

SEAMICO SECURITIES

SEAMIGO



ANNUAL REPORT

2006

ANNUAL REPORT 2006

Seamico Securities Public Company Limited

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Seamico Securities Services

Securities Services

- ♣ Securities broking;
 - ♣ SET
 - ♣ MAI
 - ♣ TFEX
 - ♣ etc.
- ♣ Investment advisory
- ♣ Trading in bond and debt instruments
- ♣ Custodian, settlement and share registration

Research

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

Investment Banking Services

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

Message from the Chairman

In 2006, several economic and political events have negatively impacted the Securities Business. These factors include the continuing unrest in the three southern provinces, rising oil prices, political uncertainty, and the capital control measures enforced by the Bank of Thailand. As a result, both local and foreign investors have lost confidence in the Thai capital market.

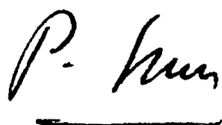
In the meantime, competition within the securities business has grown intense. While the proportion of securities trading from foreign investors grew to 34% in 2006 compared with 28% in 2005, the proportion from local investors dropped to 54% compared with 62% over the same period.

Despite the economic and political drawbacks, we have managed to remain profitable, achieving a net profit of Baht 156 Million. Our financial status is strong, with shareholders' equity of Baht 2,947 Million, as of 31 December 2006. Our company is able to maintain a high Net Liquid Capital Ratio of 287%.

Focusing on satisfying investors' needs, we have invested in technology and management information systems to assist our clients with timely execution of trades and better investment decisions. In 2006, we officially launched a "ZNet" solution, which is an online trading program to meet our clients' needs. The ZNet solution is an excellent online trading software that ensures rapid order executions and high system reliability with ultimate data security. The software system also delivers securities analysis reports and 24-hour news and information services from Reuters to make every minute an investment opportunity for our clients. We also provide regular training and seminars to our marketing officers in order to render quality services to our clients. In addition, we provide new financial product knowledge to both our existing clients and investors in general. The Company is also focusing on improving its human resources in order to offer quality services and new financial products to our clients in derivatives trading and asset management. We are planning to implement a "Whistle Blower Policy" to increase operational efficiency.

The Company has emphasized the practice of Good Corporate Governance Assessment of the AGM and Good Corporate Governance. The Company received a "Good" rating for the Annual General Shareholders Meeting of Year 2006 assessed by the Securities and Exchange Commission (SEC) and a "Very Good" rating for Corporate Governance by Thai Institute of Directors Association (IOD).

I, on behalf of the Board of Directors, would like to take this opportunity to thank all shareholders and our esteemed clients who have continued to trust and support us. Also, I would like to thank the management team and our dedicated employees who have worked tirelessly and adhered to Good Corporate Governance principles to achieve success and reasonable returns to our shareholders.



Mr. Paron Israsena
Chairman

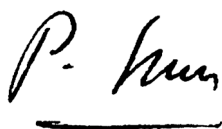
Report of the Board of Directors' Responsibilities for Financial Statements

Seamico Securities Public Company Limited and its subsidiaries

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

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

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2006 are reasonably reliable.



Mr. Paron Israsena
Chairman

Management Report

During 2006, the securities business has been negatively affected by several economic and political events. There have been several issues of concern such as the continuing unrest in the three southern provinces, rising oil prices, political uncertainty, conflict in privatization, the rules and practices of the withholding reserve requirement on currency exchange enforced by the Bank of Thailand, and the amendment of foreign ownership law. Also, competition within the securities business is still intense. We have defended our market share as well as maintaining our marketing force. We have recruited more personnel to provide services in futures trading.

We have achieved a net profit of Baht 156 Million, with a market share of 3.77%, ranking number 8 in terms of total trading volume. Our financial status is strong, with shareholders' equity of Baht 2,947 Million, as of 31 December 2006. We maintained the Net Liquid Capital Ratio of 287%.

Summary of Industry

- The SET Index declined from 713.73 in Year 2005 to 679.84 in Year 2006, or a decrease of 4.75%. The total market trading volume of SET decreased from Baht 4,031 Million in Year 2005 to Baht 3,956 Million in Year 2006, or a decrease of 1.86%. The daily trading volume decreased by 1.05% from Baht 16,454 Million to Baht 16,281 Million.
- The proportion of trading from foreign investors was 28% of the total trading volume in Year 2005 and this proportion increased to 34% in Year 2006. The proportion of trading from local investors was 62% in Year 2005 and decreased to 54% in Year 2006. The proportion of trading from institutions increased from 10% to 12% in Year 2006.
- We focus on providing fast, quality services to our clients. Therefore, we have invested in technology and management information systems to assist our clients to execute trading with better investment decisions. In December 2006, we officially launched a ZNet solution, which is an online trading program. To satisfy investors' needs, ZNet solution is the perfect online trading software that ensures rapid order transactions, high system reliability and the ultimate in data security. In addition, the software delivers 24-hour news and information services from Reuters to make every minute an investment opportunity for our clients.

Future Prospects

- The uncertainty in the political situation and the unrest in southern provinces may continue to damage investors' confidence. Hence, the investment and consumption may decrease, and economic growth decrease. The revenue from the securities trading business will be negatively affected. Consequently, the revenue from the underwriting business might decline as well.
- The liberalization of commission rates in the Stock Market took its first step January 1, 2007. The commission for internet securities trading is now set for not less than 0.15% of trading value. The result will be an increase in the internet trading volume in the long run, but the profit margin will decline.
- In Year 2007, we will focus in offering brokerage services in exchange-traded derivatives, OTC Derivatives, and asset management.

Assessment of the AGM and Good Corporate Governance

- A “Very Good” rating for corporate governance by Thai Institute of Director Association (IOD)
- A “Good Grade” rating for the AGM 2006 assessment by The Securities and Exchange Commission (SEC)

The Management is aware that the competition in the securities business will become more severe. In Year 2012, the full liberalization of the securities business will become effective. Moreover, the negative impacts from political events and economic incidents will dampen the investors’ confidence. As a result, the profitability of brokerage firms will be uncertain.

The Management is determined to put forward its best efforts in operating the Company with plans to respond to the fast changing economic impacts from both local and overseas events.

The Management has always received good support from clients, employees, and the Board of Directors. Therefore, the Management strongly believes that the Company remains in a good position to meet these challenges and will continue to achieve a reasonable rate of return for shareholders, maintain a sound financial status, while operating with good corporate governance and mindful of our responsibility to society in general.



Reungvit Dusdeesurapot
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 Committee, which comprises of :-

1. Mr. William Hang Man Chao Chairman
2. Ms. Korbsook Iamsuri Member
3. Mr. Chatchawal Eimsiri Member

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

In 2006, the Audit & Risk Management Committee held five meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, the head of Risk Management Office, the head of Information Technology and the Company's auditor to review the quarterly and annual financial statements for 2006 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system which includes the review of the Risk Management Policy and the progression. We have also invited the senior management to attend the meeting for asking approval to operate the OTC Derivative and explaining on the company risk management.

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

For 2007, the Audit & Risk Management Committee has proposed to the Board of Directors that Mr. Boonmee Ngotngamwong, Ms. Unakorn Phruithithada and Mr. Kajornkiet Aroonpirodkul of PricewaterhouseCoopers ABAS Limited be nominated as the Company's auditors for at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



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

Financial Highlights

Million Baht

	2004 Restated	2005 Restated	2006
TOTAL ASSETS	4,087.74	4,367.28	3,825.94
PAID – SHARECAPITAL	822.33	829.51	833.56
TOTAL SHAREHOLDERS' EQUITY	3,143.44	3,088.28	2,947.06
SECURITIES BUSINESS INCOME	1,748.53	1,085.42	1,007.24
SECURITIES BUSINESS EXPENSES	68.57	54.04	46.57
NET INCOME (LOSS)	497.83	162.93	156.13
PROFITABLE ABILITY RATIO			
GROSS PROFIT MARGIN (%)	96.08	95.02	95.38
NET PROFIT MARGIN (%)	26.18	14.30	15.37
RETURN ON EQUITY (%)	17.86	5.32	4.96
EFFICIENCY RATIO			
RETURN ON TOTAL ASSETS (%)	9.29	4.00	3.83
ASSET TURNOVER (TIMES)	0.34	0.27	0.25
FINANCIAL POLICY RATIO			
LIQUID ASSETS TO BORROWING (TIMES)	370.48	369.44	257.44
EARNING ASSETS TO BORROWING (TIMES)	397.19	435.76	474.61
LIQUID ASSETS TO TOTAL ASSETS (%)	45.32	42.30	33.64
EARNING ASSETS TO TOTAL ASSETS (%)	48.58	49.89	62.03
DEBT TO EQUITY (TIMES)	0.30	0.41	0.30
PAYOUT RATIO (%)	54.84	86.03	92.78*
OTHERS RATIO			
INVESTMENT IN SECURITIES TO TOTAL ASSETS (%)	16.01	12.93	18.88
NET LIQUID EQUITY (%)	270.00	205.00	287.00
PER SHARE			
BOOK VALUE (BAHT)	3.82	3.72	3.78
EARNING PER SHARE (BAHT)	0.59	0.20	0.19
DIVIDEND PER SHARE (BAHT)	0.320	0.169	0.187*
PAR VALUE (BAHT)	1.00	1.00	1.00

* At the meeting of Board of Directors no. 1/2550 held on 27 February 2007, a dividend in respect of the operating result for the year ended 31 December 2006 of Baht 0.187 per share was approved to be payable to shareholders whose names were on the registered book as at 29 March 2007 at 12.00 p.m.

General Information

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

Capital as of 31st December 2006

Registered Capital Baht 1,037,157,550
 Paid-up Capital: Baht 833,558,465

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

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Shareholding Percentage
Subsidiary Seamico Asset Management Company Limited	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Mutual Fund Management	Ordinary	10,000,000	10,000,000	100.00
Seamico Knight Fund Management Securities Company Limited	82 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Private Fund Management	Ordinary	2,000,000	1,020,000	51.00
Seamico Derivatives Company Limited	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Supporting Securities and Derivatives Trading	Ordinary Preferred	980,000 20,000	510,000 -	51.00
Other Burda (Thailand) Limited	17 th Floor, Unit No. 1702, 208 Wireless Road, Lumpini, Pathumwan, Bangkok	Publisher Women's Magazines	Preferred	500,000	255,000	51.00

OTHER REFERENCES

(a) Warrant Registrar

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

(b) Share Registrar

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

(c) Auditor

1. Mr. Boonmee Ngotngamwong Certified Public Accountant (Thailand) No. 3673
2. Mrs. Unakorn Phruithithada Certified Public Accountant (Thailand) No. 3257
3. Mr. Kajornkiet Aroonpirodkul Certified Public Accountant (Thailand) No. 3445

PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower,
179/74-80 South Sathorn Road, Bangkok 10120
Telephone: 66 (0) 2286-9999 Fax: 66 (0) 2286-5050

(d) Legal Advisor

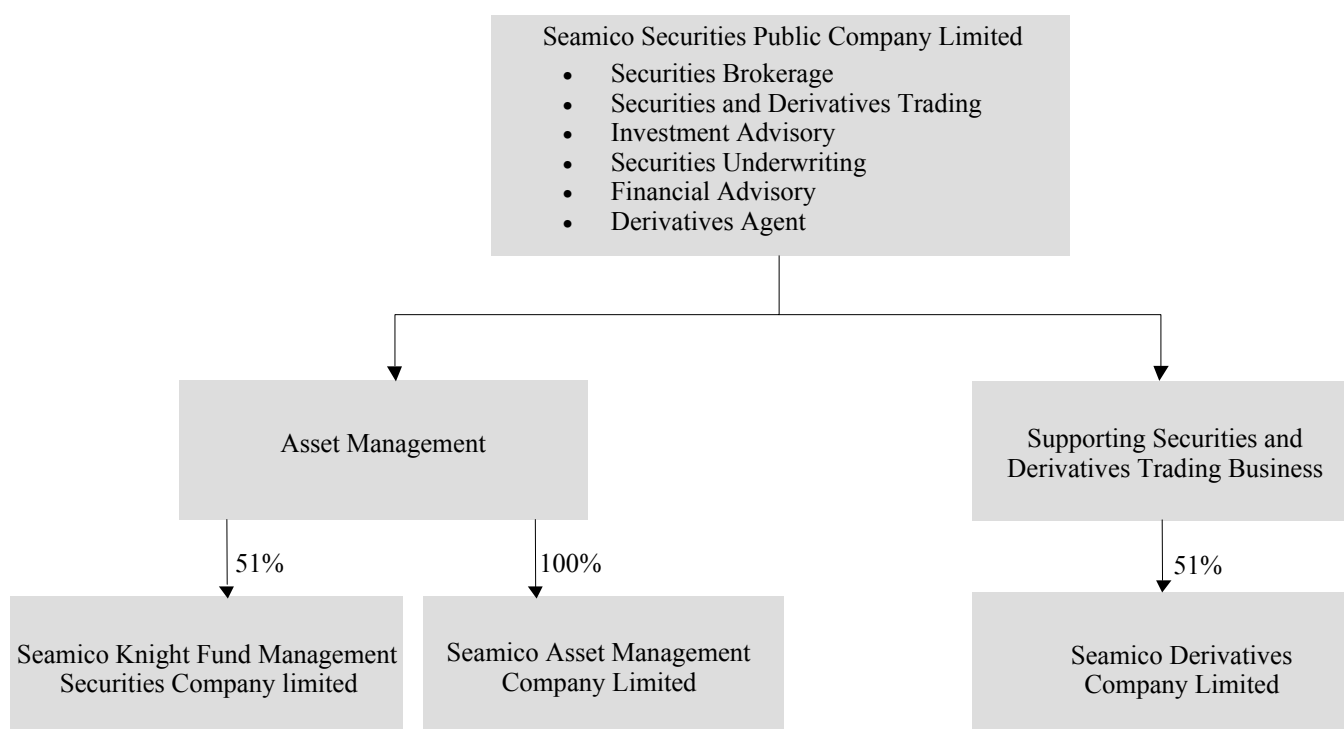
- Siam Premier International Law Office Limited
26th Floor of the Offices at Central World,
No. 999/9 Rama I Road, Khwaeng Pathumwan,
Khet Pathumwan, Bangkok 10330
Telephone: 66 (0) 2646-1888 Fax: 66 (0) 2646-1919
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road,
Dindaeng, Bangkok 10310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

NATURE OF BUSINESS

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

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

A BUSINESS OVERVIEW OF THE COMPANY AND ITS SUBSIDIARY COMPANIES



Subsidiary Companies

Seamico Knight Fund Management Securities Company Limited

The Company has joined with Knight Cyprus Limited to establish Seamico Knight Fund Management Securities Company Limited (SKFM). The Company holds 51% of paid-up capital with registered capital of Baht 20 million to operate private fund management.

Seamico Asset Management Company Limited

The Company has established Seamico Asset Management Company Limited to operate asset management business with registered capital of Baht 100 million. Seamico Asset Management Company Limited registered as a juristic person since June 28, 2006 and was granted a license from the Ministry of Finance, which is effective on January 8, 2007.

Seamico Derivatives Company Limited

The Company has joined with Polaris Securities (HK) Company Limited to establish Seamico Derivatives Company Limited. The Company holds 51% of paid-up capital with registered capital of Baht 100 million to operate securities and derivatives trading business. Seamico Derivatives Company Limited registered as a juristic person on December 14, 2006.

Associated CompanyRaimon Land Public Company Limited

During 2006, the Company divested shareholding in Raimon Land Public Company Limited (Property business) that bought in 2002; consequently Raimon Land is no longer the Company's Associated Company since June 2006.

