, 2011, the Company entered into an agreement with MAC Capital Limited for the latter to identify potential purchasers of investment in TCSC, provide the Company with preliminary offers from the purchasers and also assist and co-ordinate with the Company and the purchasers to complete the sale.

On May 12, 2011, the Board of Directors' meeting No. 2/2011 acknowledged the progress of the sale of such investment from MAC Capital Limited that it still cannot identify the purchasers. The Company has suspended the sale of such investment. However, as at December 31, 2012, the Company recorded an allowance for impairment for such investment in the amount of Baht 67.47 million. The book value of investment is Baht 88.55 million. The per cent interest in TCSC is still at 18.88%.

- 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. Total investment is at Baht 381 million. As at December 31, 2012, the fund has net asset value at Baht 384 million.

Local and International Awards and Recognitions

- In 2012, The Company won an "Excellent" rating for the AGM 2012 assessed by the Thai Investors Association.
- In 2012, The Company earned a "Very Good" rating for the Corporate Governance 2012 assessed by the Thai Institute of Director (IOD).

Financial Position

- As at December 31, 2012, shareholders' equity was Baht 1,785 million which increased from Baht 1,743 million as at December 31, 2011. This was due to the fact that the Company generated net profit attribute to the owners of the parent in 2012 of Baht 99 million, revaluation surplus in available-for-sale securities decreased by Baht 6 million and decreased from dividend payment of Baht 51 million.
- The Company was approved to temporary discontinue its Securities trading business and Derivative trading business from the Office of the Securities and Exchange Commission (SEC), effective from May 1, 2009 to December 31, 2011. 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 and until December 31, 2013 as the letter issued by the Stock Exchange of Thailand No. Bor Sor Chor.

17/2555 dated June 8, 2012. Therefore, the Company is not required to maintain its net liquid capital as define by the SEC.

- The Company remains free of external debts.

2. Operating Results

During 2012, the Company and its subsidiary recorded the total income of Baht 159 million, an increase of 22 per cent from the previous year.

(Million Baht)

	2011		2012	
	Amount	%	Amount	%
Fee and service income	7.24	5.53	15.13	9.49
Gains (loss) on trading in securities	(1.51)	(1.15)	27.04	16.95
Interest and dividend income	6.17	4.71	8.97	5.62
Share profit of associated company by equity method	74.77	57.08	100.69	63.13
Gain on transfer of assets and its business to associated company	43.86	33.48	6.99	4.38
Other income	0.46	0.35	0.67	0.42
Total income	130.99	100.00	159.49	100.00

(1) Income

1.1) Fee and Service Income

The Company and its subsidiary earned Baht 15 million of fee and service income in 2012 which came from fee and service income from private funds and mutual funds management of Baht 10 million and financial advisory fee received from associated company of Baht 5 million, an increase from Baht 7 million last year or a rose of 109 percent.

1.2) Gain on Trading in Securities

During 2012, the Company's realized gain on securities trading of Baht 27 million which resulted from;

- Gain on equity securities trading Baht 25.5 million
- Gain on debt securities trading Baht 1.5 million

1.3) Interest and dividend income

In 2012, the Company had interest income of Baht 9 million from deposits at bank and financial institutions and dividend income from securities.

1.4) Share of profit of associated company

In 2012, the Company recognized share of profit of associated company (KT ZMICO) under equity method of Baht 101 million.

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

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

At the date of assets transfer to KT ZMICO, the Company recognized gain on transfer of assets and business to KT ZMICO in separate financial statements of Baht 185 million. However, the Company recognized such gain on transfer of assets and business to KT ZMICO as income in the consolidated financial statement of Baht 94 million according to the shareholding percentage of the third parties in KT ZMICO at 50.55 percent. 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.

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

In the fourth quarter of 2010, the separate financial statements additionally recorded gain on transfer of assets and business to associated company of Baht 72 million and recorded an accrued income at the same amount as part of the remaining of Baht 200 million payments which the Company will receive from KT ZMICO. However, the Company recognized such gain on transfer of assets and business to associated company as income of Baht 36 million in the consolidated financial statement according to the shareholding percentage of the third parties in KT ZMICO at 50.55 percent. The remaining amount to Baht 36 million was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated statement of financial position.

During 2011, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets to the associated company” as gain on transfer of assets and business to associated company in consolidated financial statements of Baht 9 million.

In the fourth quarter of 2011, the separate financial statements recorded the last portion of gain on transfer of assets and business to associated company of Baht 70 million and recorded an accrued income at the same amount as part of the remaining of Baht 200 million payments which the Company will receive from KT ZMICO. However, the Company recognized such gain on transfer of assets and business to associated company as income of Baht 35 million in the consolidated financial statement according to the shareholding percentage of the third parties in KT ZMICO at 50.55 percent. The remaining amount to Baht 35 million was presented as “unrealized gain on transfer of assets to the associated company” in the consolidated statement of financial position.

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.

During 2012, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets to the associated company” as gain on transfer of assets and business to associated company in consolidated financial statements of Baht 7 million.

At 2012, the total unrealized gain on transfer of assets to the associated company was Baht 156 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)	
Beginning balance January 1, 2010			111
KT ZMICO sold the transferred assets to the third party during 2010		10	(10)
Recorded in 2010	72	36	36
Total in 2010	72	46	
KT ZMICO sold the transferred assets to the third party during 2011		9	(9)
Recorded in 2011	70	35	35
Total in 2011	70	44	
KT ZMICO sold the transferred assets to the third party during 2012		7	(7)
Recorded in 2012	-	-	-
Total in 2012	-	7	156

(2) Securities Business Expenses

In 2012, The Company had total expenses of Baht 62 million, an increase of Baht 0.68 million or 1 percent from previous year.

(Million Baht)

	2011		2012	
	Amount	%	Amount	%
Fees and services expenses	4.56	7.41	5.12	8.22
Bad debts and doubtful debts	(9.23)	(14.98)	(1.52)	(2.44)
Operating expenses	70.53	114.46	62.47	100.27
Impairment loss on securities (reversal)	(4.24)	(6.89)	(3.77)	(6.05)
Total expenses	61.62	100.00	62.30	100.00

2.1) Fee and Service Expenses

In 2012, Fees and Service expenses were Baht 5 million which mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.2) Bad debts and doubtful debts

During 2011, the company reversed Bad debt and doubtful accounts of Baht 7.9 million due to debt repayment from debtor. Moreover, in year 2011 and 2012, Bad debt and doubtful accounts decreased of Baht 1.3 million and 1.5 million, respectively due to collateral value has increased. Therefore, Bad debt and doubtful accounts in 2012 decreased from 2011.

(3) Operating Expenses

Major portion of operating expenses were personnel expenses, consulting expenses which accounted for 38 per cent and 19 per cent of total operating expenses, respectively. However, total expenses decreased by Baht 8 million or 11 per cent from previous year which was resulted from personnel expense decrease by Baht 6 million due to the fact that the number of employee in the Company and subsidiary company decreased from last year.

(4) Profit Margin

The net profit margin for 2012 and 2011 were 62 percent and 18 percent respectively. This resulted from share of profit of associate increased by Baht 26 million and income tax expense decreased by Baht 44 million due to a decrease in corporate income tax rate from 30 percent in 2011 to 23 percent in 2012.

(5) Return on Equity

Return on equity was 5.64 percent in 2012 which increased from 1.37 percent in 2011.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Combination of Assets

As at December 31, 2012, the Company and its subsidiary had total assets of Baht 1,972 million, 27 percent of which was current assets and 73 percent was non-current assets.

Major changes to assets were as follows:

- **Cash and Cash Equivalent**

Cash and cash equivalents as at December 31, 2012 were Baht 251 million, a decrease of Baht 99 million, or 28 percent from year 2011 (See details in 2.1 Cash Flow).

- **Investment in Securities**

As at December 31, 2012, the Company reversed allowance for loss on impairment for ordinary shares of Thanh Cong Securities J.S.C. ("TCSC") of Baht 4 million which the original cost was Baht 156 million. This affected the book value of TCSC increased to Baht 89 million. Additional, in November 2012, the Company sold investment in mutual fund managed by subsidiary and invested in private fund managed by subsidiary of Baht 381 million.

- **Investment in subsidiary company**

In September 2011, the Company disposed of 25% of investment in Solaris Asset Management Co., Ltd. (formerly Seamico Asset Management Co., Ltd.), the subsidiary, to Evolution Capital Public Company Limited. The Company has already received the

consideration for such investment of Baht 7.68 million with gain on disposal of Baht 1 million. In 2012, the subsidiary increased its share capital by Baht 32.5 million. The subsidiary received the capital injection from the Company and Evolution Capital Public Company Limited in the amount of Baht 25 million and Baht 7.5 million, respectively. As at December 31, 2012, the paid-up share capital of the subsidiary is Baht 184.5 million, consisting of 18,450,000 ordinary shares of Baht 10 each, held by the Company and Evolution Capital Public Company Limited 75.34% and 24.66%, respectively.

- Investment in associate company

As at December 31, 2012, the Company hold an interest in investment in KT Zmico securities Co., Ltd., the associate company, at 49.54%. Investment by Cost method is Baht 1,087.5 million and Investment by equity method is Baht 1,205.2 million.