REVENUE STRUCTURE BY SOURCE

	2004		2005		2006	
	Baht million	%	Baht million	%	Baht million	%
<u>Securities business income</u>						
Brokerage fees	1,498.51	81.76	860.38	76.76	718.19	71.86
Fees and service income	177.81	9.70	173.73	15.50	76.03	7.61
Interest on margin loans	28.82	1.57	36.62	3.27	67.99	6.80
Gains (losses) on securities trading	17.89	0.98	(55.58)	(4.96)	45.12	4.51
Interest and dividends on securities	25.51	1.39	52.29	4.67	80.33	8.04
Total securities business income	1,748.54	95.41	1,067.43	95.24	987.64	98.82
<u>Securities business expense</u>						
Interest on borrowing	7.79	0.43	12.39	1.11	19.71	1.97
Fees and service expenses	47.79	2.61	24.99	2.23	17.92	1.79
Brokerage and fee expenses	12.26	0.67	16.38	1.46	12.20	1.22
Total securities business expenses	67.84	3.70	53.75	4.80	49.83	4.99
Net securities business income	1,680.70	91.70	1,013.68	90.44	937.81	93.84
Provision for possible loan losses	(0.73)	(0.04)	(2.27)	(0.20)	0.08	0.01
Securities business income - net	1,679.97	91.66	1,011.41	90.24	937.89	93.85
Other income	84.20	4.59	53.38	4.76	11.74	1.18
Total Income (loss) - Net	1,764.17	96.26	1,064.79	95.00	949.63	95.02
Total Income	1,832.74	100.00	1,120.82	100.00	999.39	100.00

REVENUE OF SUBSIDIARY COMPANYSeamico Knight Fund Management Securities Company Limited

	2004		2005		2006	
	Baht million	%	Baht million	%	Baht million	%
- Fee and Service Income	19.28	100.00	20.64	98.84	22.57	99.81
- Other Income	-	-	0.24	1.16	0.04	0.19
Total Income	19.28	100.00	20.88	100.00	22.61	100.00

Seamico Asset Management Company Limited

	2006	
	Baht million	%
- Interest Income	0.22	100.00
- Other Income	-	-
Total Income	0.22	100.00

Seamico Derivatives Company Limited

	2006	
	Baht million	%
- Interest Income	0.69	100.00
- Other Income	-	-
Total Income	0.69	100.00

TYPES OF BUSINESS

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

1. Securities Brokerage

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

The types of services provided include:

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

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

As the SEC has announced to reduce internet trading commission to 0.15% of trading volume (from 0.20% of trading volume) and normal trading commission retained at 0.25% for another 3 years (from 1 January 2007 to 31 December 2009), to revert to sliding scale and float commission after that, therefore some customers are expected to move from normal trading to internet trading to take advantage of lower cost.

To prepare for the new commission rate, the Company has prepared system and trading tools for Internet trading. In early 2006, the Company implemented a system for clients to trade securities via mobile phone. Currently the Company is developing Znet, which is new stock trading program. Znet is a real time stock quote program, which will allow customers to view real time stock quotes and information that will be automatically updated instantaneously. Hence, customers will not miss an investment opportunity. Znet was launched in December 2006. For normal trading, the Company will continue to serve its existing customers and expand its customer base at the same time.

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

Market Share

Market share and trading volume classified by client type in 2004-2006 (excluded MAI) are as follows:

Trading Volume	2004		2005		2006	
	Baht million	%	Baht million	%	Baht million	%
Market Turnover	5,024,399		4,031,240		3,956,262	
Seamico's Trading Volume	598,549		344,066		297,265	
Seamico's Market Share	5.96		4.27		3.76	
Classified by type of clients						
- Seamico's Portfolio	1,167	0.19	997	0.29	11,438	3.85
- Fund	4,324	0.72	3,807	1.11	3,019	1.02
- Sub Broker	-	-	-	-	-	-
- Retail clients	551,038	92.07	310,322	90.19	245,481	82.58
- Foreign Clients	42,020	7.02	28,939	8.41	37,328	12.56
Total	598,549	100.00	344,065	100.00	297,265	100.00
Classified by type of account						
- Cash Account	559,841	93.72	306,257	89.27	243,059	85.04
- Credit Balance Account	37,541	6.28	36,811	10.73	42,768	14.96
Total*	597,382	100.00	343,069	100.00	285,827	100.00

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

The percentage of the top 10 securities trading clients to the Company's total securities trading volume in 2004-2006

Details	2004		2005		2006	
	Baht million	%	Baht million	%	Baht million	%
Top 10 securities trading clients	91,757	15.33	46,351	13.47	37,271	12.54
Total company's securities trading	598,549	100.00	344,066	100.00	297,265	100.00

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

The Company's Client Types

The majority of Seamico's clients are local retail clients who trade on cash basis. In 2006, the proportion of credit balance rose from 11% in 2005 to 15% in 2006 due to the policy to increase loans for securities. The following table shows the proportion of client types in 2004-2006.

Client Proportion	2004	2005	2006
Retail : Institution	96 : 4	95:5	92:8
Local : Foreign	93 : 7	92:8	87:13
Cash Account : Credit Balance	94 : 6	89:11	85:15

Policy on opening of new accounts

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

2. Derivatives Agent Business

On April 28, 2006, the Thailand Futures Exchange Public Company Limited (TFEX) started operation. The Company, which was approved by the SEC to act as a derivatives agent, began to provide service of derivatives trading as a new alternative investment for investors. In 2006, the Company had 6,520 contracts, or 1.64% market share.

Number of contracts	2006
TFEX	198,737
The Company	6,520
Market Share	1.64%

Furthermore, the Company provides training on derivatives for staff, customers, and interested investor to ensure that they are ready for derivatives investment and able to manage the risk. Besides, information of derivatives is shown on the website www.seamico.com to support investors' decision, including Z-Futures which are a trading application program similar to ZNet. Z-Futures will let customers monitor every movement of Futures all day long and the data will be delivered within a split-second, so that customers can catch up with the market easily.

3. Securities Trading

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

- Policy concerning authorized persons for securities dealing, e.g. an investment committee and dealers

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

The Company has a policy to invest in high return investment types and be able to control the level of risk. In 2006, investments in securities were classified into four types:

1) Investment in private funds managed by professional Asset Management Company, UOB Asset Management and Seamico Knight Fund Management (the Company's subsidiary). The Company defines expected return to both asset management companies and authorizes the fund manager on investment decisions.

2) Investments managed by the Company are considered to be strategic investments, since these provide an opportunity to gain high returns. This includes investments in securities that are left over from underwriting

3) Investments aimed to manage liquidity of the Company, which are investments in debt with high returns and low risk, such as government bonds, treasury bills or others guaranteed by financial institutions or with a credit rating of BBB+ or higher in the short term (1-3 months). The Company also considers the time required to use the funds.

4) Investments in subsidiary and associated companies, Seamico Knight Fund Management Company Limited (private fund business) in which the Company holds a 51% stake, Seamico Asset Management Company Limited (asset management business) in which the Company holds a 100% stake and Seamico Derivatives Company Limited (securities and derivatives trading) in which the Company holds a 51% stake.

Fair value of Investment in securities of the Company and Subsidiaries in 2004-2006

(Unit: Baht millions)

Investment types classified by investment objectives	Amount		
	2004	2005	2006
Trading securities	104.13	1.99	383.70
Available-for-sale securities	537.80	550.17	328.28
Investment in associated companies	294.10	320.02	-
General investment	17.88	19.79	20.00
Total	953.91	891.96	731.98

4. Underwriting Business

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

Revenues from Underwriting Business

Year	No. of clients	Underwriting value (Baht millions)	Fee charged (Baht millions)
2004	36	3,065.75	72.24
2005	32	2,919.12	98.35
2006	9	923.61	27.11

5. Financial Advisory Business

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

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

The Company employs professional investment bankers so as to strengthen its investment banking teams. The Company's strategy is to provide professional financial advisory services to cover every client type, including small, medium and large-sized businesses by customizing services related to client needs based on the expertise and know-how of each investment banking team. Adhering to strict business ethics and maintaining good client relationships are highly valued, as is providing professional advisory services that comply with the Company's policies. However, in 2006 the economic and political circumstances that developed, especially the uncertain political situation due to the coup, as well as the BOT's capital control measure to deter Baht speculation in December, including existing factors such as continuous increases in oil prices and unrest in the south of Thailand. Many companies have slowed down business expansion and postponed listing on the SET, and therefore, income from investment banking was below the Company's forecast. Income from financial advisory services from 2004 to 2006 is shown in the table below.

(Unit: Baht millions)	2004	2005	2006
Revenue	85.44	71.61	45.93

6. Private Fund Management

Seamico Securities Public Company Limited has had a strategy to expand the scope of its securities business to private fund management through holding a 51 percent stake of Seamico Knight Fund Management Company Limited (SKFM), which has been engaged in private fund management since 26th July 2002. SKFM's office is located on the 32nd Floor, Sang Thong Thani Building, Sathorn Road, Bangkok, telephone (662) 639-2965.

7. Asset Management

The Company established Seamico Asset Management Company Limited and holds 100% of paid-up capital with registered capital of Baht 100 million and was granted a license effective on January 8, 2007. Seamico Asset Management Company Limited provides fund management to individuals, groups and juristic clients, both local and foreign, in accordance with the rules of the SEC. The office is located on 8th floor, 287 Liberty Square, Silom Road, Silom, Bangrak, Bangkok.

The Company invested in Seamico Asset Management Company Limited in order to increase investment return, acquire profit sharing and diversify into fund management in order to provide a full range of securities services, including broadening its customer base and trading volume.

8. Securities and Derivatives Trading

The Company invested in Seamico Derivatives Company Limited and holds 51% of paid-up capital to operate derivatives business with registered capital of Baht 100 million. Seamico Derivatives Company Limited registered as a juristic person on December 14, 2006 and its office is located on 8th floor, 287 Liberty Square, Silom Road, Silom, Bangrak, Bangkok. The Company invested in Seamico Derivatives Company Limited in order to provide various securities services along with increasing investment return and profit sharing of subsidiaries. The Company provides structured products to serve customers' need, in order to gain more value and return for local and institution investors. Seamico Derivatives Company Limited will officially announce its opening in 2007.

INDUSTRY OUTLOOK AND FUTURE COMPETITION

Industry and Competition

In 2006, the return from the SET decreased by 4.75 per cent with the SET index having decreased from 713.73 points at the end of 2005 to 679.84 points at the end of 2006. Total trading volume of the SET declined from 2005 by 1.86 per cent from Baht 4,031 billion to Baht 3,956 billion, while the daily market turnover decreased by 1.05 per cent from Baht 16,454 million to Baht 16,281 million. Behind the decline were various factors that affected the Thai capital market during 2006, such as the prolonged unrest in the three southern provinces with no signs of abating, high oil prices in the global market, political uncertainty, Coup, resistance to the listings of state enterprises, issue of PTT delisting from the SET due to its alleged illegal privatization, as well as the capital control measure of Bank of Thailand, which together, have impacted negatively both local and foreign investors' confidence in the Thai capital market.

There were 12 new companies listed on the SET in 2006 with a total market capitalization of Baht 92,991 million and 6 new companies listed on the MAI with a total market capitalization Baht 3,606 million.

Primary Market

(Unit: Baht millions)

Public Offering	2004	2005	2006
Initial Public Offering	407,651	1,073,348	1,468,944
Classified by Instrument Type			
- Equity	99,946	87,774	117,258
- Fixed Income	307,705	985,574	1,351,686
Classified by Investment Type			
- Initial Public Offering	37,671	24,004	17,847
- Public Offering	307,345	981,291	1,258,869
- Private Placement	61,063	66,300	188,147
- ESOP	1,572	1,753	4,081
Classified by Investor Type			
- Local	391,375	984,609	1,321,544
- Foreign	16,276	88,739	147,400

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

Secondary Market

SET	2004	2005	2006
Market Capitalization (Baht millions)	4,521,895	5,105,113	5,078,705
Market Turnover (Baht millions)	5,024,399	4,031,240	3,956,262
Daily Average Turnover (Baht millions)	20,508	16,454	16,281
SET Index at the end of year (points)	668.10	713.73	679.84
Market P/E (times)	9.40	9.40	8.10
Market P/BV (times)	2.00	1.91	1.65
Dividend Yield (%)	2.75	3.37	4.23

Source: The Stock Exchange of Thailand

MAI	2004	2005	2006
Market Capitalization (Baht millions)	11,703	14,314	21,810
Market Turnover (Baht millions)	34,221	35,941	27,414
Daily Average Turnover (Baht millions)	140	147	113
SET Index at the end of year (points)	188.07	158.23	193.43

Source: The Stock Exchange of Thailand

Key Financial Figures in 2004-2006

Details	2004	2005	2006
SET Index – end of year (points)	668.10	713.73	679.84
MAI Index – end of year (points)	188.07	158.23	193.43
Number of Broker (Companies)	36	39	37
Market Share of Top 10 Brokers (SET& MAI) (%)	51.56	49.97	51.58
Number of Listed Company in SET (Companies)	440	468	476
Number of Listed Company in MAI (Companies)	24	36	42

Source: The Stock Exchange of Thailand

Market Turnover in the SET in 2004-2006

(Unit: Baht millions)

Month	2004		2005		2006	
	Total Value	Daily Average	Total Value	Daily Average	Total Value	Daily Average
January	823,445	41,172	472,643	23,632	672,068	32,003
February	558,863	27,943	462,916	24,364	348,207	18,327
March	377,393	17,154	382,993	16,652	297,461	12,933
April	410,657	22,814	255,214	15,013	347,578	21,724
May	355,460	18,708	318,771	16,777	308,001	15,400
June	339,985	16,190	327,104	14,868	208,974	10,449
July	318,954	15,188	264,860	13,940	247,639	12,382
August	246,519	12,326	328,544	14,934	250,660	11,394
September	459,778	20,899	421,978	19,181	307,515	15,376
October	407,242	20,362	248,674	12,434	271,023	12,906
November	385,079	17,504	260,473	11,840	373,005	16,955
December	341,024	17,051	287,070	14,354	324,131	17,060

Source: The Stock Exchange of Thailand

Market Turnover classified by Investors

(Unit: Baht millions)

Investor	2004		2005		2006	
	Value	%	Value	%	Value	%
Foreign Investors	2,121,230	21	2,248,626	28	2,680,367	34
Local Institutions	846,053	8	839,492	10	919,958	12
Local Investors	7,081,516	71	4,974,362	62	4,312,199	54
Total	10,048,799	100	8,062,480	100	7,912,524	100

Source: The Stock Exchange of Thailand

During 2006, market turnover of foreign investors has continuously increased both in value and percentage terms when compared to other groups of investors since 2004. Foreign investors were interested to invest in Thai capital market since they expected higher return due to relatively cheaper prices of Thai securities when compared to those of other Asian markets. Nevertheless, the capital control measure of Bank of Thailand on 19 December 2006 sparked a sell-off by foreigners with a total net sale as high as Baht 25 billion, while the SET Index lost 108.41 points, or -14.84 per cent within one day. The Bank of Thailand has relaxed the measure by not restricting fund flows directly into stock trading. Nonetheless, the measure has impacted overall market sentiment and investment policy of foreign investors in the short- to-medium-term period.

Competitive Environment in Securities Business

Competition in 2006 has become stronger, despite commission fee being maintained at the rate of 0.25 per cent. Each securities company is striving to increase efficiency of its online service and improve the quality of securities analysis and research to maintain and increase market share. Large securities companies, particularly those with financial institution as shareholders or those with foreign partners, will have a competitive advantage in terms of customer base, marketing network, and capital, economy of scale, technology and know-how.

In 2006, the top 10 brokers gained a market share of 51.58% of total market turnover, a slight increase from 2005. The Company's market share declined to 8th rank due as most of its customer base (more than 92%) was local retail investors, whose market turnover proportion (amount) has continued to decrease since 2004.

Market Share of Brokerage Business (SET and MAI)

Detail	2004		2005		2006	
	Rank	%	Rank	%	Rank	%
Seamico's Market Share	3	5.96	5	4.28	8	3.77
Top 10 Brokers' Market Share	1-10	51.56	1-10	49.97	1-10	51.58

Source: The Stock Exchange of Thailand

Futures Agent Business

TFEX's Futures agent business started on 28 April 2006. In 2006, the trading volume has reached 198,737 contracts, with an average daily trading volume of 1,197 contracts. The Company's market share is 1.64 per cent of the total trading contracts.

Market Turnover (No. of Contracts) in the TFEX classified by Investors

(Unit: No. of Contracts)

Investor	2004		2005		2006	
	Contracts	%	Contracts	%	Contracts	%
Foreign Investors	-	-	-	-	76,333	19
Local Institutions	-	-	-	-	110,725	28
Local Investors	-	-	-	-	210,416	53
Total	-	-	-	-	397,474	100

Source: Thailand Futures Exchange

Industry Trend and Future Competition

The stock market outlook should remain cloudy from the end of 2006 due to the following factors:

- Uncertain political climate has depressed the Stock Market. However, this issue has eased since the timeframe of the Constitution Draft has become clear and a general election is expected to be held within 2007.
- Slow-down in fund flows to the Stock Market over the short-term to medium-term basis after the implementation of capital control measure by the Bank of Thailand, even though the Bank of Thailand has waived the measure for the funds investing in the Stock Market.
- The amendment of the Foreign Business Act could impact on foreign investor's confidence, since the Act protects only some businesses, focuses on the voting rights of foreigners, and create inflexibility in capital management and allow foreigners to adjust their shareholding positions within a limited timeframe for rectification.