- Securities Business Receivables

Securities business receivables as at December 31, 2012 increased by Baht 1 million from December 31, 2011 because an allowance for doubtful account decreased by Baht 1 million due to the collateral share value increased. Therefore, the outstanding of securities business receivable of the Company as at December 31, 2012 consisted of Securities Business receivables under litigation at Baht 264 million with deducted allowance for doubtful account at Baht 260 million. However, The Company has already reserved full amount of provision for doubtful accounts per the SEC guideline.

- Building improvements and equipment - net

Building improvement and equipment - net as at December 31, 2012 increased by Baht 0.4 million or 37 percent from year 2011 because of an increased in building improvement of subsidiary and purchased additional office equipment of Baht 1.4 million and depreciation of Baht 1 million.

- 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. At present, the Company is in process to find the potential buyers. The land was appraised at Baht 220 million by an independent appraisal.

1.2 Quality of Assets

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

- Investment

As at December 31, 2012, the Company had total investments of Baht 271 million (original cost Baht 337 million), or 14 per cent of total assets. Investments comprised as follows.

(Million Baht)

Classification	Cost/ Amortised cost	Fair value
Trading securities		
Equity securities - Listed securities	33.90	35.70
Government bond	4.99	4.99
Bill of exchange	42.00	42.08
Mutual fund	99.17	99.35
Total	180.06	182.12
Add Revaluation adjustments	2.06	-
Total Trading securities - net	182.12	182.12
General investments		
Ordinary shares	156.51	89.04
Preferred shares	0.13	0.13
Total	156.64	89.17
Less Allowance for loss on impairment	(67.47)	-
Total General investments - net	89.17	89.17
Total investments - net	271.29	271.29

The proportions of investment as at December 31, 2012 are as follows;

Investment in listed securities	13	percent
Investment in government bond and bill of exchange	17	percent
Investment in unit trust	37	percent
Investment in general investment	33	percent

- Securities Business Receivables and Accrued Interest Receivables

The Company had total securities receivables and accrued interest receivables as at December 31, 2012 of Baht 264 million with allowance for doubtful debt of Baht 260 million, or 98.48 percent of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

As at December 31, 2012, receivables of Baht 264 million were in the legal proceeding (The amount of Baht 254 million arose from margin accounts at the end of year 2008 and the amount of Baht 10 million were old cases of legal proceeding that the company has won legal judgement but still are in process of following for debt payment.)

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at December 31, 2012 totalled Baht 251 million or an decrease from December 31, 2011 by Baht 99 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	(220)
Cash provided by Investing Activities	196
Cash used in Financing Activities	(75)
Net decrease in Cash and Cash Equivalent	(99)

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

- Operating Activities

During 2012, cash from operating activities decreased by Baht 220 million which came from the following transactions.

Cash decreased from

- Investment in trading securities increased by Baht 180 million.
- Other liabilities decreased by Baht 2 million.
- Operating activities by Baht 40 million.

Cash increased from

- Securities business receivables and other asset decreased by Baht 0.3 million.
- Accrued expenses increased by Baht 2 million.

- Investing Activities

During 2012, net cash provided by investing activities increased by Baht 196 million which came from the following sources.

Cash increased from

- dividend from an associated company (KT ZMICO) of Baht 61 million.
- selling assets and securities business to KT ZMICO of Baht 70 million.
- Disposal of investment in mutual fund managed by subsidiary company of Baht 65 million

- Financing Activities

During 2012, a decrease of cash by Baht 75 million came from below transactions.

Cash decreased from

- Cash paid for excess share subscription to shareholders of Baht 32 million.
- Dividend payment of Baht 51 million.

Cash increased from

- Cash received from non-controlling interest for increase in share capital of subsidiary of Baht 8 million.

2.2 Significant Liquidity Ratios

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

	Dec 31, 2011	Dec 31, 2012
Liquid Assets to Total Assets Ratio (%)	21	22
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

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

3. Investment Expenses

Investment

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

4. Sources of Capital

4.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2012 and December 31, 2011 was 0.10 times and 0.13 times, respectively.

4.2 Shareholders' equity

As at December 31, 2012, shareholders' equity totalled Baht 1,785 million, an increase of Baht 42 million, or 2 per cent from December 31, 2011. This was due to the fact that the Company generated net profit attributed to owners of parent in 2012 of Baht 99 million, revaluation surplus in available-for-sale securities decreased by Baht 6 million and decreased from dividend payment of Baht 51 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, 2012, 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, 2012, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



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

BANGKOK
February 27, 2013

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
ASSETS					
Cash and cash equivalents	5	251,040,750	350,097,535	232,148,900	337,819,652
Securities business receivables - net	6	4,047,260	2,698,240	4,047,260	2,698,240
Investments - net	8.1	271,292,135	143,287,022	271,292,135	143,287,022
Investments in subsidiary and associated companies - net	9	1,205,204,756	1,159,348,495	1,106,691,233	1,103,090,962
Building improvements and equipment - net	10	1,576,718	1,149,374	288,020	206,048
Intangible assets - net	11	7,148,692	8,580,102	3,331,977	3,336,890
Deferred tax assets - net	12	59,708,927	62,270,679	35,412,457	36,576,359
Assets classified as held for sale - net	13	165,188,800	165,188,800	165,188,800	165,188,800
Other assets	14	7,135,296	76,612,813	1,349,259	70,864,101
TOTAL ASSETS		1,972,343,334	1,969,233,060	1,819,750,041	1,863,068,074

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Accrued expenses		8,032,545	5,346,860	5,788,412	3,769,795
Unrealized gain on transfer of business to an associated company	35	156,097,351	163,086,601	-	-
Employment benefits obligation	15	1,994,255	3,144,066	935,947	2,364,031
Share subscription payable	17	-	31,919,794	-	31,919,794
Other liabilities	16	15,721,166	17,871,730	14,706,703	16,797,180
Total liabilities		<u>181,845,317</u>	<u>221,369,051</u>	<u>21,431,062</u>	<u>54,850,800</u>
OWNERS' EQUITY					
Share capital	17				
Authorized share capital					
1,022,687,231 ordinary shares of Baht 0.50 each		<u>511,343,616</u>	<u>511,343,616</u>	<u>511,343,616</u>	<u>511,343,616</u>
Issued and paid-up share capital					
1,022,619,448 ordinary shares of Baht 0.50 each, fully paid		511,309,724		511,309,724	
902,619,448 ordinary shares of Baht 0.50 each, fully paid			451,309,724		451,309,724
Share subscription received in advance	17	-	60,000,000	-	60,000,000
Premium on share capital	21	1,116,138,100	1,116,138,100	1,116,138,100	1,116,138,100

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
LIABILITIES AND OWNERS' EQUITY					
(CONTINUED)					
Other components of equity		3,793,326	9,330,332	-	11,398,751
Retained earnings					
Appropriated					
Statutory reserve	22	108,383,352	108,383,352	108,383,352	108,383,352
Unappropriated		44,105,341	(3,496,338)	62,487,803	60,987,347
Difference arising on disposal of partial interest in subsidiary	9	1,003,468	1,003,468	-	-
Total equity attributable to owners of the parent		1,784,733,311	1,742,668,638	1,798,318,979	1,808,217,274
Non-controlling interests		5,764,706	5,195,371	-	-
Total owners' equity		1,790,498,017	1,747,864,009	1,798,318,979	1,808,217,274
TOTAL LIABILITIES AND OWNERS' EQUITY		1,972,343,334	1,969,233,060	1,819,750,041	1,863,068,074