Competition among securities companies seems to intensify further from commission fee liberalization on 1 January 2007 onwards. Commission fee on Internet trading would decrease to 0.15 per cent of trading value. However, the Stock Exchange of Thailand has decided to require investors trading on Internet on Cash Balance and Credit Balance to be charged at 0.15 per cent of trading value, while other account types are permitted for another one-year period, but with a minimum commission fee 0.20 per cent of trading value. The liberalization of commission fee will directly impact the performance of Securities companies.

The Company plans to focus on providing quality and fast services to assist investors in their decision-making, which include creating customer relations to expand its customer base to high margin clients, such as institutional clients and new investors, with a proactive marketing plan. In addition, the Company plans to improve the quality of its entire range of products over the next few years. Moreover, the Company will endeavor to develop related businesses with the aim to boost its market share as well as prepare for related securities businesses, such as derivatives trading.

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

Product and Service Provided

1. Source of Fund

Most of the Company's source of fund is from shareholders, however, the Company is allocated short-term loans from financial institutions to support short-term needs based on liquidity, worth of capital and business continuity.

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

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

3. Net Capital Rule (NCR)

The Company maintained NCR at a level higher than the Securities and Exchange Commission's (SEC) requirement, which was not less than Baht 25 million, and not less than 7% of the sum of general liabilities and collaterals; and also higher than Thailand Clearing House's (TCH) requirement, which was not less than Baht 75 million, and not less than 21% of the sum of general liabilities and collaterals. Over the past 3 years Net Liquid Capital and NCR ratio are as follows:

Fund	31 Dec 2004	31 Dec 2005	31 Dec 2006
Net Liquid Capital (Baht million)	2,219	2,289	2,343
NCR (%)	270	205	287

RISK FACTORS

1. Risk from Brokerage Commission Fee Liberalization

The competition in securities business will become severe, starting from 2007 onwards. As the schedule of commission fee liberalization has been announced by the SET, the 0.25% commission rate of securities trading shall be maintained for these 3 years (starting 1 January 2007 to 31 December 2009). Then, from 1 January 2010 to 31 December 2011, a progressive commission rate based on daily trading volume will be introduced. Although the commission rate for internet securities trading will become lower, effectively from 1 January 2007 onwards, the commission rate is 0.15% of trading value, or equal to 60% of the commission for regular securities trading. The fully liberalization of commission rate will start on 1 January 2012 onwards. The decrease in commission fee will cause the performance and profitability of securities firms to decline. If the total trading value of the market does not change, as well as the market share of securities firm does not change, then the revenue from commission will decrease as the same rate as the decrease in commission rate. Therefore, the price-cutting on commission will likely reoccur, as was the situation in 2001. The competition will intensify, as brokerage firms will try to protect their customer base. This will further damage the profitability of brokerage firms, and merger and acquisition might become the solution to survive and reach economy of scale. The Company has been preparing to manage the risk related to this in order to strengthen the Company's income and clientele base, and prepare for the change in the securities environment by pursuing an effective cost management program to achieve Economy of Scale in order to obtain a competitive advantage. The Company will maintain a high standard of services to serve clients and continuously develop a sophisticated information technology system for securities business. And, the Company will provide high quality securities researches and to create an efficient customer relations system. Also, the Company will diversify to other related businesses such as derivatives agent for futures and options products, investment banking business, asset management, and OTC derivatives products.

2. Risk from Customer Concentration

Seamico is concerned about a risk associated with being significantly dependent on large securities trading account clients, as this may have a considerably adverse effect on the Company. To minimize this risk, the Company has focused on expanding its client base, increasing the capability of its securities marketing teams, searching and selecting potential clients, and enhancing its distribution channel through online trading.

In 2006, the Company has achieved risk control on this issue by decreasing dependency on large account clients, when comparing to 2005. Considering the Company's income proportion in 2006, the top-10 clients ranked by securities trading volume to the Company's total income decreased from 10.34 per cent in 2005 to 9.26 per cent in 2006. The risk control has been implemented since 1998, in which the proportion of top-10 clients was as high as 45 per cent.

3. Risk from Defaults on Repayment of Debts and Securities Purchases

The Company has defined policies and guidelines for an approval for each client for the securities trading limit, derivatives trading limit, credit balances, as well as collateral collection and margin requirement. The Company aims at minimizing the exposure of counter-party risk that shall arise from the default of debt repayments and the non-fulfillment of payment obligation created by securities purchases. The Company considers the collateral and financial status of customers before the approval of trading limits on both securities and derivatives. The Company aims at finding quality clients with strong financial status and having knowledge of investment, especially the knowledge on risk associated with derivatives trading. The Company also regularly revises each customer's financial status and trading limit. As at December 31, 2006, the Company had the exposures on cash account balance of Baht 259.45 Million, credit balance account of Baht 1,391.74 Million, and total securities business of Baht 1,651.19 Million. Also, the accrued interest receivable was Baht 7.79 Million. The substandard debt was Baht 1.18 Million, and the doubtful debt was Baht 8.41 Million, which equal to 0.07 per cent and 0.51 per cent of the total margin loan respectively.

4. Risk from Derivatives Agent Business

The Company has started Derivatives Agent Business on April 28, 2006. The Company was granted a membership of Thailand Futures Exchange (TFEX) and being granted to be a member of Thailand Clearing House (TCH). The Derivatives Agent Business will enable the Company to have a new source of income and to be able to offer a new kind of services and product mixes to our clients. The Company has a counter-party risk or credit risk associated with this new business. If the securities market fluctuates violently, clients may be subject to huge losses and not be able to deposit margin call as required by the TCH. The Company, as an agent, has to fulfill the obligation and advance the payment for the margin required. Hence, the Company controls this risk by finding clients with sound financial status and possessing knowledge of derivatives trading. The Company will approve credit lines of derivatives trading in conjunction with securities trading based on clients' financial status and will revise the credit lines regularly. The Company also monitors clients' positions closely by conducting simulations and will let marketing officers inform and advise clients to take actions if the clients' positions show a high level of risk or loss.

5. Risk from providing Underwriting and Financial Advisory Services

In providing underwriting as well as financial advisory services, the Company has a risk arising from unallocated shares when shares remain from an offering or when shares are not be able to be fully subscribed. Under the firm underwriting agreement, the Company must then take any remaining underwriting securities into the Company's portfolio, which may affect the Company's liquidity as well result in a risk from a diminution in the market price of said securities. Placement failures may be a result of underwriting shares at an inappropriate price, volatility of the money market or the stock exchange. In order to minimize underwriting risk, the Company undertakes a preliminary analysis of the securities issuer and carefully considers the market's potential response to the offered securities before it accepts the role of an arranger or underwriter of an issue. For financial advisory services, the Company emphasizes client selection based on the specialization of each investment banking team, which begins with a preliminary analysis of information and the background of a potential client before a deal is entered into.

6. Risk from Investments

The Company has invested in the areas of (1) mutual fund and private fund (2) proprietary trading portfolio (3) excess cash in money market, and (4) strategic investment in subsidiaries and associated companies. The Company enforces the risk controls on investment by defining an investment policy as a guideline for proprietary trading and investing purposes in order to acquire investment returns commensurate to acceptable risk levels, to approve the size of investment by Authority Level, to limit losses from investment, to segregate duties of related parties such as Investment Committee and Investment Personnel, and to monitor that the investment is complied with the policy. The Company will set an Overall Limit, Sector Limit, Company Limit, and Cut Loss Limit for investment. If the investment is significant in size, would engage in a nature of conflict of interest, or the Company purchases shares of any companies and that companies become subsidiaries or associated companies, then an investment proposal will be required for an approval process. The Risk Management Office will monitor the limits and results of investment closely to prevent any limits violation. Also, the investment will be analyzed for the impact on NCR. Regular meetings by related parties have been carried out for the effectiveness of investment practices.

7. Risk from Economic and Political Factors

Economic and Political factors are more complicated and fluctuate along with local and foreign influences, such as foreign exchange rate volatility, interest rate movements and global economic growth. The Company has been examining the economy and political events and evaluating the impact on the money market and capital market, so the Company could timely reposition itself and readjust its policy and strategies in response to the changes in economic factors. It is the Company's view that the economic outlook remains positive due to several factors, such as continuing new private investment, continuing growth of profits of listed companies resulting from the recovery of the economy, the government's policy to promote savings in the private sector, as well as the policy of the stock market regulators to improve the quality of listed companies by developing good corporate governance. These factors will help strengthen the securities market in the long term, provide a more attractive investment climate among local and foreign investors and ultimately offer good prospects for the Company to boost its brokerage market share of institutional clients.

8. Risk from depending on Key Personnel

The securities business is highly depended on key personnel for conducting the business. The Company has hired highly capable and efficient personnel to join the Company in the areas of securities business, derivatives business, investment banking, fixed income trading, and OTC derivatives. These personnel have their own customer base and capability to expand their customer base. The Company concerned that there is a risk that these personnel may move to another brokerage firm. To mitigate this risk, the Company has managed the personnel closely and fairly and has implemented a fair and competitive performance evaluation and reward system. In addition, the Company regularly reviews remuneration packages and staff benefits to ensure they are competitive within the industry. Also, training and personnel development programs have been planned in order to increase personnel knowledge and service capability.

9. Risk in regard to Information Technology

An effective information technology system enables the Company to provide efficient services and to respond effectively to the needs of its customers. The Company's business in general, including its competitiveness, could suffer if its IT system is inadequate or management thereof is inefficient. The Company has a strategy to reduce this risk by ensuring that the IT system is in accordance with international standards and by making regular checks of the system's efficiency. In addition, the Company emphasizes the security aspects of the IT system and to be ready for any disruption or emergency events. The Company has acquired a professional opinion from IT experts and auditor to assess the efficiency and integrity of the Company's IT system and IT Management, in which the opinion has been delivered to the Management and the Audit and Risk Management Committee.

10. Risk concerning an Insufficiency of Capital

Securities companies normally obtain their source of funds from increasing capital, issuing bonds and borrowing from financial institutions. Most of the Company's funds have been derived from capital raising, with no borrowing since 1998. The Company has reduced the risk related to a shortage of funds by obtaining facilities from financial institutions for its short-term needs in the event of insufficient liquidity. In addition, the Company has set its capital adequacy level considerably higher than the SEC's requirement. In practice, it has set additional NCR as a cushion in the event of a possible decrease in the overall capital adequacy level.

11. Risk of Noncompliance with Regulators

In order to avoid the problem of an unintentional violation of the regulations of any of the relevant overseers of the securities industry by the Company's staff, the Company has established a check and balance system to ensure that the principles of good governance are adhered to and that all departments exercise a high degree of care in carrying out their responsibilities. This is positive in that it maximizes the economic value to the Company and generates attractive returns to shareholders in the long term.

SHAREHOLDER STRUCTURE AND MANAGEMENT

1. SHAREHOLDERS

1.1 MAJOR SHAREHOLDERS in the shareholders' registration book as at 17th January 2007

	Name	No. of shares held	Percentage of paid-up capital
1.	Quam Group		
1.1	Quam Securities Nominee (Singapore) Pte Ltd.	62,624,126	7.51
1.2	Quam Securities Nominee (Singapore) Pte Ltd A/C Client (Strategic Capital Acquisitions (S.F.C.) Limited is the Company's major shareholder that held shares through Quam group which is broker at 12.62%)	44,044,900	5.28
2.	Seamico Securities Public Company Limited	53,872,000	6.46
3.	Thai NVDR Company Limited	31,995,752	3.84
4.	State Street Bank and Trust Company	25,007,000	3.00
5.	Somers (U.K.) Limited	18,340,000	2.20
6.	Syn Mun Kong Insurance Public Company Limited	9,981,060	1.20
7.	UOB Kay Hian Private Limited	9,555,000	1.15
8.	Mrs. Nonthaya Apithanothai	9,213,444	1.11
9.	Mr. Vithaya Narathassajun	7,750,011	0.93
10.	Mrs. Pennipa Tuangsinhombat	7,300,033	0.88
	Other	553,875,139	66.44
	Total	833,558,465	100.00

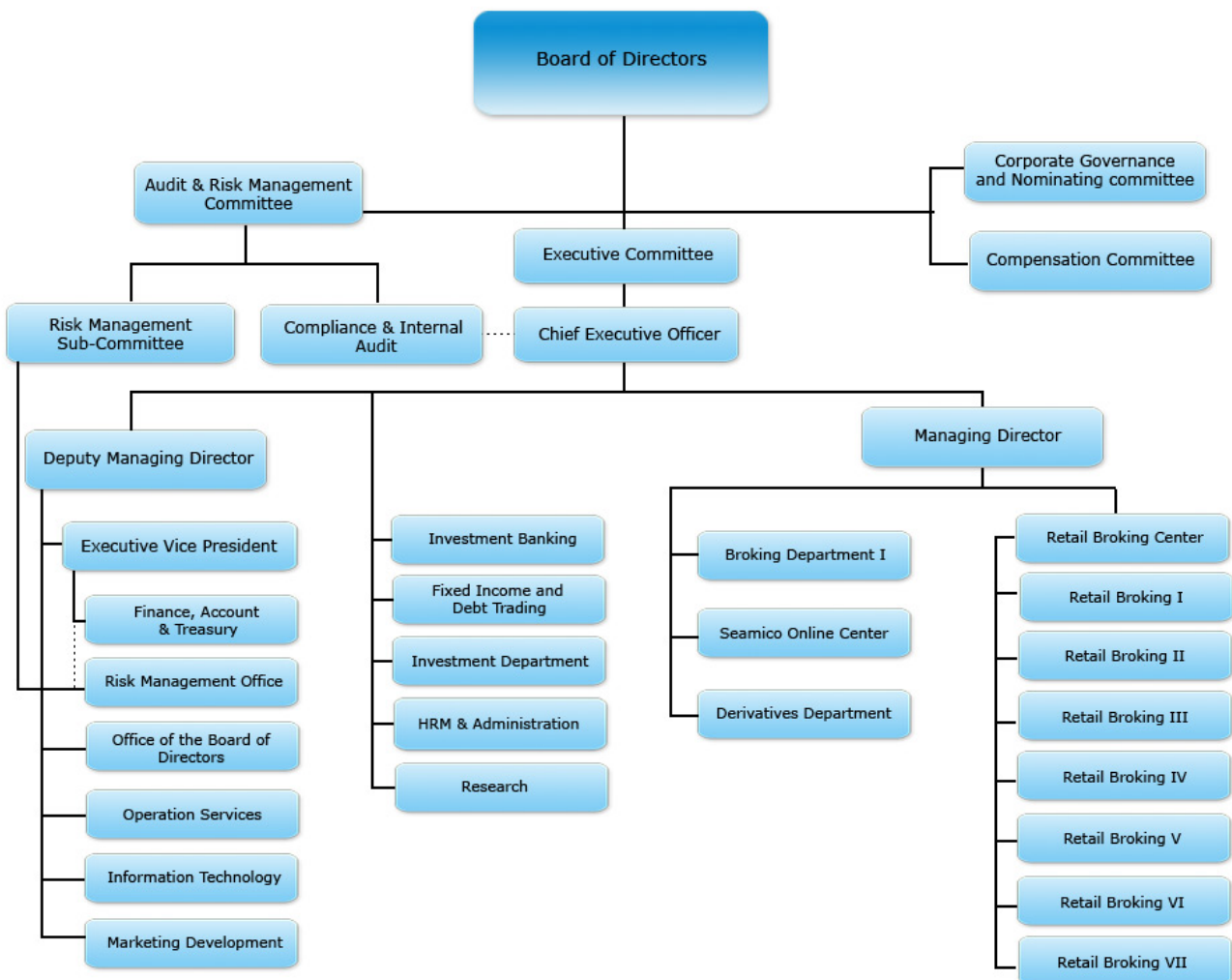
Investors can find information on major shareholders as at the closure date of shareholders' registration book from the Company's website before the Annual General Meeting.

1.2 MAJOR SHAREHOLDER GROUP

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

2. **MANAGEMENT**

ORGANISATION CHART



2.1 MANAGEMENT STRUCTURE

2.1.1 COMMITTEE OF THE COMPANY

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

2.1.2 COMMITTEE AND RESPONSIBILITIES

1. BOARD OF DIRECTORS

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

DEFINITION OF INDEPENDENT DIRECTOR OF THE COMPANY

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

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

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

SELECTION OF INDEPENDENT DIRECTOR

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

Directors Authorization and Limitation thereof

Mr. Reungvit Dusdeesurapot, Mr. Chao Arunyawat, Mrs. Duangrat Watanapongchat any two of three directors signing together with the Company's seal being affixed.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

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

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

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

2. EXECUTIVE COMMITTEE

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

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

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

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

3. AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

1. To review the sufficiency, credibility and objectivity of the financial reporting by co-ordinate with the external auditors and management responsible for preparing the quarterly and annual financial reports. The audit committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the Company.
2. To review the adequacy and effectiveness of the internal control systems and internal audit functions by co-ordinate with the external auditors and internal auditors.

3. To review the adequacy and efficiency of the risk management system by co-ordinate with the Risk Management Unit or the Risk Management Committee.
4. To review compliance with the Securities and Exchange Act, regulations of the SET and any other relevant laws.
5. To consider and advise on the appointment of external auditors, including the audit fee, by considering the creditability, the adequacy of the firm's resources, its audit engagements and the experience of its supervisory and professional staff.
6. To consider compliance with all connected transaction disclosures or the conflict of interest disclosures.
7. To take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the Company's management all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.).
8. To report the activities of the audit committee in the Company's annual report, that must be signed by the chairman of the audit committee. The following information should be included in the report:
 - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
 - Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's external auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Act, regulations of the SET and any other relevant laws.
 - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the Board of Directors.

4. COMPENSATION COMMITTEE

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE COMPENSATION COMMITTEE

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

- 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.

5. CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

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

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

- Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the company’s business.
- Review and evaluate the practical results of Corporate Governance for at least once a year.
- Report to the Board of Directors on matters related to Corporate Governance and suggest improvements, where appropriate.
- Propose the director evaluation process to the Board of Directors as well as evaluate and follow up on the improvement as evaluation results.
- Propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.

2.1.3 ATTENDANCE RECORD IN 2006

Board of Directors

In 2006, the Board of Directors met 6 times. Details of the attendance are as follows:

Name	Meeting Attended		
	In person	By conference call	Total
1. Mr. Paron Israsena	6	-	6
2. Mr. Reungvit Dusdeesurapot	6	-	6
3. Mr. Chao Arunyawat	6	-	6
4. Mrs. Duangrat Watanapongchat	6	-	6
5. Mr. Robert W. McMillen	2	3	5
6. Mr. Kenneth K.H. Lam	-	4	4
7. Mr. Bernard Pouliot	1	2	3
8. Mr. William H.M. Chao	4	-	4
9. Miss Korbsook Iamsuri	5	-	5
10. Dr. Sorajak Kasemsuvan	5	-	5
11. Mr. Chatchawal Eimsiri	3	-	3

Executive Committee

In 2006, the Executive Committee met 23 times. The attendance details, including attendance in person and conference calls are as follows:

Name	Position	No. of Meetings Attended
1. Mr. Reungvit Dusdeesurapot	Chairman of Executive Committee	23
2. Mr. Chao Arunyawat	Member	22
3. Mrs. Duangrat Watanapongchat	Member	22
4. Mr. Robert W. McMillen*	Member	16
5. Mr. Kenneth K.H. Lam*	Member	7
6. Mr. Bernard Pouliot*	Member	10

* Non-resident director

Other committee meetings held in 2006 are as follows:

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

2.1.4 MANAGEMENT AND COMPANY SECRETARY

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

DIRECTORS AND MANAGEMENT PROFILES AS OF 31st DECEMBER 2006

Name-Surname	Mr. Paron Israsena
Position	Independent Director and Chairman
Age	79 Years
Education	<ul style="list-style-type: none"> - Honorary Doctoral, Suranaree University (2002) - Ph.D. Honorary Doctor of Philosophy, Chiang Mai University (1992) - DBA., Honoris Cause, Chulalongkorn University (1986) - SM.ME., Massachusetts Institute of Technology, USA (1954) - B. Eng. ME., Chulalongkorn University (1951) - B. Eng., with Honors, Chulalongkorn University (1950)
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) (2003) - The Board's Role in Setting Effective Compensation Policy (2001) - The Audit Committee. The Expectation Increase and The Responsibility Expansion (2001)
% of Shareholding	0%
Experience	<ul style="list-style-type: none"> - Independent Director and Chairman, Seamico Securities Plc./Securities Business - Director and Member of Audit Committee, Siam Cement Plc. - Director and Chairman of Audit Committee, Sammakorn Plc. - Chairman of the Board, Shin Sattelite Plc. - Independent Director, Audit Committee Member and The Nomination and Remuneration Committee Chairman, Padaeng Industry Plc. - Board of Directors, National science and Technology Development Agency - Board of Directors, Thai Industrial Standards Institute - Board of Directors, Office of the Basic Education Commission, Ministry of Education - Board of Directors, National Economic and Social Development - Director, Thai Red Cross Society - Council Member, Chiangmai University - Advisor, King Mongkut's University of Technology Thonburi Council
Name-Surname	Mr. Reungvit Dusdeesurapot
Position	Authorized Director, Executive Chairman and Chief Executive Officer
Age	48 Years
Education	<ul style="list-style-type: none"> - M. PHIL, Major – Economics, University of Oxford (1984) - B.SC. (HON.), Major – Economics, London School of Economics, University of London (1982)
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) (2003)
% of Shareholding	0.42%
Experience	<ul style="list-style-type: none"> - Authorized Director, Executive Chairman and Chief Executive Officer Seamico Securities Plc./Securities Business - Authorized Director, Member of Executive Committee and Chief Executive Officer Seamico Securities Plc./ Securities Business - Authorized Director, Seamico Derivatives Co., Ltd./Derivatives Business - Chairman, Syn Mun Kong Insurance Plc./Insurance Business - Director, Raimon Land Plc./Property Business - Chairman, Brooker Group Plc./Consultant Business
	24 August 2005 – Present
	1 June 2000 – 23 August 2005
	December 2006 – Present
	1997 – Present
	2002 – 29 December 2006
	2000 – 2001
Name-Surname	Mr. Chao Arunyawat
Position	Authorized Director, Member of Executive Committee and Managing Director
Age	54 Years
Education	<ul style="list-style-type: none"> - Master Business Administration, Financial Management The National Institute of Development Administration (1979)
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) (2003) - Certificate of Derivatives 1 Program (2005)
% of Shareholding	0%
Experience	<ul style="list-style-type: none"> - Authorized Director, Member of Executive Committee and Managing Director Seamico Securities Plc./Securities Business - Executive Vice President, ABN Amro Asia Plc./ Securities Business
	1 June 2000 – Present
	1995 – 30 May 2000

Name-Surname	Mrs. Duangrat Watanapongchat
Position	Authorized Director, Member of Executive Committee and Deputy Managing Director
Age	49 Years
Education	- Master of Science, Accounting, Thammasat University (1983) - Bachelor of Law, Sukhothai Thammathirat Open University (1995)
Training	- Directors Certification Program (2002) - Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.09%
Experience	
25 April 2002 – Present	- Authorized Director, Member of Executive Committee and Deputy Managing Director Seamico Securities Plc./Securities Business
December 2006 – Present	- Authorized Director, Seamico Derivatives Co., Ltd./Derivatives Business
1 June 2000 – 2002	- Deputy Managing Director, Seamico Securities Plc./Securities Business
1994 – 31 May 2000	- Authorized Director and Deputy Managing Director Seamico Securities Plc./Securities Business

Name-Surname	Mr. Robert William McMillen
Position	Director and Member of Executive Committee
Age	51 Years
Education	- Chartered Accountant, Major – Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major – Accounting, The New South Wales University of Technology (1982)
% of Shareholding	0%
Experience	
1 June 2006 – Present	- Director and Member of Executive Committee - Seamico Securities Plc./Stock Broker and Financial Advisor
2001 – Present	- Director, Burda-Rizzoli (Thailand) Co., Ltd./Publishing Women's Magazine
1 October 2003 – Present	- Authorized Director and Member of Executive Committee, Brooker Group Plc./Consultant, Publisher and Advisor
2004 - Present	- Director, Knight Pacific Fund Limited/Fund Management
2004 - Present	- Director, Quam Fund (SPC) Limited/Fund Management
2004 - Present	- Director, Orient Select Investments Limited/Fund Management
2007 - Present	- Director, Quam Fund Plus (SPC)
February 2006 -Present	- Chairman and Authorized Director, McMillen Advantage Capital Limited
June 2006 - Present	- Chairman and Authorized Director, MAC Capital Advisors Limited
June 2006 - Present	- Vice Chairman and Authorized Director, MAC Sharaf Securities (U.A.E.) LLC.
2002 – January 2007	- Director, Raimon Land Plc./Property Business
24 August 2005 – 31 May 2006	- Authorized Director and President Seamico Securities Plc./Stock Broker and Financial Advisor
1 June 2000 – 23 August 2005	- Authorized Director and Chief Executive Officer Seamico Securities Plc./Stock Broker and Financial Advisor

Name-Surname	Mr. Kenneth Kin Hing Lam
Position	Director, Member of Executive Committee and Member of Compensation Committee
Age	53 Years
Education	Master Degree, Major - Business Administration Chinese University of Hong Kong (1983)
% of Shareholding	0%
Experience	
1998 – Present	- Director, Member of Executive Committee, Seamico Securities Plc./Securities Business
2001 – Present	- Member of Compensation Committee, Seamico Securities Plc./Securities Business
2000 – Present	- Deputy Chairman, Quam Limited and Its Group/Investment Business
Present	- Non-Executive Director, Hon Kwok Land Investment Co., Ltd./Investment Business
2002 – 27 April 2006	- Director, Raimon Land Plc./Property Business

Name-Surname Position Age Education % of Shareholding Experience 1998 – Present 2001 – Present 2000 – Present 2002 – 15 August 2003	Mr. Bernard Pouliot Director and Member of Executive Committee and Member of Compensation Committee 55 Years Bachelor Degree, Major – Commerce, University of Quebec (1974) 0% - Director and Member of Executive Committee, Seamico Securities Plc./Securities Business - Member of Compensation Committee, Seamico Securities Plc./Securities Business - Chairman, Quam Limited/Investment Business - Director, Brooker Group Plc./Consultant Business
Name-Surname Position Age Education % of Shareholding Experience 24 August 2005 – Present 1998 – Present 2000 – Present 1998 – Present Present	Mr. William Hang Man Chao Independent Director, Chairman of Audit and Risk Management Committee and Member of Corporate Governance and Nominating Committee 49 Years Master of Business Administration, Major – Finance / Marketing University of Chicago (1985) 0% - Member of Corporate Governance and Nominating Committee, Seamico Securities Plc./Securities Business - Independent Director and Chairman of Audit Committee Seamico Securities Plc./Securities Business - Independent Director, Cal-Comp Electronics (Thailand) Plc./Electronics - Authorized Director, Wing Wah Advisory (Thailand) Limited/Investment Support - Director, Bangkok Garden Property Fund/Real Estate Holding - Director, City Realty Co., Ltd./Real Estate Developer
Name-Surname Position Age Education Training % of Shareholding Experience 24 August 2005 – Present 1 June 2001 – Present Present Present Present Present Present Present 15 August 2003 – 2004	Miss Korbsook Iamsuri Independent Director, Member of Audit and Risk Management Committee and Member of Corporate Governance and Nominating Committee 48 Years - Master of Business Administration, Major – Finance University of Wisconsin, Madison (1984) - Directors Certification Program (DCP) (2001) 0.01% - Member of Corporate Governance and Nominating Committee, Seamico Securities Plc./Securities Business - Independent Director and Member of Audit and Risk Management Committee Seamico Securities Plc./Securities Business - Director, Kamol Kij Group/Agriculture Business - Director, Black and White Co., Ltd./Audio Visual Business - Director, Amornchai Co., Ltd./Agriculture Business - Director, Better Rice Co., Ltd./Trading Business - Director, Lanna Agribusiness Co., Ltd./Agriculture Business - Director, Kasikit Singha Co., Ltd./Agriculture Business - Independent Director and Member of Audit Committee Raimon Land Plc./Property Business

Name-Surname	Dr. Sorajak Kasemsuvan
Position	Independent Director and Member of Compensation Committee
Age	52 Years
Education	PhD, International Law, London School of Economics and Political Science University of London, U.K. (1987)
% of Shareholding	0%
Experience	
24 August 2005 – Present	- Independent Director and Member of Compensation Committee, Seamico Securities Plc./Securities Business
2002 – 23 Aug. 2005	- Independent Director and Member of Audit Committee Seamico Securities Plc./Securities Business
Present	- Senior Vice President for Corporate Communication and International Trade Law Charoen Pokphand Group Co., Ltd./Investment Business
Present	- President, Traffic Corner Holdings Plc.
March 2005 – September 2006	- Vice Minister for the Prime Minister's Office
March 2003 – March 2005	- Vice Minister for Foreign Affairs
1999 – 2002	- Director – General, Mass Communication Organization of Thailand

Name-Surname	Mr. Chatchawal Eimsiri
Position	Independent Director, Chairman of Corporate Governance and Nominating Committee and Member of Audit and Risk Management Committee
Age	47 Years
Education	- Master of Science, Operation Research, London School of Economics and Political Science, University of London (1982) - Advance Management Program, Harvard Business School, USA (2005)
Training	
% of Shareholding	0%
Experience	
24 August 2005 – Present	- Independent Director, Chairman of Corporate Governance and Nominating Committee and Member of Audit and Risk Management Committee, Seamico Securities Plc./Securities Business
28 April – 23 August 2005	- Independent Director, Seamico Securities Plc./Securities Business
2001 – Present	- Vice President, Finance and Accounting - PTT Exploration and Production Public Co., Ltd.
2002 – 2005	- Director, Seamico Knight Fund Management Securities Co., Ltd./Investment Business
1998 – 2001	- Director, Seamico Securities Plc./ Securities Business
1997 – 2001	- Senior Manager, Finance - PTT Exploration and Production Public Co., Ltd.

Name-Surname	Mr. Somchai Kanjanapetcharat
Position	Deputy Managing Director
Age	51 Years
Education	- MBA, The National Institute of Development Administration (1991)
Training	- Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.02%
Experience	
2002 – Present	- Deputy Managing Director, Seamico Securities Plc./Securities Business
2000 – 2002	- Executive Vice President, Seamico Securities Plc./Securities Business
1995 – 2000	- Senior Vice President, Broking Department Krungthai Thanakit Securities & Finance Plc./Finance & Securities Business

Name-Surname	Mr. Chupong Tanasettakorn
Position	Deputy Managing Director
Age	49 Years
Education	- MBA (Finance) University of Detroit, USA (1982)
Training	- Director Accreditation Program (DAP) (2002)
% of Shareholding	0.01%
Experience	
2003 – Present	- Deputy Managing Director, Seamico Securities Plc./Securities Business
2005 - Present	- Non-authorized Director, EMC Plc./Construction Business
2002 – 2003	- Executive Director, Philip Securities (Thailand) Plc./Securities Business
1999 – 2002	- Deputy Managing Director, Yuanta Securities (Thailand) Plc./Securities Business

Name-Surname	Miss Patarin Thananart
Position	Deputy Managing Director
Age	46 Years
Education	- MBA (MIS) University of Texas (1986)
Training	- Certificate of Derivatives 1 Program (2005) - Certificate of Derivatives 2 Program (2005) - Certificate of Derivatives Guide Program (2005)
% of Shareholding	0.02%
Experience	
1 December 2003 – Present	- Deputy Managing Director, Seamico Securities Plc./Securities Business
December 2006 – Present	- Chief Executive Office, Seamico Derivatives Co., Ltd./Derivatives Business
2003 – 2003	- Managing Director, Siam City Securities Co., Ltd.
1 May 2001 – 30 April 2003	- Executive Director, UOB Kayhian Securities (Thailand) Co., Ltd.

Name-Surname	Mrs. Banchit Chittanusart
Position	Executive Vice President - Finance, Account and Treasury Department
Age	45 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%
Experience	
Apr. 2004 – Present	- Executive Vice President, Seamico Securities Plc./Securities Business
Feb. 1998 – Mar. 2004	- Senior Director of Finance and Accounting Department, Government Pension Fund

DETAILS OF SUBSIDIARY COMPANY'S DIRECTORS AS AT 31st DECEMBER 2006

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

Director	Position
1. Mr. Jeremy Lechemere King	Authorised Director
2. Mr. Hamish Brush Macpherson	Director
3. Mr. Supakorn Vejjajiva	Director
4. Mr. Douglas Wiltshire Clayton	Authorised Director

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

Director		Position
1.	Mr. Panya Pongtanya	Authorised Director
2.	Mr. Dusit Nontanakorn	Authorised Director
3.	Ms. Duangporn Termwattana	Authorised Director

Company Name Seamico Derivatives Company Limited
 Location 287 Liberty Square 8th Floor, Silom Road, Bangrak Bangkok
 Type of Business Derivatives
 Date of Establishment 14th December 2006

Director		Position
1.	Mr. Reungvit Dusdeesurapot	Authorised Director
2.	Mrs. Duangrat Watanapongchat	Authorised Director
3.	Mr. Tan, Leng-Hoe	Authorised Director
4.	Mr. Liu, Tsung-Sheng	Authorised Director

2.2 DIRECTOR SELECTION

Each member of the Board of Directors may propose a suitable person for the Corporate Governance and Nominating Committee to consider as a candidate for director, and the Corporate Governance and Nominating Committee shall evaluate the suitability of that 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.