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
REVENUES					
Fee and service income	24	15,133,998	7,238,858	5,245,946	-
Gain (loss) on investments	8.2	27,044,018	(1,507,621)	27,044,018	(504,153)
Share of profit of associated company accounted for under equity method		100,687,456	74,774,187	-	-
Interest and dividend income		8,969,261	6,172,850	69,017,628	87,549,309
Gain on transfer of business to an associated company	35	6,989,250	43,860,348	-	70,000,000
Other income		671,336	458,859	653,335	206,788
Total revenues		<u>159,495,319</u>	<u>130,997,481</u>	<u>101,960,927</u>	<u>157,251,944</u>
EXPENSES					
Fee and service expenses	25	5,119,936	4,563,927	115,052	-
Operating expenses					
Personnel expenses		23,685,649	29,702,657	9,296,890	11,448,846
Premises and equipment expenses		8,691,029	11,131,713	1,974,913	3,640,361
Directors' remuneration	26	5,470,000	5,344,000	4,675,000	4,550,000
Consulting fee		11,642,254	7,975,725	6,644,344	5,268,263
Communication and information expenses		2,079,554	1,702,203	11,801	13,779
Other expenses	27	10,898,867	14,675,550	6,503,576	10,569,222
Bad debts and doubtful accounts (reversal)		(1,519,735)	(9,228,206)	(1,519,735)	(9,228,206)
Impairment loss on securities (reversal)	29	(3,768,491)	(4,245,506)	17,631,238	25,498,229
Total expenses		<u>62,299,063</u>	<u>61,622,063</u>	<u>45,333,079</u>	<u>51,760,494</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
INCOME BEFORE INCOME TAX		97,196,256	69,375,418	56,627,848	105,491,450
INCOME TAX - EXPENSES	30	(5,411,440)	(48,828,106)	(4,013,590)	(33,438,342)
NET INCOME		<u>91,784,816</u>	<u>20,547,312</u>	<u>52,614,258</u>	<u>72,053,108</u>
OTHER COMPREHENSIVE INCOME					
Gain on re-measuring available-for-sale investments	8.4	8,852,850	3,512,977	8,852,850	3,512,977
Reclassification adjustments relating to available-for-sale investments disposed of in the period	8.4	(23,101,289)	-	(23,101,289)	-
Share of other comprehensive income of an associated company		5,861,745	(474,209)	-	-
Income tax relating to components of other comprehensive income	8.4	2,849,688	370,950	2,849,688	370,950
TOTAL OTHER COMPREHENSIVE INCOME - NET		<u>(5,537,006)</u>	<u>3,409,718</u>	<u>(11,398,751)</u>	<u>3,883,927</u>
TOTAL COMPREHENSIVE INCOME		<u>86,247,810</u>	<u>23,957,030</u>	<u>41,215,507</u>	<u>75,937,035</u>
NET PROFIT ATTRIBUTABLE TO:					
Owners of the parent		98,715,481	23,029,673	<u>52,614,258</u>	<u>72,053,108</u>
Non-controlling interests		<u>(6,930,665)</u>	<u>(2,482,361)</u>		
		<u>91,784,816</u>	<u>20,547,312</u>		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent		93,178,475	26,439,391	<u>41,215,507</u>	<u>75,937,035</u>
Non-controlling interests		<u>(6,930,665)</u>	<u>(2,482,361)</u>		
		<u>86,247,810</u>	<u>23,957,030</u>		
EARNINGS PER SHARE OF OWNERS OF THE PARENT					
BASIC EARNINGS PER SHARE	BAHT	0.097	0.026	0.052	0.081
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	17 SHARES	1,021,307,973	893,801,466	1,021,307,973	893,801,466

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN OWNERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS												Total equity attributable to owners of the parent	Non-controlling interests	Total owners' equity
	Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Premium on treasury share	Other components of equity Surplus on re-measuring available-for-sale investments	Share of other comprehensive income (loss) of an associated company	Appropriated retained earnings Statutory reserve	Treasury stock	Unappropriated retained earnings (deficit)	Difference arising on disposal of partial interest in subsidiary	Treasury stock				
Balance as at January 1, 2011	416,947,565	-	1,116,138,100	15,518,880	7,514,824	(1,594,210)	108,383,352	31,824,872	(13,808,580)	-	(31,824,872)	1,649,099,931	-	1,649,099,931	
Share capital increased	17 39,966,109	-	-	-	-	-	-	-	-	-	-	39,966,109	-	39,966,109	
Treasury stock cancelled	18 (5,603,950)	-	-	(11,971,314)	-	-	-	-	-	-	17,575,264	-	-	-	
Treasury stock sold	18 -	-	-	(3,547,566)	-	-	-	-	(135,254)	-	14,249,608	10,566,788	-	10,566,788	
Total comprehensive income	-	-	-	-	3,883,927	(474,209)	-	-	23,029,673	-	-	26,439,391	(2,482,361)	23,957,030	
Appropriated retained earnings	23 -	-	-	-	-	-	-	(31,824,872)	31,824,872	-	-	-	-	-	
Share subscription received in advance	17 -	60,000,000	-	-	-	-	-	-	-	-	-	60,000,000	-	60,000,000	
Difference arising on disposal of partial interest in subsidiary	9 -	-	-	-	-	-	-	-	-	1,003,468	-	1,003,468	-	1,003,468	
Non-controlling interests increased	-	-	-	-	-	-	-	-	-	-	-	-	7,677,732	7,677,732	
Dividend	19 -	-	-	-	-	-	-	-	(44,407,049)	-	-	(44,407,049)	-	(44,407,049)	
Ending balance as at December 31, 2011	<u>451,309,724</u>	<u>60,000,000</u>	<u>1,116,138,100</u>	<u>-</u>	<u>11,398,751</u>	<u>(2,068,419)</u>	<u>108,383,352</u>	<u>-</u>	<u>(3,496,338)</u>	<u>1,003,468</u>	<u>-</u>	<u>1,742,668,638</u>	<u>5,195,371</u>	<u>1,747,864,009</u>	
Balance as at January 1, 2012	451,309,724	60,000,000	1,116,138,100	-	11,398,751	(2,068,419)	108,383,352	-	(3,496,338)	1,003,468	-	1,742,668,638	5,195,371	1,747,864,009	
Total comprehensive income	-	-	-	-	(11,398,751)	5,861,745	-	-	98,715,481	-	-	93,178,475	(6,930,665)	86,247,810	
Share capital increased/share subscription received in advance	17 60,000,000	(60,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	
Non-controlling interests increased	9 -	-	-	-	-	-	-	-	-	-	-	-	7,500,000	7,500,000	
Dividend	19 -	-	-	-	-	-	-	-	(51,113,802)	-	-	(51,113,802)	-	(51,113,802)	
Ending balance as at December 31, 2012	<u>511,309,724</u>	<u>-</u>	<u>1,116,138,100</u>	<u>-</u>	<u>-</u>	<u>3,793,326</u>	<u>108,383,352</u>	<u>-</u>	<u>44,105,341</u>	<u>1,003,468</u>	<u>-</u>	<u>1,784,733,311</u>	<u>5,764,706</u>	<u>1,790,498,017</u>	

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN OWNERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

	Notes	SEPARATE FINANCIAL STATEMENTS									
		Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Premium on treasury share	Other components of equity Surplus on re-measuring available-for-sale investments	Appropriated retained earnings Statutory reserve	Treasury stock	Unappropriated retained earnings	Treasury stock	Total owners' equity
Balance as at January 1, 2011		416,947,565	-	1,116,138,100	15,518,880	7,514,824	108,383,352	31,824,872	1,651,670	(31,824,872)	1,666,154,391
Share capital increased	17	39,966,109	-	-	-	-	-	-	-	-	39,966,109
Treasury stock cancelled	18	(5,603,950)	-	-	(11,971,314)	-	-	-	-	17,575,264	-
Treasury stock sold	18	-	-	-	(3,547,566)	-	-	-	(135,254)	14,249,608	10,566,788
Total comprehensive income		-	-	-	-	3,883,927	-	-	72,053,108	-	75,937,035
Appropriated retained earnings	23	-	-	-	-	-	-	(31,824,872)	31,824,872	-	-
Share subscription received in advance	17	-	60,000,000	-	-	-	-	-	-	-	60,000,000
Dividend	19	-	-	-	-	-	-	-	(44,407,049)	-	(44,407,049)
Ending balance as at December 31, 2011		<u>451,309,724</u>	<u>60,000,000</u>	<u>1,116,138,100</u>	<u>-</u>	<u>11,398,751</u>	<u>108,383,352</u>	<u>-</u>	<u>60,987,347</u>	<u>-</u>	<u>1,808,217,274</u>
Balance as at January 1, 2012		451,309,724	60,000,000	1,116,138,100	-	11,398,751	108,383,352	-	60,987,347	-	1,808,217,274
Total comprehensive income		-	-	-	-	(11,398,751)	-	-	52,614,258	-	41,215,507
Share capital increased/share subscription received in advance	17	60,000,000	(60,000,000)	-	-	-	-	-	-	-	-
Dividend	19	-	-	-	-	-	-	-	(51,113,802)	-	(51,113,802)
Ending balance as at December 31, 2012		<u>511,309,724</u>	<u>-</u>	<u>1,116,138,100</u>	<u>-</u>	<u>-</u>	<u>108,383,352</u>	<u>-</u>	<u>62,487,803</u>	<u>-</u>	<u>1,798,318,979</u>