2.3 REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2006

2.3.1 Monetary Remuneration

Directors

	Name	Responsibilities	Type of Remuneration	
			Fee	Bonus***
1.	Mr. Paron Israsena	<ul style="list-style-type: none"> Independent Director Chairman 	1,080,000	1,000,000
2.	Mr. Reungvit Dusdeesurapot*	<ul style="list-style-type: none"> Authorized Director Executive Chairman Chief Executive Officer 	-	-
4.	Mr. Chao Arunyawat*	<ul style="list-style-type: none"> Authorized Director Managing Director Member of Executive Committee 	-	-
5.	Mrs. Duangrat Watanapongchat*	<ul style="list-style-type: none"> Authorized Director Deputy Managing Director Member of Executive Committee 	-	-
3.	Mr. Robert W. McMillen**	<ul style="list-style-type: none"> Authorized Director President Member of Executive Committee 	29,000	26,362
6.	Mr. Kenneth K. H. Lam	<ul style="list-style-type: none"> Director Member of Executive Committee Member of Compensation Committee 	330,000	373,081
7.	Mr. Bernard Pouliot	<ul style="list-style-type: none"> Director Member of Executive Committee Member of Compensation Committee 	330,000	373,081
8.	Mr. William H.M. Chao	<ul style="list-style-type: none"> Independent Director Chairman of Audit and Risk Management Committee Member of Corporate Governance and Nominating Committee 	340,000	373,081
9.	Miss Korbsook Iamsuri	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee Member of Corporate Governance and Nominating Committee 	340,000	373,081
10.	Dr. Sorajak Kasemsuvan	<ul style="list-style-type: none"> Independent Director Member of Compensation Committee 	200,000	231,233
11.	Mr. Chatchawal Eimsiri	<ul style="list-style-type: none"> Independent Director Chairman of Corporate Governance and Nominating Committee Member of Audit and Risk Management Committee 	340,000	373,081

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

** Commence role as non-executive director from December 2006.

*** Bonus from 2006 operations, which will be paid in 2007 and requires the shareholders' meeting's approval.

Directors (Authorized) and Management totaling 6 persons

Type of Remuneration	Remuneration (Baht)
Salary	30,790,920
Bonus	8,834,775
Total	39,625,695

2.3.2 Other Remuneration

-None-

THE CHANGE IN DIRECTORS AND MANAGEMENT'S SECURITIES HOLDING

Director/Management	No. of shares held		Change Increase/ (Decrease)	No. of ESOP Warrants		Change Increase/ (Decrease)	No. of ZMICO-W 3		Change Increase/ (Decrease)
	31 Dec.05	31 Dec.06		31 Dec.05	31 Dec.06		31 Dec.05	31 Dec.06	
Mr. Paron Israsena	-	-	-	-	-	-	-	-	-
Mr.Reungvit Dusdeesurapot	3,460,039	3,460,039	-	-	-	-	-	-	-
Mr. Chao Arunyawat	-	-	-	-	-	-	-	-	-
Mrs. Duangrat Watanapongchat	738,000	738,000	-	-	-	-	242,500	242500	-
Mr. Robert W. McMillen	-	-	-	-	-	-	-	-	-
Mr. Kenneth K.H. Lam	-	-	-	-	-	-	-	-	-
Mr. Bernard Pouliot	-	-	-	-	-	-	-	-	-
Mr. William H.M. Chao	569,444	-	(569,444)	-	-	-	142,361	-	(142,361)
Miss Korbsook Iamsuri	100,000	50,000	(50,000)	-	-	-	-	-	-
Dr. Sorajak Kasemsuvan	-	-	-	-	-	-	-	-	-
Mr. Chatchawal Eimsiri	-	-	-	-	-	-	-	-	-
Mr. Somchai Karnjanapetcharat	120,000	130,000	10,000	8,000	-	(8,000)	-	-	-
Mr. Chupong Tanasettakorn	-	50,000	50,000	5,000	-	(5,000)	-	-	-
Miss Pattarin Thananart	7,000	182,000	175,000	17,500	-	(17,500)	500	500	-
Mrs. Banchit Chittanusart	-	-	-	51,200	51,200	-	-	-	-

2.3.3 PROVIDENT FUND

For 2006, the Company contributed Baht 2,101,866 for the management to the Company's provident fund.

2.4 CORPORATE GOVERNANCE 2006

The Company has realized the importance of Good Corporate Governance and compliance with the SET principles. In 2006, the company's good corporate governance (CG) practices have been acknowledged by various organizations as follows:

- A “Very Good” rating for corporate governance by Thai Institute of Director Association (IOD)
- A “Good Grade” rating for the AGM 2006 assessment by The Securities and Exchange Commission (SEC)

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Securities and Exchange Commission (SEC). Today 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:

1. Policy on corporate governance

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

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

In addition, the Company is determined to follow the principles of Good Corporate Governance as recommended by the IOD, in order to improve operating standard and efficiency.

Board Self-Assessment

As a resolution of the Board meeting No. 1/2007 on 27 February 2007, the Board approved to conduct self-assessment for its 2006 performance, for which the Corporate Governance Committee had approved a self-assessment form. This will be a vital tool for improving the Board’s performance.

2. The equitable treatment of shareholders

The Company emphasizes equitable treatment of shareholders, as follows:

- The right to obtain information

All shareholders shall obtain notice and details of meetings together with the Board of Directors’ opinion on such matters not less than 14 days prior to the meeting date, and also obtain a notice of attending AGMs 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 right to be treated equally

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

3. The rights of stakeholders

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

3.1 Shareholders

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

3.2 Clients

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

3.3 Employees

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

3.5 Society, Community, Environment

The Company is aware of its social responsibility and participates in social activities. In 2006, the Company donated to the Population Development Associate to support education and social activity; sponsored for M.D. of Darunasikalai School in Master of Management at Sasin University; donated computers to Pateng School, Petchburi; donated cash to Thamaraknivest Temple, Lopburi; gave golf charity to support the Special Olympic Community of Thailand; donated to Thanyarak Hospital for the set up of a school; and sponsored the Swimming Club of Kasetsart University Demonstration School.

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

3.6 Creditors, Suppliers, Competitors

The Company recognizes 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. Shareholders meetings

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

Information receiving

Shareholders are informed of the date, time and place of meetings, including details of the agenda, in a notice of shareholder meetings not less than 14 days prior to the meetings and also available on the Company's website.

Meetings conduction

The Chairman will explain the method of voting and vote counting before the meeting start and encourages shareholders to ask questions or express their opinion at meetings. The shareholders' questions and opinion will be note on the minutes of the meeting.

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 annual remuneration of the Company's directors is presented for approval at the shareholders' meeting every year.

The Executive Directors, Management, Audit Committee Members, the External Auditor and Lawyers will attend meeting to answer any questions.

Minutes of shareholders' meetings

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

They are kept securely and are only accessible to authorized persons.

5. Leadership and vision

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

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

The Board of Directors monitors the members of management by:

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

The Company will set up the Directors' 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.

6. Conflict of interest

The Company guards against conflicts of interest, as follows:

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

7. Code of ethics

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

8. 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 3 persons
- Non-Executive Directors 8 persons

Consisting of:

- Independent Directors 5 persons
- Outside Directors 3 persons

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

The Appointment of Audit and Risk Management Committee

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

9. Aggregation or segregation of positions

The Chairman is an Independent Director as defined by the SET and has no relationship with the management.

The Chairman is not the same person as the Chief Executive Officer in order to segregate duties for directing the Company's policies and day-to-day management.

10. Remuneration of directors and management

Director Remuneration	: All director remuneration is presented clearly, transparently, and the amount is appropriate with each one'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 as at 31 st December 2006	: See details in 2.3 "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

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

11. Board of Director 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 for Directors for 2006 is shown at 2.1.3.

12. Committees

Various committees have been established, such as:

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

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

13. 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, both at the management and operating levels. The Company has documented the scope of responsibilities for each by function comprising operation, audit and authorization to ensure a proper check and balance system and regular financial reports to relevant management.

In relation to internal audits:

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

In relation to risk management:

In 2006, the Board of Directors established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to obtain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system in order to be efficient. This was accomplished by co-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.

14. Directors' reporting

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

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

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

15. Investor Relations

The Board of Directors 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.

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

To conform to the OECD's recommendation, the Company has prepared the "Good Corporate Governance Principle" which is approved by the Board of Directors. It is summarized and reported 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 & Nominating Committee
- The Remuneration Committee

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

The company has a policy to supervise the use of internal information, regulates 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 before such information is disclosed to the public during the period. Also, they have to report changes in securities holding during Company Board meetings so as to promote transparency and fairness.
 - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.
 - 2.4 In order to monitor the Company, management and all officers subscribe to securities in which the Company is the underwriter during the specified period to promote fairness.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, those persons are not allowed to trade securities in predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

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

2.6 INTERNAL CONTROL AND RISK MANAGEMENT

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

In 2006, the Audit Committee held five meetings with the heads of the Account and Finance, Compliance & Internal Audit, Risk Management departments, Information Technology and the Company's auditor to review the quarterly and annual financial statements for 2006 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems which might violate applicable laws and regulations, as well as the sufficiency of the internal control system. Including a review of the Risk Management Policy and progress related thereto, the Company has also invited the senior management to attend the meeting for asking approval to operate the OTC Derivative and explaining on the Company risk management.

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

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.

RELATED PARTIES AND CONNECTED TRANSACTIONS

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approval of related party transactions were in compliance with rule and regulations of The SEC and SET. As at 31 December 2006, 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
		2004	2005	2006		
1) Quam Securities Co., Ltd. (Formerly named APC Securities Co., Ltd.) A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Public relations expense - Brokerage fee expense - Other liabilities	0.05 - -	- 2.12 1.38	- - -	- Actual expense incurred. - Fee at the rate 0.75-2.00 per cent of the shares issued	- Agreed by contract
2) Quam Securities Nominees (Singapore) Pte. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Brokerage fee - Share trading value - Securities business payable - Other liabilities - Brokerage fee expense - Other income	4.30 1,803.68 - 0.26 0.26 0.01	5.76 2,460.44 7.15 - - -	6.51 2,844.65 1.70 - 0.70 -	- Fee was determined 0.25 per cent from cash account and 0.21 per cent of volume trade via internet, which is a normal rate charged to other customers. - At the rate determined by the contract at 1.25 per cent of the shares issued. - Actual expense incurred	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
3) Syn Mun Kong Insurance Plc. Related by way of common director, Mr.Reungvit Dusdeesurapot, CEO and authorised director of Seamico and at the same time a director (non-authorised) of Syn Mun Kong	- Brokerage fee - Share trading value - Securities business payable	0.25 101.93 -	0.18 73.38 0.01	0.19 75.20 1.30	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
4) Seamico Knight Fund Management Securities Co., Ltd. (SKFM) (Seamico's current subsidiary)	- Brokerage fee - Share trading value - Securities business payable - Other receivable - Private Fund management Expense	1.99 797.55 1.17 0.02 2.75	1.50 600.68 4.49 0.63 2.85	2.28 910.54 - 0.79 3.49	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers. - Actual receivables - At the rate of 1-2 per cent of net asset value of the fund as under the contract	
5) Seamico Asset Management Co., Ltd. (Seamico's current subsidiary)	- Other income	-	-	1.65	- Actual expense incurred	
6) Seamico Derivatives Co., Ltd. (Seamico's current subsidiary)	- Other receivable - Other income	- -	- -	1.85 1.71	- Actual expense incurred - Actual expense incurred	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
7) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen Mr. Reungvit Dusdeesurapot Mr. Kenneth Kin Hing Lam and Related by way of common Director with Seamico's subsidiary Company (Seamico Knight Fund Management Securities Co.,Ltd.) Mr. Jeremy Lechemere King.	- Advisory fee income	1.77	-	-	- At the rate determined under the contract at 1.5 per cent of the shares issued	- Mr.Reungvit Dusdeesurapot and Mr. Jeremy Lechemere King resigned from Raimon's directors since 29 December 2006 - Mr.Robert W.McMillen resigned from Raimon's director since 28 December 2006 - Mr.Kenneth Kin Hing Lam resigned from Raimon's director since 27 April 2006
8) Brooker Group Plc. Related by way of common director with Seamico Mr.Robert W.McMillen and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co.,Ltd.) Mr.Jeremy Lechemere King.	- Other liabilities - Prepaid expense - Financial market news expenses - Brokerage fee expense - Financial advisory fee income - Other expense	0.46 0.09 0.49 0.46 - 0.14	- - 0.11 0.16 0.04 0.10	- - - 2.30 0.05 0.05	- At the rate determined under the contract at 30 per cent - As agreed on invoice - As agreed on invoice - At the rate determined under the contract at 20 per cent - At the rate determined under the contract - At rate agreed by each party	
9) Burda (Thailand) Co., Ltd. Related by way of common director, Mr. Robert W. McMillen	- Advisory fee income - Accrued advisory fee	0.23 0.12	0.23 0.12	0.23 0.12	- At the rate agreed by the contract (Baht 0.23 million per annum) - At the rate agreed by the contract	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
10) Knight Asian Investment Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Brokerage fee - Share trading value - Securities business receivable - Securities business payable	0.60 241.24 - 1.27	0.33 130.47 9.06 -	0.006 2.21 - -	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
11) Knight Asset Management Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income	10.84 10.21	14.80 12.45	15.21 6.58	- At the rate agreed by the contract - At the rate agreed by the contract	
12) Knight Asia Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service income - Accrued expenses	0.27 0.27	- -	- -	- At the rate agreed by the contract	
13) Knight Asset (Thailand) Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income	- 0.01	0.002 0.01	0.0001 0.002	- At the rate agreed by the contract - At the rate agreed by the contract	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
14) Knight P.F Management Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income - Accrued expenses	2.18 2.21 -	3.25 1.30 0.05	4.55 1.55 -	- At the rate agreed by the contract - At the rate agreed by the contract	
15) Knight Pacific Fund Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Brokerage fee - Share trading value - Securities business payable - Securities business receivable	0.85 340.89 3.94 -	0.55 220.78 - 5.16	0.05 20.17 - -	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
16) Perrasia Investment Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income	- -	0.01 0.01	0.000006 0.004	- At the rate agreed by the contract - At the rate agreed by the contract	
17) Charoen Pokphand Group Co., Ltd. Related by way of common Director, Dr. Sorajak Kasemsuvan	- Fee and service income	1.13	-	0.26	- At the rate agreed by the contract	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
18) Mr. Reungvit Dusdeesurapot Director	- Brokerage fee	0.15	-	-	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	60.31	-	-		
19) Mr. Robert W. McMillen Director	- Brokerage fee	0.02	0.02	-	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	7.15	6.77	-		
20) Mr. Chao Arunyawat Director	- Brokerage fee	0.04	0.002	-	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	14.27	0.63	-		
21) Miss Korbsook Iamsuri Director	- Brokerage fee	0.01	0.005	0.002	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	4.26	2.00	0.86		
22) Mrs. Duangrat Watanapongchat Director	- Brokerage fee	0.06	0.009	0.01	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value - Securities business payable	22.46 0.53	3.46 -	5.94 -		
23) Mr. William Hang Man Chao Director	- Brokerage fee	0.13	0.04	0.52	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	50.80	14.16	206.14		

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
24) Mr. Bernard Pouliot Director	- Other payable	0.06	-	-		
25) Dr. James Sai Wing Wong Director	- Other payable	0.31	-	-		Dr. James Sai Wing Wong resigned from Seamico effective March 4, 2005
26) Mr. Kenneth Kin Hing Lam Director	- Other payable	0.49	-	-		
27) Mr. Somchai Kanjanapetcharat Deputy Managing Director	- Brokerage fee	0.02	0.004	0.001	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	6.34	1.72	0.51		
28) Ms. Patarin Thananart Deputy Managing Director	- Brokerage fee	0.03	0.007	0.10	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value - Income from disposal of Government bonds	12.18 -	2.87 -	41.46 0.09	- At the market price	
29) Mr. Chupong Tanasettakorn Deputy Managing Director	- Brokerage fee	-	0.004	-	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	-	1.66	-		
30) Mrs. Banchit Chittanusart Executive Vice President	- Brokerage fee	-	-	0.03	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	-	-	13.99		

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
31) Mr. Nuttawat Boonsong Mrs. Duangrat Watanapongchat's brother	- Brokerage fee	0.07	0.01	0.009	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	Formerly named Panudech Boonsong
	- Share trading value	26.58	4.97	3.68		
	- Securities business receivable	-	-	0.06		
	- Securities business payable	0.52	-	-		
32) Mr. Decha Watanapongchat Mrs. Duangrat Watanapongchat's spouse	- Brokerage fee	0.0006	0.01	0.01	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Share trading value	0.25	5.19	5.08		
	- Securities business payable	-	0.05	-		
	- Brokerage fee	0.02	0.02	0.01		
33) Ms. Jarupa Arunyawat Mr. Chao Arunyawat 's spouse	- Share trading value	6.77	8.22	4.35	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Brokerage fee	0.01	0.004	0.005		
34) Ms. Samomtip Arunyawat Mr. Chao Arunyawat 's sister	- Share trading value	4.58	1.43	1.86	- Brokerage fee of 0.25 per cent, which is a normal rate charged to other customers.	
	- Securities business receivable	-	-	0.02		

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
1) Seamico Knight Fund Management Securities Co., Ltd. (SKFM) (Seamico's current subsidiary)	- Investment in common shares - Investment in private fund - Additional investment in private fund managed by subsidiary company - Withdrawal of cash from private fund	10.20 222.11 111.19 -	10.20 175.57 - 50.00	10.20 122.40 - 50.00	- Investment portion 51 per cent - Determined under the contract - At investment value - At redemption value	
2) Seamico Asset Management Co., Ltd. (Seamico's current subsidiary)	- Investment in common shares	-	-	25.00	- Investment portion 100 per cent	
3) Seamico Derivatives Co., Ltd. (Seamico's current subsidiary)	- Investment in common shares	-	-	51.00	- Investment portion 100 per cent	
4) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen Mr. Reungvit Dusdeesurapot Mr. Kenneth Kin Hing Lam and Related by way of common Director with Seamico's subsidiary Company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King.	- Investment in common shares - Selling of ordinary shares (Raimon Land Plc.) - Investment in warrants - Investment in Bill of Exchange - Bill of Exchange redemption - Purchase newly issued ordinary shares - Dividend income - Interest from Bill of Exchange	294.10 - 10.19 - - 81.25 - -	320.02 - - 200.00 - - - 14.39 3.79	- 360.49 - - 200.00 200.00 - 11.12 2.24	- Investment portion 22.69 per cent - At the rate agreed by the contract Baht 1.1771 per share - Investment portion 3.40 per cent - At the rate 7.00 – 7.50 per annum - At the rate 7.00 – 7.50 per annum - At the offering price to other investors - At the rate Baht 0.0363 per share in 2006 and at the rate Baht 0.047 per share in 2005 - At the rate 7.00 – 7.50 per annum	- Mr.Reungvit Dusdeesurapot and Mr. Jeremy Lechemere King resigned from Raimon's directors since 29 December 2006 - Mr.Robert W.McMillen resigned from Raimon's Director since 28 December 2006 - Mr.Kenneth Kin Hing Lam resigned from Raimon's director since 27 April 2006

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
5) Brooker Group Plc. Related by way of common director with Seamico Mr. Robert W. Mcmillen and related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King.	<ul style="list-style-type: none"> - Investment in common shares - Purchase newly issued ordinary shares - Selling of ordinary shares (Brooker Group Plc.) 	24.46	14.22	-	<ul style="list-style-type: none"> - Investment portion 5.12 per cent - At the offering price to other investors - At market price Baht 0.70 per share 	
6) Burda (Thailand) Co., Ltd. Related by way of common director, Mr. Robert W. McMillen.	<ul style="list-style-type: none"> - Investment in preferred shares 	2.55	2.55	2.55	<ul style="list-style-type: none"> - The Company investment represents 51 per cent of the total shares, but only 17 per cent of the total voting rights. 	

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
<p>Transaction between Seamico's subsidiary and related companies</p> <p>1) Knight Thai Strategic Investments Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King</p>	<p>- Borrowing 5 years</p> <p>- Accrued interest payable</p> <p>- Interest expense from borrowing</p>	<p>2.50</p> <p>0.15</p> <p>0.11</p>	<p>2.50</p> <p>0.15</p> <p>0.15</p>	<p>5.00</p> <p>0.28</p> <p>0.28</p>	<p>- At the rate determined under the contract, interest charged 5 per cent per annum</p>	<p>Knight Thai Strategic Investments ("Lender") provides this loan to Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.)</p> <p>The lender has the right to convert the loan to a maximum of 250,000 ordinary shares.</p>
<p>2) Quam Asset Management Limited A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam</p>	<p>- Borrowing 5 years</p> <p>- Accrued interest payable</p> <p>- Interest expense from borrowing</p>	<p>2.50</p> <p>0.04</p> <p>0.15</p>	<p>2.50</p> <p>0.04</p> <p>0.15</p>	<p>-</p> <p>-</p> <p>0.01</p>	<p>- At the rate determined under the contract, interest charged 5 per cent per annum</p>	<p>Quam Asset Management Limited ("Lender") provides this loan to Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.)</p> <p>The Lender has the right to convert the loan to a maximum of 250,000 ordinary shares.</p>

3. Lending (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
3) Quam Securities Nominees (Singapore) Pte. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Securities business receivable balance	77.70	-	86.58		
	- Securities business payable balance	-	0.0005	-		
	- Accrued interest receivable	0.03	-	0.63		- Interest charged at the rate of 0.25 percent per annum
	- Accrued interest payable	0.0005	0.0003	-		- Interest charged at the rate of 6.00 – 8.50 percent per annum
	- Interest income	1.05	1.89	3.35		- Interest charged at the rate of 0.25 percent per annum
	- Interest expense	0.04	0.01	-		

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
1) Quam Capital (Holdings) Ltd. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kim Hing Lam	- Agreement to provide advisory services - Annual advisory fee	14.12	13.76	9.35	- Fee in accordance with the contract Baht 1 million per month before related tax and expenses. Since November 2005, the fee charged has been reduced to Baht 0.85 Million per month before related tax and expenses	- The purpose of the transaction is for the Company to improve quality of its human resources and obtain technical support and improve its international product marketing. The contract has been cancelled since 1 November 2006.

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2004	2005	2006		
2) Quam Securities Co., Ltd. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Agreement to provide registration service and monitoring of securities companies - Annual expense	2.92	2.72	-	- Fee in accordance with the contract HKD 51,975 per month.	- The transaction is determined as market or fair value. It also provides the company with assistance in relation to compliance function, including company registry and business registration compliance, tax compliance and inland revenue correspondence, employer/employee compliance issues and bank account opening and correspondence. The representative office was closed down since October 31, 2005.

Audit Committee's opinion with regard to related parties and connected transaction as of 31st December 2006

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods and/or services	The transactions are reasonable at market rate or fair value.
2. Purchase / Sale of assets and investment	The transactions are reasonable at market rate or fair value. This is for business expansion in order to launch new products.
3. Lending	This transaction is considered to be a normal business at a fair price. The client had no influence on the Company's management in any case. Legal action had been taken as with other clients.
4. Management contracts or agreements to provide assistance	The transactions are determined to be reasonable to develop and expand its international business.

Policy and Related Parties and Connected Transactions in the Future

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

The types of connected transactions are mostly 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 31st December 2006

Seamico Securities recorded a consolidated net profit of Baht 156 million, a decrease of 4 per cent from Baht 163 million recorded in 2005. In 2006, the Company had a market share of 3.77 per cent in the Stock Exchange of Thailand with trading volume ranked 8th among the 37 securities firms operating in Thailand. In addition, the Company also had a market share of 1.64 per cent in the Thailand Futures Exchange, which began in April 2006.

Major 2006 achievements

In 2006, the Stock Exchange of Thailand underwent a period of consolidation. The daily average market volume of the SET and the MAI decreased from Baht 16.60 billion in 2005 to Baht 16.39 billion, or a decline of 1.27 per cent. The main factors behind the decline were the country's political crisis and unrest in the South of Thailand that has intensified over the past years. Moreover, the imposition of capital control measures by the Bank of Thailand on 19 December 2006 impacted the market negatively at the end of 2006.

The Securities Industry and the Thai Market

- The SET Index dropped by 4.75 per cent, or from 713.73 points at the end of 2005 to 679.84 points at the end of 2006.
- The combined market capitalisation of the SET and MAI declined from Baht 5,119 billion in 2005 to Baht 5,101 billion in 2006, or a decline of 0.35 per cent.
- The overall average daily trading volume of the market decreased from Baht 16.60 billion in 2005 to Baht 16.39 billion in 2006, or a decline of 1.27 per cent.

Expanded Customer Base

- In 2006, the Company's total number of brokerage trading accounts increased by 7 per cent, while online trading accounts operating on www.seamico.com rose by 16 per cent.
- Of the 18 new firms that listed on the SET and the MAI in 2006, Seamico was responsible for 9 underwriting deals, or 50 per cent.
- The Company has acted a derivative broker in the Thai Futures Exchange Market, which opened for trading in April 2006.

Corporate and Investment Activities

- The Company invested Baht 25 million in Seamico Asset Management Co., Ltd. in September 2006 and additional Baht 75 million in January 2007 with a registered capital of Baht 100 million. The Company held 100% of its share capital.
- In December 2006, the Company invested Baht 25 million in Seamico Derivatives Co., Ltd. with a registered capital of Baht 100 million. The Company held 51% of its share capital. Polaris Securities (HK) Co., Ltd held the remaining shares.
- During 2006, the Company sold the remaining shares of Raimon Land Plc it held. This was because the core business of Raimon Land Plc. is property and construction / property development, which is different from that of the Company.

Local and International Awards and Recognitions

- In 2006, Seamico won a "Good" rating for the AGM 2006 assessed by the Stock Exchange Committee.
- In 2006, Seamico earned a "Very Good" rating for the Corporate Government 2006 assessed by the Thai Institute of Director (IOD).
- The Company was included in the SET 100 Index that was launched on 3rd May 2005. Seamico was one of 9 finance and securities companies weighted in the Index for the whole of 2006.

Strong Balance Sheet

- Shareholders' equity for the Company and its subsidiary companies decreased from Baht 3,088 million on 31st December 2005 to Baht 2,947 million on 31st December 2006. This was due to treasury stocks of Baht 200 million in 2006.
- Net Capital Ratio (NCR) at the end of December 2006 was 287 per cent (well above the SEC's minimum requirement of 7 per cent).
- The Company remains free of external debts.

2. Operating Results**(1) Securities Business Income**

1.1) Brokerage Fee

During 2006, the Company's trading volume decreased by 14 per cent from the previous year, causing its brokerage income to decrease by Baht 145 million. However, the Company was successful in expanding its client base, which grew by 7 per cent.

1.2) Fee and Service Income

The Company earned fee and service income in 2006 of Baht 95 million compared with Baht 192 million in 2005 or decreased by 50 per cent. Fee and service income comprised of Underwriting Fees of Baht 27 million, Advisory Fees of Baht 46 million and Private Fund Management Fees of Baht 22 million. During 2006, the Company had 33 financial advisory clients and 9 underwriting clients.

1.3) Gain/Loss in Securities Trading

During 2006, the company realised a gain in securities trading of Baht 45 million, which was generated by a gain in the disposal of investments in securities, as follows:

- | | |
|--|-----------------|
| • Raimon Land Plc. (Associated) | Baht 61 million |
| • Debt instruments such as Bills of Exchange, Promissory Notes, government bonds | Baht 15 million |

Loss on trading in listed securities was Baht 31 million, in tandem with market condition.

1.4) Interest on Margin Loans

Margin loans rose by 45 per cent in value term from 2005, which resulted in an increase in net interest income of Baht 31 million, or by 85 per cent from 2005. In addition, the Company earned commission income from credit balance accounts of Baht 112 million in 2006.

(2) Securities Business Expenses

2.1) Interest on Borrowing

Interest from borrowing totalled Baht 19 million, Baht 2 million of which arose from normal day-to-day cash management to help maximise the use of the Company's resources. The remaining Baht 17 million was interest paid for cash deposits from customers.

2.2) Fee and Service Expenses

Fee and service expense amounted to Baht 27 million in 2006, which comprised of the following:

- Fees paid to the Stock Exchange of Thailand based on trading volume, accounted for 63 per cent of the total expenses.
- Fees incurred from advisory and underwriting activities and others were 33 per cent of the total expenses.
- Fee and service expense for a derivative licence and a private fund licence made up 4 per cent of the total expenses

(3) Operating Expense

Most operating expenses were for personnel and premises and equipment, which accounted for 63 per cent and 18 per cent of total operating expenses, respectively. These expenses were semi-variable in line with the Company's income. However, personnel expense declined by Baht 68 million as the result of lower incentive payments in tandem with lower trading volume.

(4) Corporate Income Tax

The Company changed its accounting policy regarding corporate income tax in 2006. It had adopted Thai Accounting Standard No.56 Deferred Income Tax prior to the effective date. The Company restated its financial statements, which resulted in an increase in 2006 beginning retained earnings of Baht 20 million and a decrease in corporate income tax in the 2006 income statement of Baht 18 million.

(5) Profit Margin

The gross profit margin for 2006 and 2005 were 95 per cent. The net profit margin in 2006 increased slightly from 14 per cent to 15 per cent, as the percentage of operating expense in 2005 was higher than in 2006.

(6) Return on Equity

Return on equity dropped slightly from 5.32 per cent in 2005 to 4.96 per cent in 2006.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Combination of Assets

As at 31st December 2006, the Company maintained total assets of Baht 3,826 million, 92 per cent of which was current assets and 8 per cent non-current assets. Major changes to assets were as follows:

- Cash and Cash Equivalent

Cash and cash equivalents as at 31st December 2006 was Baht 575 million, a decrease of Baht 720 million, or 56 per cent from 2005 (See details in 2.1 Cash Flow).

- Investment in Securities

During 2006, the Company increased its investment in listed securities and unit trust, but reduced its investment in private funds. As at 31st December 2006, the net asset value of investments in private funds was Baht 8 million higher than its original cost. The proportion of short-term investments and long-term investments as at 31st December 2006 was 84:16.

- Investment in Associated Company

During 2006, the Company disposed off the remaining shares of Raimon Land Plc it held. Thus, Raimon Land Plc. is no longer an associated company of the Company

- Securities Business Receivables

Securities business receivables as at 31st December 2006 increased from 31st December 2005, whilst the average daily trading volume for the last three business days of 2006 was Baht 1,286 million, compared with Baht 1,326 million at the end of 2005. This was due to an increase in credit balance accounts, which accounted for 84 per cent of total securities business receivables.

1.2 Quality of Assets

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

- Investment

As at 31st December 2006, the Company had total investments of Baht 772 million (original cost Baht 770 million), or 19 per cent of total assets. Investments comprised 24 per cent in listed securities, 14 per cent in unit trust, 30 per cent in debt instruments and 32 per cent in private funds.

- Securities Business Receivable and Accrued Interest Receivable

The Company maintained total securities receivable and accrued interest receivable as at 31st December 2006 of Baht 1,651 million with allowance for doubtful debt of Baht 8 million, or 0.51 per cent of related loans.

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

As at 31st December 2006, Baht 5 million of receivable was in the legal proceeding of which the company has won legal judgement.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at 31st December 2006 totalled Baht 575 million, or a decrease from 2005 by Baht 720 million. The ratio of cash-in flow and cash-out flow from various activities are shown in the following table.

Activities	Baht Million
Cash used in Operating Activities	(880)
Cash provided by Investing Activities	445
Cash used in Financing Activities	(285)
Net decrease in Cash and Cash Equivalent	(720)

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

- **Operating Activities**

During 2006, the use of Baht 880 million cash in operating activities was mainly due to acquisition of short-term investments (investments in listed companies and unit trust) and an increase in margin loans.

- **Investing Activities**

During 2006, the increase in cash from investing activities of Baht 445 million was mainly due to disposal of investments in listed companies and in shares of Raimon Land Plc. The Company, however, invested in subsidiary companies, namely: Seamico Asset Management Co., Ltd. and Seamico Derivatives Co., Ltd. In addition, as the Company has ventured into new business, such as trading derivative instruments, and opening of new branches, the Company also invested in computer equipment.

- **Financing Activities**

During 2006, the Company used cash from financing activities for dividend payment of Baht 0.169 per share worth a total of Baht 140 million and also for the purchase of treasury stocks of 53.87 million shares worth a total of Baht 200 million.

2.2 Significant Liquidity Ratios

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

	2005	2006
Liquid Assets to Total Assets Ratio (%)	42	34
Net Liquid Capital Ratio (NCR) (%)	205	287

As at 31st December 2006, no funds were borrowed by the Company except for a convertible loan of Baht 5 million, which was a loan of a subsidiary company, Seamico Knight Fund Management Securities Co., Ltd.