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		97,196,256	69,375,418	56,627,848	105,491,450
Adjustments					
Depreciation and amortization		2,371,322	3,041,422	214,441	155,838
Loss on disposal of intangible assets		-	7	-	7
Loss on disposal of office equipment		-	7	-	7
Bad debt and doubtful accounts (reversal)		(1,349,087)	(1,349,086)	(1,349,087)	(1,349,086)
Bad debts recovery		(170,648)	(7,879,120)	(170,648)	(7,879,120)
Gain on sale of assets classified as held for sale		-	(159,995)	-	(159,995)
Unrealized gain on re-measuring trading investments		(2,059,377)	(1,648,802)	(2,059,377)	(1,648,802)
Loss on reclassification of trading investments to available-for-sale investments		-	3,385,540	-	3,385,540
Gain on sale of available-for-sale investments		(23,101,289)	-	(23,101,289)	-
Gain on sale of general investment		-	(1,000)	-	(1,000)
Impairment loss from equity securities (reversal)		(3,768,490)	(4,245,506)	(3,768,490)	(4,245,506)
Impairment loss from investment in subsidiary		-	-	21,399,729	29,743,735
Gain on disposal of partial interest in subsidiary	9	-	-	-	(1,003,468)
Share of profit of an associated company accounted for under equity method		(100,687,456)	(74,774,187)	-	-
Gain on transfer of business to an associated company		(6,989,250)	(43,860,348)	-	(70,000,000)
Interest and dividend income		(8,969,261)	(6,172,850)	(69,017,628)	(87,549,309)
Employee benefit expenses		445,596	921,387	167,323	536,206
Cash received from interest		8,706,836	6,005,875	8,037,456	5,742,753
Cash paid for employee benefit		(1,595,407)	-	(1,595,407)	-
Cash paid for income tax		(457,591)	(227,723)	(168,836)	(1,768)
Loss from operating before changes in operating assets and liabilities		(40,427,846)	(57,588,961)	(14,783,965)	(28,782,518)
(Increase) decrease in operating assets					
Investments in trading securities		(180,065,618)	-	(180,065,618)	-
Securities business receivables		170,715	2,000,000	170,715	2,000,000
Other assets		168,221	844,888	(58,402)	1,063,774
Increase (decrease) in operating liabilities					
Accrued expenses		2,685,685	(3,940,639)	2,018,617	(3,627,171)
Other liabilities		(2,155,905)	(23,569,939)	(2,095,818)	(23,668,489)
Net cash from operating activities		(219,624,748)	(82,254,651)	(194,814,471)	(53,014,404)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investments		66,741,222	1,000	66,741,222	1,000
Cash paid for purchase of investment in subsidiary		-	-	(25,000,000)	(21,000,000)
Proceeds from disposal of partial interest in subsidiary		-	7,681,200	-	7,681,200
Cash paid for acquisition of equipment		(1,367,256)	(71,462)	(291,500)	(27,820)
Cash paid for acquisition of intangible assets		-	(8,100)	-	-
Proceeds from sale of assets classified as held for sale		-	1,165,995	-	1,165,995
Proceeds from interest and dividend					
from investments in securities		29,312	131,964	29,312	131,964
Cash received from dividend of an associated company		60,692,940	81,659,592	60,692,940	81,659,592
Proceeds from transfer of business to					
an associated company	35	70,000,000	71,819,196	70,000,000	71,819,196
Net cash from investing activities		<u>196,096,218</u>	<u>162,379,385</u>	<u>172,171,974</u>	<u>141,431,127</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from non-controlling interest for increase					
in share capital of subsidiary		7,500,000	1,000,000	-	-
Cash received from increase in share capital		-	60,000,000	-	60,000,000
Cash received from excess share subscription		-	31,919,794	-	31,919,794
Cash received from sale of treasury stock		-	10,566,788	-	10,566,788
Cash paid for excess share subscription	17	(31,914,453)	-	(31,914,453)	-
Cash paid for dividend		(51,113,802)	(312,436)	(51,113,802)	(312,436)
Net cash from financing activities		<u>(75,528,255)</u>	<u>103,174,146</u>	<u>(83,028,255)</u>	<u>102,174,146</u>
Net increase (decrease) in cash and cash equivalents		(99,056,785)	183,298,880	(105,670,752)	190,590,869
Cash and cash equivalents as at January 1,		<u>350,097,535</u>	<u>166,798,655</u>	<u>337,819,652</u>	<u>147,228,783</u>
Cash and cash equivalents as at December 31,	5	<u><u>251,040,750</u></u>	<u><u>350,097,535</u></u>	<u><u>232,148,900</u></u>	<u><u>337,819,652</u></u>
Non-cash items					
Increase in transfer of assets for debt settlement	13	-	4,873,120	-	4,873,120
Increase (decrease) in surplus on re-measuring					
available-for-sale investments (net of tax)		(11,398,751)	3,883,927	(11,398,751)	3,883,927
Treasury stock cancelled	18.1	-	17,575,264	-	17,575,264
Stock dividend	19	-	39,966,109	-	39,966,109

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

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

As at December 31, 2012 and 2011, 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 and the Stock Exchange of Thailand to extend the suspension period for securities and derivative business operation until April 30, 2013 and December 31, 2013, respectively.

However, the Company continues as a listed securities company which most businesses are related to investment and may have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 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”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards.
- 2.2 The consolidated financial statements for the years ended December 31, 2012 and 2011 include the accounts of the Company and Solaris Asset Management Co., Ltd., which the Company has a holding of 75.34% 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, 2012 and 2011 also included interest in an associated company’s equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

3. NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

- 3.1 TAS, TFRS and TSI which are effective for the financial statements for the periods beginning on or after January 1, 2013:

Thai Accounting Standards (TAS)

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

Thai Financial Reporting Standard (TFRS)

TFRS 8	Operating Segments
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Thai Accounting Standard Interpretations (TSI)

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3.2 TSI and TFRI which are effective for the financial statements for the periods beginning on or after January 1, 2014

Thai Accounting Standard Interpretation (TSI)

TSI 29 Disclosure - Service Concession Arrangements

Thai Accounting Standard Interpretations (TFRI)

TFRI 4 Determining Whether an Arrangement Contains a Lease

TFRI 12 Service Concession Arrangements

TFRI 13 Customer Loyalty Programmes

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

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

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

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

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

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

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

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. 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 a 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

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

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

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

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 Accounting estimates

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

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	266,410,773	368,558,334	247,496,923	356,218,450
<u>Less</u> Cash deposits held for customers*	<u>(15,370,023)</u>	<u>(18,460,799)</u>	<u>(15,348,023)</u>	<u>(18,398,798)</u>
Total cash and cash equivalents	<u>251,040,750</u>	<u>350,097,535</u>	<u>232,148,900</u>	<u>337,819,652</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, 2012 and 2011, the Company had deposits at financial institutions and promissory notes held for customers in the consolidated statements of financial position in amounting to Baht 15.37 million and Baht 18.46 million, respectively, and the separate statements of financial position in amounting to Baht 15.35 million and Baht 18.40 million, respectively, which the Company must return to the customers at call.

As at December 31, 2012 and 2011, the securities business cash customers and credit balance of 715 accounts and 1,143 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 7.50 million and Baht 8.88 million, respectively, and shares with the values of Baht 209.80 million and Baht 571.47 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.

As at December 31, 2012, there is no derivatives business receivables, which were transferred to KT ZMICO Securities Co., Ltd. that have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. (as at December 31, 2011, 91 accounts and deposits for derivatives business of Baht 1.20 million).

6. SECURITIES BUSINESS RECEIVABLES - NET

As at December 31, 2012 and 2011, the Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2012 Baht	As at December 31, 2011 Baht
Other receivables		
Receivables under litigation	263,597,908	263,768,556
Installment receivables	7,091	7,091
Other receivables	406,073	406,140
Total securities business receivables	264,011,072	264,181,787
<u>Less</u> Allowance for doubtful accounts (see Note 7)	(259,963,812)	(261,483,547)
Total	<u>4,047,260</u>	<u>2,698,240</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, 2012			As at December 31, 2011		
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
Substandard debts	4,047,260	-	4,047,260	2,698,240	-
Doubtful debts	259,963,812	(259,963,812)	-	261,483,547	(261,483,547)
Total	<u>264,011,072</u>	<u>(259,963,812)</u>	<u>4,047,260</u>	<u>264,181,787</u>	<u>(261,483,547)</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, 2012 Baht	As at December 31, 2011 Baht
Over 1 year to 3 years	-
Over 3 years	70,412,299
Total	<u>264,011,072</u>
	<u>193,769,488</u>
	<u>264,181,787</u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
As at December 31, 2012 Baht	As at December 31, 2011 Baht
Beginning balance of the period	261,483,547
Doubtful accounts (reversal)	(1,349,087)
Bad debts recovery	(170,648)
Bad debts	-
Ending balance of the period (see Note 6)	<u>259,963,812</u>
	<u>285,666,332</u>
	<u>(1,349,086)</u>
	<u>(7,879,120)</u>
	<u>(14,954,579)</u>
	<u>261,483,547</u>

8. INVESTMENTS - NET

8.1 As at December 31, 2012 and 2011, the Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2012		As at December 31, 2011	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities – List securities	33,903,490	35,702,367	-	-
Debt securities - Government bond	4,995,508	4,997,379	-	-
Debt securities – Bill of exchange	42,000,000	42,075,377	-	-
Mutual fund	99,166,620	99,349,872	-	-
Total	180,065,618	182,124,995	-	-
<u>Add</u> Revaluation adjustments	2,059,377	-	-	-
Total trading securities - net	182,124,995	182,124,995	-	-
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	-	-	2,989,828	2,989,828
Mutual fund	-	-	40,650,105	54,898,544
Total	-	-	43,639,933	57,888,372
<u>Add</u> Revaluation adjustments	-	-	14,248,439	-
Total available-for-sale securities - net	-	-	57,888,372	57,888,372
<u>General investments</u>				
Ordinary shares	156,517,201	89,042,140	156,517,201	85,273,650
Preference shares	125,000	125,000	125,000	125,000
Total	156,642,201	89,167,140	156,642,201	85,398,650
<u>Less</u> Allowance for impairment	(67,475,061)	-	(71,243,551)	-
Total general investments - net	89,167,140	89,167,140	85,398,650	85,398,650
Total investments - net	271,292,135	271,292,135	143,287,022	143,287,022

On October 29, 2009, the Board of Directors' meeting No. 7/2009 approved to sell all investment in Thanh Cong Securities J.S.C. ("TCSC"), a securities company in Vietnam, which is classified as general investment, to KT ZMICO Securities Company Limited, an associated company. Subsequently, the Company has changed the selling plan, therefore, on February 28, 2011, the Company entered into an agreement with MAC Capital Limited for the latter to identify potential purchasers of investment in TCSC, provide the Company with preliminary offers from the potential purchasers and also assist and co-ordinate with the Company and the potential purchasers to complete the sale.