3. Investment Expenses

Investment

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

4. Sources of Capital

4.1 Capital Increase

In 2006, the Company’s share capital increased by Baht 4 million as the result of the exercise of warrants by directors, employees and existing shareholders.

4.2 Adequacy of Capital Structure

The debt to equity ratio as at 31st December 2006 was 0.30 times, which is below the ratio as at 31st December 2005 of 0.41 times. This was due to lower amount of payables to Clearing House and securities business payables from 2005 as the result of a drop in trading volume at the end of 2006 when compared with 2005.

4.3 Shareholders’ equity

As at 31st December 2006, shareholders’ equity for the company and its subsidiary companies totalled Baht 2,947 million, a decrease of Baht 141 million, or 5 per cent from 31st December 2005. This was the result of a 2006 net profit of Baht 156 million, a capital increase of Baht 4 million, a dividend payment of Baht 140 million, an adjustment in impairment of investment of Baht 12 million, the purchase of treasury stocks of Baht 200 million and an increase in minority interest of Bath 51 million.

4.4 Liabilities

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

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company balance sheets as at 31 December 2006 and 2005, the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of Seamico Securities Public Company Limited and its subsidiaries and of Seamico Securities Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2006 and 2005 and the consolidated and company results of operations and cash flows for the years ended of Seamico Securities Public Company Limited and its subsidiaries and of Seamico Securities Public Company Limited, respectively, in accordance with generally accepted accounting principles.



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

Bangkok
27 February 2007

Seamico Securities Public Company Limited
 Balance Sheets
 As at 31 December 2006 and 2005

	Notes	Consolidated		The Company Only	
		2006 Baht	(Restated) 2005 Baht	2006 Baht	(Restated) 2005 Baht
Assets					
Cash and cash equivalents	5	575,201,961	1,295,055,625	570,427,792	1,294,627,897
Investments in debt and equity securities, net	6	722,477,986	564,633,902	602,119,810	564,633,902
Investments in subsidiaries and associated companies	4, 7	-	320,021,521	86,200,000	330,221,521
Receivables from Clearing House Securities and Derivatives business receivables	8, 9, 10	589,016,638	231,262,283	589,016,638	231,262,283
Building improvements and equipment, net	11	1,650,577,103	1,614,159,782	1,650,577,103	1,614,159,782
Intangible assets, net	12	154,290,798	177,964,606	149,496,712	175,962,124
Deferred tax assets	3, 13	15,617,681	6,240,396	14,452,929	5,950,437
Other assets	14	39,588,670	53,856,414	37,882,603	52,810,388
Total assets		<u>79,169,353</u>	<u>104,088,111</u>	<u>59,107,216</u>	<u>83,466,143</u>
		<u>3,825,940,190</u>	<u>4,367,282,640</u>	<u>3,759,280,803</u>	<u>4,353,094,477</u>

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
Balance Sheets
As at 31 December 2006 and 2005

	Notes	Consolidated		The Company Only	
		2006 Baht	(Restated) 2005 Baht	2006 Baht	(Restated) 2005 Baht
Liabilities and shareholders' equity					
Liabilities					
Convertible borrowings	15	5,000,000	5,000,000	-	-
Payables to Clearing House		-	315,759,317	-	315,759,317
Securities and Derivatives business payables		761,374,474	779,752,284	761,374,474	779,752,284
Accrued corporate income tax		13,998,026	8,572,379	13,998,026	8,572,379
Accrued expenses		77,848,025	117,389,297	75,521,684	115,206,159
Deferred tax liabilities	3, 13	15,151	27,750,379	15,151	27,750,379
Other liabilities		20,644,136	24,781,465	16,598,940	23,463,166
Total liabilities		<u>878,879,812</u>	<u>1,279,005,121</u>	<u>867,508,275</u>	<u>1,270,503,684</u>
Shareholders' equity					
Share capital					
Registered					
1,037,157,550 ordinary shares of Baht 1 each					
(2005: 1,078,357,550 ordinary shares of Baht 1 each)					
	16	<u>1,037,157,550</u>	<u>1,078,357,550</u>	<u>1,037,157,550</u>	<u>1,078,357,550</u>
Issued and fully paid-up share capital					
833,558,465 ordinary shares of Baht 1 each					
(2005: 829,506,109 ordinary shares of Baht 1 each)					
		833,558,465	829,506,109	833,558,465	829,506,109
Premium on share capital		1,116,138,100	1,115,943,655	1,116,138,100	1,115,943,655
Share subscriptions received in advance		-	34,700	-	34,700
Revaluation surplus (deficit) in investments		(1,525,672)	10,546,970	(1,491,697)	10,546,970
Retained earnings					
Appropriated - Legal reserve	19	107,835,755	107,835,755	107,835,755	107,835,755
Appropriated - Treasury stock	17	199,992,040	-	199,992,040	-
Unappropriated		832,411,775	1,016,432,817	835,731,905	1,018,723,604
<u>Less</u> Treasury stock	17	<u>(199,992,040)</u>	<u>-</u>	<u>(199,992,040)</u>	<u>-</u>
Equity attributable to company's shareholders		2,888,418,423	3,080,300,006	2,891,772,528	3,082,590,793
Minority interest-equity attributable to minority		<u>58,641,955</u>	<u>7,977,513</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,947,060,378</u>	<u>3,088,277,519</u>	<u>2,891,772,528</u>	<u>3,082,590,793</u>
Total liabilities and shareholders' equity		<u><u>3,825,940,190</u></u>	<u><u>4,367,282,640</u></u>	<u><u>3,759,280,803</u></u>	<u><u>4,353,094,477</u></u>

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
 Statements of Income
 For the years ended 31 December 2006 and 2005

	Notes	Consolidated		The Company Only	
		2006 Baht	(Restated) 2005 Baht	2006 Baht	(Restated) 2005 Baht
Revenues					
Brokerage fees					
Brokerage fees from Securities Business		715,056,967	860,384,758	715,056,967	860,384,758
Brokerage fees from Derivatives Business		3,130,700	-	3,130,700	-
Fees and services income	21	95,329,126	191,716,369	76,026,188	173,732,519
Gains (losses) on trading in securities		45,115,527	(55,582,518)	45,115,527	(55,582,518)
Interest and dividend income		80,625,345	52,288,432	80,325,922	52,288,432
Interest on margin loans		67,985,468	36,615,931	67,985,468	36,615,931
Share of profit in subsidiary and associate		-	40,315,657	-	40,315,657
Other income		8,308,178	13,309,979	11,744,445	13,066,861
Total revenues		<u>1,015,551,311</u>	<u>1,139,048,608</u>	<u>999,385,217</u>	<u>1,120,821,640</u>
Expenses					
Expense on borrowings		19,403,973	12,686,542	19,705,155	12,392,542
Fees and services expenses	22	27,240,155	39,083,495	30,123,418	41,368,120
Bad debts and doubtful accounts (Reversal)		(78,083)	2,266,997	(78,083)	2,266,997
Share of loss of associated company		9,166,714	-	9,166,714	-
Operating expenses					
Personnel expenses		481,383,566	549,690,410	470,434,312	540,264,193
Premises and equipment expenses		144,894,028	139,128,726	141,575,645	136,334,578
Taxes and duties		6,379,010	6,224,266	6,379,010	6,224,266
Directors' remuneration	23	8,269,000	7,967,500	7,789,000	7,447,500
Consulting fee		12,692,053	19,131,389	12,689,003	19,131,389
Communication and information expenses		44,960,951	42,315,056	41,276,345	38,555,306
Other expenses	24	64,827,533	96,741,980	61,975,749	94,709,025
Total operating expenses		<u>763,406,141</u>	<u>861,199,327</u>	<u>742,119,064</u>	<u>842,666,257</u>
Total expenses		<u>819,138,900</u>	<u>915,236,361</u>	<u>801,036,268</u>	<u>898,693,916</u>
Income before income tax		196,412,411	223,812,247	198,348,949	222,127,724
Income tax	26	(40,615,894)	(60,406,695)	(41,187,531)	(59,931,303)
Net income after tax		<u>155,796,517</u>	<u>163,405,552</u>	<u>157,161,418</u>	<u>162,196,421</u>
Minority interest share of (profit) loss		335,558	(475,252)	-	-
Net income for the year		<u><u>156,132,075</u></u>	<u><u>162,930,300</u></u>	<u><u>157,161,418</u></u>	<u><u>162,196,421</u></u>
Basic earnings per share (Baht)	27	<u>0.19</u>	<u>0.20</u>	<u>0.19</u>	<u>0.20</u>
Diluted earnings per share (Baht)	27	<u>0.19</u>	<u>0.20</u>	<u>0.19</u>	<u>0.19</u>

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the years ended 31 December 2006 and 2005

	Consolidated									
	Issued and paid-up share capital	Premium on share capital	Share subscription received in advance	Revaluation surplus (deficit) in investments	Legal reserve (Note 19)	Appropriated treasury stock	Unappropriated retained earnings	Treasury stock	Minority interest	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2006										
As previously reported	829,506,109	1,115,943,655	34,700	4,430,157	107,835,755	-	996,956,148	-	7,464,960	3,062,171,484
Adjustment (Note 3)	-	-	-	6,116,813	-	-	19,476,669	-	512,553	26,106,035
As restated	829,506,109	1,115,943,655	34,700	10,546,970	107,835,755	-	1,016,432,817	-	7,977,513	3,088,277,519
Revaluation (deficit) in investments	-	-	-	(12,072,642)	-	-	-	-	-	(12,072,642)
Net profit for the year	-	-	-	-	-	-	156,132,075	-	(335,558)	155,796,517
Increase (decrease) in share capital/share subscription	4,052,356	194,445	(34,700)	-	-	-	-	-	51,000,000	55,212,101
Treasury stock (Note 17)	-	-	-	-	-	-	-	(199,992,040)	-	(199,992,040)
Appropriation of treasury stock (Note 17)	-	-	-	-	-	199,992,040	(199,992,040)	-	-	-
Dividends (Note 20)	-	-	-	-	-	-	(140,161,077)	-	-	(140,161,077)
Ending balance as at 31 December 2006	833,558,465	1,116,138,100	-	(1,525,672)	107,835,755	199,992,040	832,411,775	(199,992,040)	58,641,955	2,947,060,378
Balance as at 1 January 2005										
As previously reported	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	-	1,077,918,371	-	6,756,767	3,067,822,887
Adjustment (Note 3)	-	-	-	32,008,336	-	-	42,859,301	-	745,494	75,613,131
As restated	822,328,201	1,105,100,602	184,100	(16,172,573)	103,715,755	-	1,120,777,672	-	7,502,261	3,143,436,018
Revaluation (deficit) in investments	-	-	-	26,719,543	-	-	-	-	-	26,719,543
Net profit for the year	-	-	-	-	-	-	162,930,300	-	475,252	163,405,552
Increase (decrease) in share capital/share subscription	7,177,908	10,843,053	(184,100)	-	-	-	-	-	-	17,836,861
Share subscription received in advance	-	-	34,700	-	-	-	-	-	-	34,700
Appropriation of legal reserve (Note 19)	-	-	-	-	4,120,000	-	(4,120,000)	-	-	-
Dividends (Note 20)	-	-	-	-	-	-	(263,155,155)	-	-	(263,155,155)
Ending balance as at 31 December 2005	829,506,109	1,115,943,655	34,700	10,546,970	107,835,755	199,992,040	1,016,432,817	(199,992,040)	7,977,513	3,088,277,519

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the years ended 31 December 2006 and 2005

	The Company Only									
	Issued and paid-up share capital	Premium on share capital	Share subscription received in advance	Revaluation surplus (deficit) in investments	Legal reserve (Note 19)	Appropriated treasury stock	Unappropriated retained earnings	Treasury stock	Total	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Balance as at 1 January 2006										
As previously reported	829,506,109	1,115,943,655	34,700	4,430,157	107,835,755	-	996,956,148	-	3,054,706,524	
Adjustment (Note 3)	-	-	-	6,116,813	-	-	19,476,669	-	25,593,482	
Adjustment (Note 4)	-	-	-	-	-	-	2,290,787	-	2,290,787	
As restated	829,506,109	1,115,943,655	34,700	10,546,970	107,835,755	-	1,018,723,604	-	3,082,590,793	
Revaluation (deficit) in investments	-	-	-	(12,038,667)	-	-	-	-	(12,038,667)	
Net profit for the year	-	-	-	-	-	-	157,161,418	-	157,161,418	
Increase (decrease) in share capital/share subscription	4,052,356	194,445	(34,700)	-	-	-	-	-	4,212,101	
Treasury stock (Note 17)	-	-	-	-	-	-	-	(199,992,040)	(199,992,040)	
Appropriation of treasury stock (Note 17)	-	-	-	-	-	199,992,040	(199,992,040)	-	-	
Dividends (Note 20)	-	-	-	-	-	-	(140,161,077)	-	(140,161,077)	
Ending balance as at 31 December 2006	833,558,465	1,116,138,100	-	(1,491,697)	107,835,755	199,992,040	835,731,905	(199,992,040)	2,891,772,528	
Balance as at 1 January 2005										
As previously reported	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	-	1,077,918,371	-	3,061,066,120	
Adjustment (Note 3)	-	-	-	32,008,336	-	-	42,859,301	-	74,867,637	
Adjustment (Note 4)	-	-	-	-	-	-	3,024,666	-	3,024,666	
As restated	822,328,201	1,105,100,602	184,100	(16,172,573)	103,715,755	-	1,123,802,338	-	3,138,958,423	
Revaluation (deficit) in investments	-	-	-	26,719,543	-	-	-	-	26,719,543	
Net profit for the year	-	-	-	-	-	-	162,196,421	-	162,196,421	
Increase (decrease) in share capital/share subscription	7,177,908	10,843,053	(184,100)	-	-	-	-	-	17,836,861	
Share subscription received in advance	-	-	34,700	-	-	-	-	-	34,700	
Appropriation of legal reserve (Note 19)	-	-	-	-	4,120,000	-	(4,120,000)	-	-	
Dividends (Note 20)	-	-	-	-	-	-	(263,155,155)	-	(263,155,155)	
Ending balance as at 31 December 2005	829,506,109	1,115,943,655	34,700	10,546,970	107,835,755	-	1,018,723,604	-	3,082,590,793	

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
 Statements of Cash Flows
 For the years ended 31 December 2006 and 2005

	Consolidated		The Company Only	
	2006 Baht	(Restated) 2005 Baht	2006 Baht	(Restated) 2005 Baht
Cash flows from operating activities				
Net profit for the year	156,132,075	162,930,300	157,161,418	162,196,421
Adjustments to reconcile net earnings to net cash provided by (paid for) operating activities				
Share of (profit) loss in associated company	9,166,714	(40,315,657)	9,166,714	(40,315,657)
Profit (loss) attributable to minority interest	(335,558)	475,252	-	-
Depreciation and amortisation	67,535,528	72,670,595	66,279,435	71,758,650
Bad debts and doubtful accounts (reversal)	(78,083)	2,266,997	(78,083)	2,266,997
(Gains) losses on investments in private fund	(23,376,630)	2,427,186	(23,376,630)	2,427,186
Losses on revaluation of investments in securities	57,381,927	198,560	57,381,927	198,560
Losses of impairment of investment in securities (reversal)	(87,173,312)	88,167,234	(87,173,312)	88,167,234
(Gains) losses on disposals of long-term investment	47,072,303	(5,650,690)	47,072,303	(5,650,690)
Gains on disposals of investment in associated company	(60,754,146)	-	(60,754,146)	-
Gains on disposals of equipment	(1,025,453)	(1,202,885)	(818,121)	(1,202,885)
Gains on disposals of property foreclosed	-	(5,513,049)	-	(5,513,049)
Operating profit before changes in operating assets and liabilities	164,545,365	276,453,843	164,861,505	274,332,767
(Increase) decrease in operating assets				
Short-term investments	(283,934,879)	105,919,511	(163,542,729)	105,919,511
Receivables from Clearing House Securities and Derivatives business receivables	(357,754,355)	(40,303,738)	(357,754,355)	(40,303,738)
Deferred tax assets	(36,339,238)	(284,863,831)	(36,339,238)	(284,863,831)
Other assets	8,805,381	13,612,916	9,465,422	13,137,524
	24,918,758	7,997,532	24,358,928	13,727,357
Increase (decrease) in operating liabilities				
Payables to Clearing House	(315,759,317)	315,759,317	(315,759,317)	315,759,317
Securities and Derivatives business payables	(18,377,810)	112,813,188	(18,377,810)	112,813,188
Accrued corporate income tax	5,425,647	(42,061,587)	5,425,647	(42,061,587)
Accrued expenses	(39,541,272)	(50,711,694)	(39,684,475)	(50,830,321)
Deferred tax liabilities	(27,750,379)	10,002,657	(27,750,379)	10,002,657
Other liabilities	(4,306,201)	(10,049,746)	(7,033,098)	(10,365,870)
Net cash provided by (used in) operating activities	(880,068,300)	414,568,368	(762,129,899)	417,266,974