On May 12, 2011, the Board of Directors' meeting No. 2/2011 acknowledged the progress of the sale of such investment from MAC Capital Limited that it still cannot identify the purchaser. Therefore, the Company has suspended the sale of such investment. However, as at December 31, 2012 and 2011, the Company recorded an allowance for impairment for such investment in the amount of Baht 67.47 million and Baht 71.24 million, respectively, and the carrying amount of such investment is Baht 88.55 million and Baht 84.78 million, respectively.

8.2 Gain (loss) on investments

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Unrealized gain on re-measuring trading investments	2,059,377	1,648,802	2,059,377	1,648,802
Gain on sale of trading investments	1,883,352	228,117	1,883,352	228,117
Gain on sale of available-for-sale investments	23,101,289	-	23,101,289	-
Gain on sale of general investments	-	1,000	-	1,000
Loss on reclassification of trading investments to available-for-sale investments	-	(3,385,540)	-	(3,385,540)
Gain on disposal of partial interest in subsidiary	-	-	-	1,003,468
Total	27,044,018	(1,507,621)	27,044,018	(504,153)

8.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Interest income	-	-	-	-
Dividend	44,312	146,964	60,737,252	81,806,556
Total	44,312	146,964	60,737,252	81,806,556

8.4 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Beginning balance of the period	11,398,751	7,514,824	11,398,751	7,514,824
Changes during the period				
- from deferred tax adjustment	2,849,688	370,950	2,849,688	370,950
- from re-measuring of investments	8,852,850	3,512,977	8,852,850	3,512,977
- from sale of investments	(23,101,289)	-	(23,101,289)	-
Ending balance of the period	-	11,398,751	-	11,398,751

8.5 As at December 31, 2012 and 2011, 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, 2012			As at December 31, 2011		
	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	852	6,956	7,808	930	6,878
	<u>7,808</u>	<u>852</u>	<u>6,956</u>	<u>7,808</u>	<u>930</u>	<u>6,878</u>

9. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

As at December 31, 2012 and 2011, the Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

CONSOLIDATED 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO										
Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,205.2	1,159.3
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, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary share	184.5	152	75.34	75	139	114.0	19.7	15.6
<u>Less</u>	Allowance for impairment						(119.8)	(98.4)	-	-
							<u>19.2</u>	<u>15.6</u>	<u>19.7</u>	<u>15.6</u>
Associate										
KT ZMICO										
Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,205.2	1,159.3
Total - net							<u>1,106.7</u>	<u>1,103.1</u>	<u>1,224.9</u>	<u>1,174.9</u>

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

	As at December 31,	
	2012	2011
	Million Baht	Million Baht
Total assets	7,392.7	4,279.1
Total liabilities	(5,288.5)	(2,267.4)
Net assets	<u>2,104.2</u>	<u>2,011.7</u>

	For the year ended December 31,	
	2012	2011
	Million Baht	Million Baht
Total revenue	1,774.5	1,554.6
Net income for the period	203.2	150.9
Net other comprehensive income (loss) for the period	11.8	(1.0)
Dividend received from an associated company	60.7	81.7

On September 6, 2011, the Company disposed of 25% of investment in Solaris Asset Management Co., Ltd. (formerly Seamico Asset Management Co., Ltd.), the subsidiary, to Evolution Capital Public Company Limited. The Company has already received the consideration for such investment of Baht 7.68 million with difference arising on disposal of Baht 1 million. Subsequently, on January 30, 2012, July 27, 2012 and October 19, 2012, the subsidiary increased its share capital by Baht 20 million, Baht 10 million and Baht 2.5 million, respectively, from the capital injection from the Company and Evolution Capital Public Company Limited in the amount of Baht 25 million and Baht 7.5 million, respectively.

As at December 31, 2012 and 2011, the paid-up share capital of the subsidiary is Baht 184.5 million and Baht 152 million, respectively, consisting of 18,450,000 ordinary shares and 15,200,000 ordinary shares, respectively, of Baht 10 each. As at December 31, 2012, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 75.34% and 24.66%, respectively.

10. BUILDING IMPROVEMENTS AND EQUIPMENT - NET

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2011			2012
	Baht	Baht	Baht	Baht
Cost				
Building improvement	2,012,836	614,821	-	2,627,657
Office equipment	7,671,997	752,435	-	8,424,432
Vehicles	934,030	-	-	934,030
Total cost	<u>10,618,863</u>	<u>1,367,256</u>	<u>-</u>	<u>11,986,119</u>
Accumulated depreciation				
Building improvement	(1,871,723)	(181,969)	-	(2,053,692)
Office equipment	(6,686,766)	(734,913)	-	(7,421,679)
Vehicles	(911,000)	(23,030)	-	(934,030)
Total accumulated depreciation	<u>(9,469,489)</u>	<u>(939,912)</u>	<u>-</u>	<u>(10,409,401)</u>
Total building improvements and equipment - net	<u>1,149,374</u>	<u>427,344</u>	<u>-</u>	<u>1,576,718</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2010			2011
	Baht	Baht	Baht	Baht
Cost				
Building improvement	2,012,836	-	-	2,012,836
Office equipment	12,466,927	71,462	(4,866,392)	7,671,997
Vehicles	934,030	-	-	934,030
Total cost	<u>15,413,793</u>	<u>71,462</u>	<u>(4,866,392)</u>	<u>10,618,863</u>
Accumulated depreciation				
Building improvement	(1,469,156)	(402,567)	-	(1,871,723)
Office equipment	(10,607,300)	(945,851)	4,866,385	(6,686,766)
Vehicles	(724,194)	(186,806)	-	(911,000)
Total accumulated depreciation	<u>(12,800,650)</u>	<u>(1,535,224)</u>	<u>4,866,385</u>	<u>(9,469,489)</u>
Total building improvements and equipment - net	<u>2,613,143</u>	<u>(1,463,762)</u>	<u>(7)</u>	<u>1,149,374</u>

Depreciation for the years ended December 31,

2012	Baht	<u>939,912</u>
2011	Baht	<u>1,535,224</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2011			2012
	Baht	Baht	Baht	Baht
Cost				
Office equipment	512,823	291,500	-	804,323
Total cost	512,823	291,500	-	804,323
Accumulated depreciation				
Office equipment	(306,775)	(209,528)	-	(516,303)
Total accumulated depreciation	(306,775)	(209,528)	-	(516,303)
Total building improvements and equipment - net	206,048	81,972	-	288,020

	SEPARATE FINANCIAL STATEMENTS ENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2010			2011
	Baht	Baht	Baht	Baht
Cost				
Office equipment	5,351,395	27,820	(4,866,392)	512,823
Total cost	5,351,395	27,820	(4,866,392)	512,823
Accumulated depreciation				
Office equipment	(5,022,235)	(150,925)	4,866,385	(306,775)
Total accumulated depreciation	(5,022,235)	(150,925)	4,866,385	(306,775)
Total building improvements and equipment - net	329,160	(123,105)	(7)	206,048

Depreciation for the years ended December 31,			
2012		Baht	209,528
2011		Baht	150,925

As at December 31, 2012 and 2011, 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 9.2 million and Baht 3.9 million, respectively. For the separate financial statements as at December 31, 2012 the Company has building improvements and equipment items which have been fully depreciated but are still in use Baht 0.3 million (As at December 31, 2011 : Nil).

11. INTANGIBLE ASSETS - NET

	Useful lives	CONSOLIDATED FINANCIAL STATEMENTS				
		As at December 31, 2012				
		Beginning	Additions	Amortization	Write-off/	Ending
		balance			Transfer out	balance
		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	3,991,609	-	(1,431,410)	2,560,199	
Total		8,580,102	-	(1,431,410)	7,148,692	

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

	Useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance 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	5,489,714	8,100	(1,506,198)	(7)	3,991,609
Total		10,078,207	8,100	(1,506,198)	(7)	8,580,102

Amortization for the years ended December 31,

2012	1,431,410
2011	1,506,198

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2012

	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	16,342	-	(4,913)	-	11,429
Total		3,336,890	-	(4,913)	-	3,331,977

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2011

	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	21,262	-	(4,913)	(7)	16,342
Total		3,341,810	-	(4,913)	(7)	3,336,890

Amortization for the years ended December 31,

2012	Baht 4,913
2011	Baht 4,913

* 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, 2012 and 2011, 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 0.53 million and Baht 0.03 million, respectively. For the separate financial statements, there is no computer software items which have been fully amortized but are still in use.

12. DEFERRED INCOME TAX - NET

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	1,641,387	1,602,758	1,641,387
Allowance for impairment of investments	33,519,195	36,410,009	33,519,195	36,410,009
Unrealized loss on re-measuring trading investments	-	421,360	-	421,360
Unrealized loss on re-measuring available-for-sale investments	-	-	-	-
Cumulative tax loss	1,006,077	1,156,988	1,006,077	1,156,988
Other assets	28,357	28,357	28,357	28,357
Unrealized gain on transfer of business to an associated company	24,296,470	25,694,320	-	-
	<u>60,452,857</u>	<u>65,352,421</u>	<u>36,156,387</u>	<u>39,658,101</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	-	411,875	-
Unrealized gain on re-measuring available-for-sale investments	-	2,849,688	-	2,849,688
Amortization of derivative license	332,055	232,054	332,055	232,054
	<u>743,930</u>	<u>3,081,742</u>	<u>743,930</u>	<u>3,081,742</u>
Deferred tax assets - net	<u>59,708,927</u>	<u>62,270,679</u>	<u>35,412,457</u>	<u>36,576,359</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1, 2012	recognized in profit or loss (see Note 30)	recognized in other comprehensive income	December 31, 2012
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	(38,629)	-	1,602,758
Allowance for impairment of investments	36,410,009	(2,890,814)	-	33,519,195
Unrealized loss on re-measuring trading investments	421,360	(421,360)	-	-
Cumulative tax loss	1,156,988	(150,911)	-	1,006,077
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	25,694,320	(1,397,850)	-	24,296,470
	<u>65,352,421</u>	<u>(4,899,564)</u>	<u>-</u>	<u>60,452,857</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	411,875	-	411,875
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	(2,849,688)	-
Amortization of derivative license	232,054	100,001	-	332,055
	<u>3,081,742</u>	<u>511,876</u>	<u>(2,849,688)</u>	<u>743,930</u>
Deferred tax assets - net	<u>62,270,679</u>	<u>(5,411,440)</u>	<u>2,849,688</u>	<u>59,708,927</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2011	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2011
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	(825,194)	-	1,641,387
Allowance for impairment of investments	62,711,869	(26,301,860)	-	36,410,009
Unrealized loss on re-measuring trading investments	494,640	(73,280)	-	421,360
Cumulative tax loss	7,346,845	(6,189,857)	-	1,156,988
Other assets	42,536	(14,179)	-	28,357
Unrealized gain on transfer of business to an associated company	41,084,084	(15,389,764)	-	25,694,320
	<u>114,146,555</u>	<u>(48,794,134)</u>	<u>-</u>	<u>65,352,421</u>
Deferred tax liabilities				
Unrealized gain on re-measuring available-for-sale investments	3,220,638	-	(370,950)	2,849,688
Amortization of derivative license	198,082	33,972	-	232,054
	<u>3,418,720</u>	<u>33,972</u>	<u>(370,950)</u>	<u>3,081,742</u>
Deferred tax assets - net	<u>110,727,835</u>	<u>(48,828,106)</u>	<u>370,950</u>	<u>62,270,679</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2012	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2012
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	(38,629)	-	1,602,758
Allowance for impairment of investments	36,410,009	(2,890,814)	-	33,519,195
Unrealized loss on re-measuring trading investments	421,360	(421,360)	-	-
Cumulative tax loss	1,156,988	(150,911)	-	1,006,077
Other assets	28,357	-	-	28,357
	<u>39,658,101</u>	<u>(3,501,714)</u>	<u>-</u>	<u>36,156,387</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	411,875	-	411,875
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	(2,849,688)	-
Amortization of derivative license	232,054	100,001	-	332,055
	<u>3,081,742</u>	<u>511,876</u>	<u>(2,849,688)</u>	<u>743,930</u>
Deferred tax assets - net	<u>36,576,359</u>	<u>(4,013,590)</u>	<u>2,849,688</u>	<u>35,412,457</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2011	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2011
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	(825,194)	-	1,641,387
Allowance for impairment of investments	62,711,869	(26,301,860)	-	36,410,009
Unrealized loss on re-measuring available-for-sale investments	494,640	(73,280)	-	421,360
Cumulative tax loss	7,346,845	(6,189,857)	-	1,156,988
Other assets	42,536	(14,179)	-	28,357
	<u>73,062,471</u>	<u>(33,404,370)</u>	<u>-</u>	<u>39,658,101</u>
Deferred tax liabilities				
Unrealized gain on re-measuring available-for-sale investments	3,220,638	-	(370,950)	2,849,688
Amortization of derivative license	198,082	33,972	-	232,054
	<u>3,418,720</u>	<u>33,972</u>	<u>(370,950)</u>	<u>3,081,742</u>
Deferred tax assets - net	<u>69,643,751</u>	<u>(33,438,342)</u>	<u>370,950</u>	<u>36,576,359</u>

On October 11, 2011, the Cabinet announced the change in the corporate income tax rate to be reduced from 30% to 23% for accounting period ending December 31, 2012 or after, and to 20% for accounting period ending December 31, 2013 onwards. Therefore, the Company has adjusted deferred tax assets and liabilities by adjusting deferred income tax expense (see Note 30) and other comprehensive income (loss).

13. ASSETS CLASSIFIED AS HELD FOR SALE - NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2012 Baht	As at December 31, 2011 Baht
Land	160,257,466	160,257,466
Condominium	4,873,120	4,873,120
Golf membership	200,000	200,000
	<u>165,330,586</u>	<u>165,330,586</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale - net	<u>165,188,800</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.

14. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Accrued interest income	250,100	31,986	242,920	-
Prepaid insurance	109,712	110,876	106,194	107,294
Prepaid repair and maintenance	147,138	123,539	-	-
Other deposits	557,002	557,002	194,627	194,627
Fund management fee and service income receivables	787,725	591,226	-	-
Accrued income from associated company on transfer of business (see Note 35)	-	70,000,000	-	70,000,000
Corporate income tax claim receivable	773,414	639,305	170,605	62,393
Value-added-tax receivable	3,717,698	3,175,902	-	-
Others	792,507	1,382,977	634,913	499,787
Total	7,135,296	76,612,813	1,349,259	70,864,101

15. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Post-employment benefits obligation	1,594,435	2,702,409	766,691	2,101,079
Unused paid vacation leave	399,820	441,657	169,256	262,952
	<u>1,994,255</u>	<u>3,144,066</u>	<u>935,947</u>	<u>2,364,031</u>

Post-employment benefits obligation

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act, 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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Current service cost	411,245	390,823	208,884	200,141
Interest cost	76,188	88,907	52,135	73,113
	<u>487,433</u>	<u>479,730</u>	<u>261,019</u>	<u>273,254</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	2,702,409	2,222,679	2,101,079	1,827,825
Current service cost	411,245	390,823	208,884	200,141
Interest cost	76,188	88,907	52,135	73,113
Benefits paid	(1,595,407)	-	(1,595,407)	-
Ending balance of post-employment benefits obligation	<u>1,594,435</u>	<u>2,702,409</u>	<u>766,691</u>	<u>2,101,079</u>

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at December 31, 2012 and 2011 are as follows:

	CONSOLIDATED AND SEPARATE
	FINANCIAL STATEMENTS
	(% p.a.)
Financial assumptions	
Discount rate	4.0
	10.0 - 20.0
Employee turnover rate	subject to the range of age of employee
Expected rate of salary increase	5.0 - 7.0

16. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2012 Baht	December 31, 2011 Baht	December 31, 2012 Baht	December 31, 2011 Baht
Withholding tax payable	287,923	4,447,449	168,574	4,365,599
Value-added-tax payable	202,294	188,695	189,536	188,695
Others payable	8,581,636	7,006,417	8,050,941	6,355,376
Amounts of capital reduction not redeemed by shareholders (see Note 17)	1,041,377	1,064,066	1,041,377	1,064,066
Others	5,607,936	5,165,103	5,256,275	4,823,444
Total	<u>15,721,166</u>	<u>17,871,730</u>	<u>14,706,703</u>	<u>16,797,180</u>

17. SHARE CAPITAL

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

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

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

The Company registered the decrease of authorized and paid-up share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on December 22, 2010.

As at December 31, 2012 and 2011, there were the amounts of capital reduction paid to shareholders but not redeemed by the shareholders of Baht 1,041,377 and Baht 1,064,066, respectively, presented as a part of other liabilities in the statements of financial position (see Note 16).

On May 12, 2011, the Board of Directors meeting of the Company No.2/2554 passed a resolution to decrease its paid-up share capital by writing off 11,207,900 treasury shares that could not be sold through the Stock Exchange of Thailand during specified period. On June 16, 2011, the Company registered the decrease in its share capital with the Ministry of Commerce.

The Company recognized the difference of Baht 11.97 million resulting from the decreasing of its capital, which has a par value of Baht 0.5 per share by means of writing off of the treasury shares with an average purchase price of Baht 1.57 per share, under the caption of “Premium on treasury shares” in owners’ equity.

On December 15, 2011, the extraordinary shareholders’ meeting No. 1/2011 has passed the resolution to increase the Company's authorized share capital by Baht 100,000,000 from the existing authorized share capital of Baht 411,343,616 to Baht 511,343,616 by issuing up to 200,000,000 new ordinary shares, at the par value of Baht 0.50 per share to be allocated as follows:

- (1) To allocate up to 80,000,000 newly issued ordinary shares of the Company, with a par value of Baht 0.50 per share, to accommodate the dividend payment by issuing ordinary shares of the Company at the ratio of 10.170001 existing shares for 1 new share.
- (2) To allocate up to 120,000,000 newly issued ordinary shares of the Company, with a par value of Baht 0.50 per share, to the existing shareholders of the Company pro rata to their shareholding, at the ratio of 6.780001 existing shares for 1 new share (any remainder shall be disregarded), at the offering price of Baht 0.50 per share.

Also, the meeting approved the amendment of Clause 4 of the Company's Memorandum of Association in order to be consistent with such increase of the Company's authorized share capital.

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

- (1) From stock dividend payment of 79,932,217 shares with a par value of Baht 0.50 per share, totaling 39,966,109 Baht. 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 December 30, 2011.
- (2) From the sale of newly issued ordinary shares to the existing shareholders of the Company of 120,000,000 shares with a par value of Baht 0.50 per share, totaling 60,000,000 Baht. As at December 31, 2011, this amount is recorded as share subscription received in advance in the statements of financial position. The Company has already registered such increase of its share capital with the Ministry of Commerce on January 5, 2012.

As at December 31, 2012, there is the amount of share subscription payable of Baht 5,341 presented as a part of other liability in the statement of financial position (as at December 31, 2011: Baht 31,919,794 presented as liabilities in the statement of financial position).

In addition, during the year ended December 31, 2011, the Company has resold treasury stocks of 9,087,100 shares to the Stock Exchange of Thailand in accordance with the resolution of the Board of Directors’ meeting No. 6/2009 held on August 27, 2009, which determined the resale price not less than 85% of the average closing price of shares for the preceding 5 business days, totalling Baht 10.57 million. The discount from resale of treasury stocks is Baht 3.68 million.

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,	
	2012 Share	2011 Share
Beginning balance of ordinary shares	902,619,448	833,895,131
<u>Less</u> Beginning balance of treasury stocks	-	(20,295,000)
<u>Add</u> Stock dividend (see Note 19)	-	79,932,217
Beginning balance of ordinary shares held by outside parties	902,619,448	893,532,348
<u>Add</u> Weighted average treasury stocks sold during the period	-	269,118
<u>Add</u> Weighted average additional ordinary shares issued during the period	118,688,525	-
Weighted average number of ordinary shares held by outside parties as at December 31,	<u>1,021,307,973</u>	<u>893,801,466</u>

Net asset value

As at December 31, 2012 and 2011, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follow:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2012 Baht	As at December 31, 2011 Baht	As at December 31, 2012 Baht	As at December 31, 2011 Baht
Net asset value (per share)	1.75	1.93	1.76	2.00

18. TREASURY STOCK

18.1 Movements of treasury stocks during the year ended December 31, 2011 is as follow (during the year ended December 31, 2012 : Nil)

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS For the year ended December 31, 2011				
	Beginning balance	Additional repurchase	Resale (at cost) (see Note 17)	Cancellation/ Write-off (at cost) (See note 17)	Ending Balance
Numbers of shares (shares)	20,295,000	-	(9,087,100)	(11,207,900)	-
Amounts (Baht)	31,824,872	-	(14,249,608)	(17,575,264)	-

18.2 Movements of premium on treasury shares during the year ended December 31, 2012 is as follow (during the year ended December 31, 2012 : Nil)

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	For the year ended December 31, 2011			
	Beginning	Increase	Decrease	Ending
	balance			Balance
	Baht	Baht	Baht	Baht
Premium on treasury shares - ordinary shares	15,518,880	-	(15,518,880)	-

19. DIVIDEND

On April 27, 2012, the ordinary shareholders' meeting of the year 2012 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2011 to the shareholders at the rate of Baht 0.05 per share equalling to Baht 51.11 million. The dividend was paid on May 14, 2012.

On December 15, 2011, the extraordinary shareholders' meeting No. 1/2011 passed the resolution to pay dividend as follows.

- Stock dividend at the rate of 10.170001 ordinary shares per 1 stock dividend, equalling to Baht 0.04916420054 per share, totalling 79,932,217 shares or Baht 39.97 million.
- Cash dividend at the rate of Baht 0.00546268890 per share, equalling to Baht 4.44 million.

The Company has already paid total dividend of Baht 44.41 million on December 28, 2011.

On April 28, 2011, the ordinary shareholders' meeting of the year 2011 passed the resolution to approve not to pay dividend in respect of the operating result for the year ended December 31, 2010.

20. 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, as at December 31, 2012 and 2011, 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 Notes 1 and 35).

21. 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.

22. STATUTORY RESERVE

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

As at December 31, 2012 and 2011, the Company has statutory reserve at the rate of 21 percent of authorized share capital.

23. RESERVE FOR TREASURY STOCK

Under Section 66/1(2) of the Public Limited Companies Act. B.E. 2535, public limited companies may repurchase their shares for the purpose of financial management when they have retained earnings and excess liquidity. Also, such share repurchase must not cause them to face a financial difficulty. The announcement of the Judicial Council No.756/2547 and the letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated February 14, 2005, concerning the acquisition of treasury shares have set a rule for treasury stocks that companies can purchase back treasury shares in an amount not exceeding the amount of its retained earnings and have to appropriate retained earnings as reserve for treasury stocks equal to the amount paid for treasury stocks until either the entire treasury stocks have been sold or the companies reduce their paid-up share capital by writing-off the unsold treasury stocks.

In addition, according to the Federation of Accounting Professions’ announcement No. Sor.SorVorBorChor. 016/2548 dated February 4, 2005, it requires companies that have treasury stocks to have retained earnings not less than the amount of the treasury stocks remaining in the account. In the event the retained earnings were appropriated for dividend, the retained earnings after the dividend payment should not be less than the treasury stocks remaining in the account.

During the year ended December 31, 2011, the Company reversed Baht 31.82 million in appropriated retained earnings for treasury shares as a result of the treasury shares writing-off (see Note 18).

24. FEE AND SERVICE INCOME

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Financial advisory fee	5,245,946	-	5,245,946	-
Private fund management, mutual fund management and provident fund management	9,888,052	7,238,858	-	-
Total	<u>15,133,998</u>	<u>7,238,858</u>	<u>5,245,946</u>	<u>-</u>

25. FEE AND SERVICE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	500,000	500,000	-	-
Others	4,619,936	4,063,927	115,052	-
Total	<u>5,119,936</u>	<u>4,563,927</u>	<u>115,052</u>	<u>-</u>

26. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2012 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 27, 2012 and April 24, 2012, respectively. Directors' remuneration for the year 2011 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 28, 2011 and April 26, 2011, respectively.

27. OTHER EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Entertainment expenses	125,525	353,373	89,960	220,795
Publication and marketing expenses	1,039,333	2,173,836	51,440	688,977
Traveling expenses	1,533,418	1,333,279	1,397,784	1,150,396
SET fee	2,912,687	2,766,676	2,912,687	2,766,676
Stationery and office supply	776,533	697,021	300,209	189,721
Taxes and duties	95,299	141,682	80,504	15,467
Legal fee	86,345	2,680,269	86,345	2,680,269
Others	4,329,727	4,529,414	1,584,647	2,856,921
Total	<u>10,898,867</u>	<u>14,675,550</u>	<u>6,503,576</u>	<u>10,569,222</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, 2012 and 2011, the Company has contributed Baht 0.5 million and Baht 0.5 million, respectively, to the fund and the subsidiary has contributed Baht 0.4 million and Baht 0.5 million, respectively, to the fund.

29. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Impairment loss from equity securities reversal	(3,768,491)	(4,245,506)	(3,768,491)	(4,245,506)
Impairment loss on investment in subsidiary	-	-	21,399,729	29,743,735
Total	<u>(3,768,491)</u>	<u>(4,245,506)</u>	<u>17,631,238</u>	<u>25,498,229</u>

30. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Income tax - expenses (see Note 12)	(5,411,440)	(48,828,106)	(4,013,590)	(33,438,342)
Total	<u>(5,411,440)</u>	<u>(48,828,106)</u>	<u>(4,013,590)</u>	<u>(33,438,342)</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Income before tax	97,196,256	69,375,418	56,627,848	105,491,450
Tax rate	23%	30%	23%	30%
The result of the account profit multiplied by the income tax rate - expenses	(22,355,139)	(20,812,625)	(13,024,405)	(31,647,435)
Effect of the change in income tax rate from 23% to 20%	(1,882,701)	-	(2,092,378)	-
Effect of the change in income tax rate from 30% to 23% and 20%	-	(29,045,726)	-	(16,198,566)
Tax effect of the non-deductible income and expense	21,681,373	16,017,287	13,958,166	19,010,201
Effect of the temporary difference not recognized as deferred tax assets	(4,236,182)	(12,698,667)	(4,236,182)	(2,314,167)
Effect of loss carried forward not recognized as deferred tax assets	1,381,209	(2,288,375)	1,381,209	(2,288,375)
Income tax - expenses (see Note 12)	<u>(5,411,440)</u>	<u>(48,828,106)</u>	<u>(4,013,590)</u>	<u>(33,438,342)</u>

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, 2012 and 2011 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Subsidiary				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 9)	-	-	19,186,383	15,586,112
Investment in mutual fund managed by subsidiary (see Note 8.1)	-	54,898,544	-	54,898,544
Investment in private fund managed by subsidiary company	384,427,848	-	384,427,848	-
Accrued private fund management fee expenses	-	-	69,365	-
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 9)	1,207,321,146	1,159,348,495	1,087,504,850	1,087,504,850
Other receivables from transfer of business (see Note 35)	-	70,000,000	-	70,000,000
Other payables	223,572	465,862	223,572	465,862
Related companies				
Under common directors				
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares - net (see Note 8.1)	88,552,538	84,783,969	88,552,538	84,783,969
Other receivable	161,389	-	161,389	-
Quam Limited				
Accrued expenses	16,865	-	16,865	-
Quam Securities Company Limited				
Accrued advisory services	92,754	-	92,754	-

Significant transactions with related parties for the years ended December 31, 2012 and 2011 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2012	2011	2012	2011	
	Baht	Baht	Baht	Baht	
Subsidiary					
Solaris Asset Management Co., Ltd.					
Investment in ordinary shares	-	-	25,000,000	21,000,000	2012 : 2.5 million shares at 10 Baht per share 2011 : 2.1 million shares at 10 Baht per share
Withdrawal mutual fund managed by subsidiary	40,650,105	-	40,650,105	-	Net asset value
Investment in mutual fund managed by subsidiary	380,992,963	-	380,992,963	-	Investment
Management fee of private fund	-	-	104,538	-	At the rate determined under the contract 0.2% of net asset value per year
Associate					
KT ZMICO Securities Co., Ltd.					
Service expenses	1,800,000	1,800,000	1,800,000	1,800,000	At the rate determined under the contract of Baht 150,000 per month (see Note 32.1)
Rental expenses	594,036	594,036	594,036	594,036	At the rate determined under the contract of Baht 49,503 per month (see Note 32.2)
Income from transfer of business	-	70,000,000	-	70,000,000	At the rate determined under the contract (see Note 35)
Financial advisory	5,245,946	-	5,245,946	-	At the rate determined under the contract at 15% of revenue
Related companies					
Under common directors					
Quam Limited					
Office rental	-	573,418	-	573,418	At the rate determined under the contract of HKD 22,941 per month (see Note 32.4)
Other expenses	192,757	-	192,757	-	At actual amount of expenses
Quam Securities Company Limited					
Research and advisory service expense	92,754	-	92,754	-	At the rate determined under the contract
Evolution Capital Public Company Limited					
Cash received from disposal of partial interest in subsidiary	-	-	-	7,681,200	3.7 million shares, at Baht 2.076 per share (see Note 9)
Related with subsidiary and associate					
Rental income	18,000	216,000	-	-	At the rate determined under the agreement : Baht 18,000 per month The agreement was terminated from Feb. 2012 onwards
Selling agent fee expense	881,888	618,772	-	-	At the rate determined under the agreement
Service fee expenses	3,540,000	840,000	-	-	At the rate determined under the agreement as follows: In 2011 : Baht 25,000 per month. From Nov 2011 onwards : Baht 295,000 per month

For the years ended December 31, 2012 and 2011, 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		For the years ended	
	December 31,		December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Short-term employee benefits	7,876,345	9,892,850	4,772,975	5,863,900
Post-employment benefits	379,296	380,792	247,952	261,013
Total	<u>8,255,641</u>	<u>10,273,642</u>	<u>5,020,927</u>	<u>6,124,913</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.
- 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 January 31, 2013.
- 32.3 On October 19, 2009, the Company entered into the licensing agreement with Quam Limited for office rental in Hong Kong. The term of agreement is 6 months for the period from October 19, 2009 to April 18, 2010 and automatically renew on a monthly basis. The Company agreed to pay a monthly fee at the rate of HKD 22,941. The Company has cancelled the agreement since July 11, 2011.
- 32.4 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 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.

Transactions with other business parties

32.5 As at December 31, 2012 and 2011, the subsidiary has the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31, 2012 Million Baht	As at December 31, 2011 Million Baht
Within 1 year	2.0	2.0
Over 1 year to 5 years	3.6	1.1
Total	<u>5.6</u>	<u>3.1</u>

32.6 As at December 31, 2011, the Company has a letter of guarantee issued by bank of Baht 2.26 million for the use of telephone lines (as at December 31, 2012 : Nil).

33. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

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

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, 2012 and 2011, 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 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.

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, 2012 and 2011, the subsidiary’s financial statements showed owners’ equity amounting of Baht 25.46 million and Baht 20.78 million, respectively, which is less than the specified warning level. The subsidiary has reported to the Office of the Securities and Exchange Commission (“SEC”) already on January 8, 2013, regarding the progress of the plan to recover its owners’ equity to the level not lower than Baht 30 million. On December 18, 2012, the Board of Directors’ meeting No. 7/2012 of the subsidiary has passed a resolution to increase the subsidiary’s share capital of Baht 7.5 million. Such increase in share capital is in accordance with the special resolution of the extraordinary shareholders’ meeting No. 2/2012 of the subsidiary. The subsidiary already received cash of Baht 7.5 million for the increased share capital on January 15, 2013 and registered the capital increased with the Registrar of Partnerships and Companies on January 22, 2013 (see Note 36).

Additionally, the Company has given a letter of undertaking dated January 31, 2013 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.

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2012 and 2011 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

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	-	215	-	-	36	-	251
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	133	-	-	138	-	271
Total	-	348	-	-	174	264	786

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2011

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	220	10	-	-	120	-	350
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	-	-	-	143	-	143
Total	220	10	-	-	263	264	757

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS
As at December, 2012

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	-	200	-	-	32	-	232
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	133	-	-	138	-	271
Total	-	333	-	-	170	264	767

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2011

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	220	-	-	-	118	-	338
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	-	-	-	143	-	143
Total	220	-	-	-	261	264	745

34.2 Significant financial instruments risk

As at December 31, 2012 and 2011, 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, 2012

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	21	-	215	-	-	-	15	251	0.60 – 2.50	2.61 – 3.00
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	47	-	-	-	224	271	-	-
Total	21	-	262	-	-	264	239	786		

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	15	220	10	-	-	-	105	350	0.60 - 1.75	3.12 - 4.00
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	-	-	-	-	143	143	-	-
Total	15	220	10	-	-	264	248	757		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2012

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	18	-	200	-	-	-	14	232	0.60 – 2.50	2.61 – 2.80
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	47	-	-	-	224	271	-	-
Total	18	-	247	-	-	264	238	767		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2011

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	13	220	-	-	-	-	105	338	0.60 - 1.75	3.12
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	-	-	-	-	143	143	-	-
Total	13	220	-	-	-	264	248	745		

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, 2012

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	300,836,185	8,430,036	2.80
Deposits at financial institutions	6,250,000	224,877	3.60
Investment in debt	57,319,704	1,389,749	2.42
Securities business receivables	1,124,261	-	-

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	238,095,427	6,025,886	2.53
Securities business receivables	1,911,273	-	-

Unit : Baht			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2012			
Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	284,529,595	8,010,339	2.82
Investment in debt	57,319,704	1,389,749	2.42
Securities business receivables	1,124,261	-	-

Unit : Baht			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2011			
Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	225,033,212	5,742,753	2.55
Securities business receivables	1,911,273	-	-

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, 2012 and 2011, 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, 2012 and 2011, 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, 2012 and 2011 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
Unrealized gain on transfer of business to an associated company		
For the years ended December 31,		
	2012	2011
	Million Baht	Million Baht
Beginning balance of the period	163.09	136.95
<u>Add</u> Unrealized gain on additional gain on transfer of business to an associated company recognized during the period	-	34.61
<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	(6.99)	(8.47)
Ending balance of the period	<u>156.10</u>	<u>163.09</u>

As a result of transfer of business, the Company has temporarily ceased its operation on securities and derivative business (see Note 1).

36. EVENT AFTER THE REPORTING PERIOD

- 36.1 On December 18, 2012, the Board of Directors’ meeting No. 7/2012 of the subsidiary has passed a resolution to call for the payment of additional share capital from the existing shareholders in the amount of Baht 7.5 million by issuing additional 0.75 million ordinary shares with the par of Baht 10 at the price Baht 10 each. The subsidiary already received the cash of such increased share capital on January 15, 2013 and registered the capital increased with the Registrar of Partnerships and Companies on January 22, 2013.
- 36.2 On February 14, 2013, the Board of Directors’ meeting No. 2/2013 of the subsidiary 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 5.50 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, such resolutions have been approved by the extraordinary shareholders’ meeting No. 1/2013 of subsidiary on February 18, 2013.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 27, 2013.

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 2012 of Baht 550,000 and 290,000, respectively.

2. Non-audit fee

-None-

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