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Seamico Securities Public Company Limited
 Statements of Cash Flows
 For the years ended 31 December 2006 and 2005

	Consolidated		The Company Only	
	2006	(Restated) 2005	2006	(Restated) 2005
	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Purchases of long-term investments	-	(106,886,400)	-	(106,886,400)
Invest in subsidiaries	-	-	(76,000,000)	-
Purchases of equipment	(39,987,763)	(64,700,480)	(36,064,791)	(64,456,297)
Purchases of intangible assets	(12,739,728)	(3,261,688)	(11,713,898)	(3,261,688)
Proceeds from disposals of associated company	360,491,921	-	360,491,921	-
Dividend earned from investments	11,117,031	14,393,952	11,117,031	14,393,952
Proceeds from disposals of long-term investment	124,599,880	58,209,691	124,599,880	58,209,691
Proceeds from disposals of equipment	1,674,311	4,824,970	1,440,667	4,824,970
Proceeds from disposals of property foreclosed	-	12,710,770	-	12,710,770
Net cash provided by (used in) investing activities	<u>445,155,652</u>	<u>(84,709,185)</u>	<u>373,870,810</u>	<u>(84,465,002)</u>
Cash flows from financing activities				
Cash paid for dividend	(140,161,077)	(263,155,155)	(140,161,077)	(263,155,155)
Cash paid for treasury stock	(199,992,040)	-	(199,992,040)	-
Cash received from increase in share capital	4,212,101	17,836,861	4,212,101	17,836,861
Cash received from advance for share subscription	-	34,700	-	34,700
Cash received from Minority interest of subsidiary company	51,000,000	-	-	-
Net cash used in financing activities	<u>(284,941,016)</u>	<u>(245,283,594)</u>	<u>(335,941,016)</u>	<u>(245,283,594)</u>
Net increase (decrease) in cash and cash equivalents	(719,853,664)	84,575,589	(724,200,105)	87,518,378
Cash and cash equivalents, at beginning of the year	<u>1,295,055,625</u>	<u>1,210,480,036</u>	<u>1,294,627,897</u>	<u>1,207,109,519</u>
Cash and cash equivalents, at end of the year	<u><u>575,201,961</u></u>	<u><u>1,295,055,625</u></u>	<u><u>570,427,792</u></u>	<u><u>1,294,627,897</u></u>
Supplementary cash flows information				
Interest paid	15,457,561	8,457,258	15,261,024	8,163,359
Income tax paid	36,018,193	78,947,353	35,761,884	78,852,709
Non-cash item				
Purchase of equipment	1,160,372	-	1,160,372	-
Foreclosed properties receivable	-	34,569,360	-	34,569,360

The notes to financial statements on pages 82 to 111 form an integral part of these financial statements.

Note to Financial Statements

1 General information

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

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

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

As at 31 December 2006, the Company employed 520 staff and has 11 branches (As at 31 December 2005: 571 staff and 9 branches).

These consolidated and company financial statements have been approved by Board of Directors on 27 February 2007.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and company financial statements are prepared in accordance with the Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Company has early adopted in 2006, prior to its effective date, Thai Accounting Standards No. 56: Income taxes.

The Company has adopted a notification of Federation of Accounting Professions No. 26/2549 dated on 11 October 2006 and No. 32/2549 dated on 3 November 2006 in changing an accounting treatment from the equity method of accounting to the cost method of accounting for the investment in subsidiaries presented in the separate parent company financial statements by applying the retrospective method to record any adjustments from this accounting change.

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

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

2.2 Group Accounting - Investments in subsidiary and associate

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

In the Company's separate financial statements investments, in subsidiaries are reported by using the cost method less impairment, if any.

Associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated initially recognized at cost, equity method in consolidated accounts, and cost method in Company accounts.

These consolidated financial statements include the balance sheets as at 31 December 2006 and 31 December 2005 and the related consolidated and company statements of income for the year ended 31 December 2006 and 2005 of Seamico Securities Public Company Limited ("the Company"), the Seamico Knight Fund Management Securities Company Limited, Seamico Asset Management Company Limited, and Seamico Derivatives Company Limited ("the Subsidiaries"), companies registered under Thai law and engaged in managing a private fund, managing a mutual fund, and derivative brokering, respectively.

2.3 Income and expenses recognition

General income and expenses are recognised on an accrual basis.

Brokerage fees

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

Fee and services income

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

Underwriting income is recognised as income when securities are arranged.

Interest and dividend income

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

Interest on credit balance transactions

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

2.4 Foreign currency translation

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

2.5 Cash and cash equivalents

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

2.6 Use of estimates

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

2.7 Investments in debt and equity securities

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

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

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

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

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

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

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

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

2.8 Allowance for doubtful accounts

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

Bad debts written off are recorded as a decrease in the allowance for doubtful accounts. Bad debts recovered are recognized as income.

2.9 Building improvements, equipment and depreciation

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

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

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

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

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset. Repair and maintenance costs are recognised as an expense when incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.10 Foreclosed properties

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

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

2.11 Intangible assets

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

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

2.12 Leases - where the company is the lessee

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

2.13 Financial instruments

Significant financial assets carried on the balance sheet include cash and cash equivalents, investments in debt and equity securities, Receivables from Clearing House, Securities and Derivatives business receivables. Significant financial liabilities carried on the balance sheet include convertible borrowing, Payables to Clearing House, Securities and Derivatives business payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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

2.14 Related parties

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

2.15 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising from difference between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Tax rates at the balance sheet date are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized.

2.16 Provisions

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

2.17 Provident fund

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

2.18 Earnings (loss) per share

A basic earnings (loss) per share amount is computed by dividing the net income (loss) for year by the weighted-average number of paid-up ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing net income (loss) for the year by the sum of the weighted average number of ordinary shares to be issued for conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

3 Accounting for deferred income taxes

As at 30 September 2006, the Company has adopted accounting for deferred income taxes and therefore, has accounted for it retrospectively. The comparative consolidated and company interim financial statements have been restated. The effect of this change on the consolidated and company financial statements as at 31 December 2005 and for the years ended 31 December 2005 are as follows:

Balance sheets

	As restated	
	Consolidated 31 December 2005 Baht	The Company Only 31 December 2005 Baht
Increase in deferred tax assets	53,856,414	52,810,388
Increase in deferred tax liabilities	27,750,379	27,750,379
Shareholders' equity		
Increase in revaluation surplus (deficit) in investments brought forward	32,008,336	32,008,336
Increase in revaluation surplus (deficit) in investments carried forward	6,116,813	6,116,813
Increase in retained earnings brought forward	42,859,301	42,859,301
Increase in retained earnings carried forward	19,476,669	19,476,669
Increase in minority interest brought forward	745,494	-
Increase in minority interest carried forward	512,553	-

Statement of income

	As restated	
	Consolidated year ended 31 December 2005 Baht	The Company Only year ended 31 December 2005 Baht
Increase in income tax	23,615,573	23,140,181
Decrease in share of net results to minority interest	232,941	-
Decrease in net profit	23,382,632	23,382,632
Decrease in basic earnings per share	0.03	0.03
Decrease in diluted earnings per share	0.03	0.03

Statement of changes in Shareholders' Equity

	Consolidated 31 December 2005 Baht	The Company Only 31 December 2005 Baht
Unappropriated retained earnings as previously reported	996,956,148	996,956,148
Adjustment resulting from adopting accounting for income tax	19,476,669	19,476,669
Unappropriated retained earnings as restated	<u>1,016,432,817</u>	<u>1,016,432,817</u>

4 Accounting for Thai Accounting Standard (TAS) 44 (amendment 2006)

The Company early adopted TAS 44 (amendment 2006) - Consolidated Financial Statements and Accounting for Investment in Subsidiaries, which is relevant to its separate financial statements as at 31 December 2006. Under TAS 44 (amendment), investments in subsidiaries in the separate financial statements are accounted for at cost. Income from the investment will be recorded when dividends are declared. The 2005 separate financial statements, previously recorded by equity method, have been amended in accordance with the retrospective requirements.

The effects of the adoption of TAS 44 in 2006 on the separate financial statements are as follows:

Balance sheet

	The Company Only
	As restated
	31 December
	2005
	Baht
Increase in investments in subsidiaries	2,824,260
Increase in retained earnings brought forward	3,024,666
Increase in retained earnings carried forward	2,290,787

Statement of income

	The Company Only
	As restated
	year ended
	31 December
	2005
	Baht
Decrease in net profit for the year	733,879
Decrease in basic earnings per share	0.0009
Decrease in diluted earnings per share	0.0009

Statement of changes in Shareholders' equity

	The Company Only
	As restated
	Baht
Unappropriated retained earning as previously reported: 1 January 2005	1,077,918,371
Adjustment resulting from adopting TAS 44 in 2006	3,024,666
Unappropriated retained earning as restated: 1 January 2005	1,080,943,037

5 Cash and cash equivalents

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Cash on hand	568,347	318,195	558,347	308,195
Current, savings and fixed deposits	638,301,225	1,208,749,152	633,537,056	1,208,331,424
Promissory notes with maturity less than 3 months	180,000,000	700,000,000	180,000,000	700,000,000
<u>Less</u> Cash deposits held for customers	<u>(243,667,611)</u>	<u>(614,011,722)</u>	<u>(243,667,611)</u>	<u>(614,011,722)</u>
Total cash and cash equivalents	<u>575,201,961</u>	<u>1,295,055,625</u>	<u>570,427,792</u>	<u>1,294,627,897</u>

In addition, as at 31 December 2006, the Company had long-term deposits in terms of promissory notes at financial institutions of Baht 300 million (31 December 2005: Baht 50 million), belonging to customers. The balances are netted and presented at a value of zero in the balance sheets.

6 Investments in debt and equity securities, net

	Consolidated			
	2006		2005	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
Short-term investments				
<u>Trading securities</u>				
Equity securities - Listed securities	201,009,735	166,991,056	-	-
Debts securities - Bill of exchange	49,188,699	49,188,699	-	-
Debt securities - Promissory notes	5,178,177	5,178,177	1,986,319	1,986,319
Debt securities - Corporate bond	40,000,000	39,946,287	-	-
Private Fund	122,402,106	122,402,106	-	-
<u>Available-for-sale securities</u>				
Debt securities - Government bonds	120,392,150	120,358,176	-	-
Debts securities - Bill of exchange	-	-	200,000,000	200,000,000
Equity securities - Listed securities	-	-	27,009,919	11,657,080
Equity securities - Unit Trust	100,000,000	100,050,503	-	-
Other securities - Warrants	-	-	2,837,644	736,120
Total	638,170,867	604,115,004	231,833,882	214,379,519
<u>Less</u> Revaluation adjustments	<u>(34,055,863)</u>	-	-	-
<u>Less</u> Allowance for loss on impairment	-	-	<u>(17,454,363)</u>	-
Total short-term investments, net	<u>604,115,004</u>	<u>604,115,004</u>	<u>214,379,519</u>	<u>214,379,519</u>
Long-term investments				
<u>Available-for-sales securities</u>				
Equity securities - Listed securities	-	-	150,230,702	57,086,373
Private Fund	100,000,000	107,867,071	231,912,078	280,689,134
<u>General investments</u>				
Ordinary shares	29,609,274	13,075,951	29,609,274	12,270,456
Preference shares	3,666,500	6,924,350	4,658,000	7,518,350
Total	133,275,774	127,867,372	416,410,054	357,564,313
<u>Less</u> Revaluation adjustments	<u>7,867,071</u>	-	<u>26,343,140</u>	-
<u>Less</u> Allowance for loss on impairment	<u>(22,779,863)</u>	-	<u>(92,498,811)</u>	-
Total long-term investments, net	<u>118,362,982</u>	<u>127,867,372</u>	<u>350,254,383</u>	<u>357,564,313</u>
Total investments in debt and equity securities	<u>722,477,986</u>	<u>731,982,376</u>	<u>564,633,902</u>	<u>571,943,832</u>

	The Company Only			
	2006		2005	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
Short-term investments				
<u>Trading securities</u>				
Equity securities - Listed securities	201,009,735	166,991,056	-	-
Debts securities - Bill of exchange	49,188,699	49,188,699	-	-
Debt securities - Promissory notes	5,178,177	5,178,177	1,986,319	1,986,319
Debt securities - Corporate bond	40,000,000	39,946,287	-	-
Private Fund	122,402,106	122,402,106	-	-
<u>Available-for-sale securities</u>				
Debts securities - Bill of exchange	-	-	200,000,000	200,000,000
Equity securities - Listed securities	-	-	27,009,919	11,657,080
Equity securities - Unit Trust	100,000,000	100,050,503	-	-
Other securities - Warrants	-	-	2,837,644	736,120
Total	517,778,717	483,756,828	231,833,882	214,379,519
<u>Less</u> Revaluation adjustments	(34,021,889)	-	-	-
<u>Less</u> Allowance for loss on impairment	-	-	(17,454,363)	-
Total short-term investments, net	483,756,828	483,756,828	214,379,519	214,379,519
Long-term investments				
<u>Available-for-sales securities</u>				
Equity securities - Listed securities	-	-	150,230,702	57,086,373
Private Fund	100,000,000	107,867,071	231,912,078	280,689,134
<u>General investments</u>				
Ordinary shares	29,609,274	13,075,951	29,609,274	12,270,456
Preference shares	3,666,500	6,924,350	4,658,000	7,518,350
Total	133,275,774	127,867,372	416,410,054	357,564,313
<u>Less</u> Revaluation adjustments	7,867,071	-	26,343,140	-
<u>Less</u> Allowance for loss on impairment	(22,779,863)	-	(92,498,811)	-
Total long-term investments, net	118,362,982	127,867,372	350,254,383	357,564,313
Total investments in debt and equity securities	602,119,810	611,624,200	564,633,902	571,943,832

As at 31 December 2006, the Company has debt securities in Government bonds of Baht 149 million (31 December 2005: Baht 99 million) belonging to cash customers and margin customers, which the Company has to refund to such customers on demand. The balance is presented net in the balance sheets.

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

	(Unit : Baht)							
	Consolidated							
	2006				2005			
	Mature within (year)				Mature within (year)			
	1	2-5	over 5	Total	1	2-5	over 5	Total
Trading securities								
Corporate debt securities	54,366,876	40,000,000	-	94,366,876	1,986,319	-	-	1,986,319
Add Revaluation adjustments	-	(53,713)	-	(53,713)	-	-	-	-
Total, net	<u>54,366,876</u>	<u>39,946,287</u>	<u>-</u>	<u>94,313,163</u>	<u>1,986,319</u>	<u>-</u>	<u>-</u>	<u>1,986,319</u>
Available-for-sale securities								
Government securities	120,392,150	-	-	120,392,150	-	-	-	-
Corporate debt Securities	-	-	-	-	200,000,000	-	-	200,000,000
Add Revaluation adjustments	(33,974)	-	-	(33,974)	-	-	-	-
Total, net	<u>120,358,176</u>	<u>-</u>	<u>-</u>	<u>120,358,176</u>	<u>200,000,000</u>	<u>-</u>	<u>-</u>	<u>200,000,000</u>
Total debt securities - net	<u>174,725,052</u>	<u>39,946,287</u>	<u>-</u>	<u>214,671,339</u>	<u>201,986,319</u>	<u>-</u>	<u>-</u>	<u>201,986,319</u>

	(Unit : Baht)							
	The Company Only							
	2006				2005			
	Mature within (year)				Mature within (year)			
	1	2-5	over 5	Total	1	2-5	over 5	Total
Trading securities								
Corporate debt securities	54,366,876	40,000,000	-	94,366,876	1,986,319	-	-	1,986,319
Add Revaluation adjustments	-	(53,713)	-	(53,713)	-	-	-	-
Total, net	<u>54,366,876</u>	<u>39,946,287</u>	<u>-</u>	<u>94,313,163</u>	<u>1,986,319</u>	<u>-</u>	<u>-</u>	<u>1,986,319</u>
Available-for-sale securities								
Corporate debt Securities	-	-	-	-	200,000,000	-	-	200,000,000
Add Revaluation adjustments	-	-	-	-	-	-	-	-
Total, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000,000</u>	<u>-</u>	<u>-</u>	<u>200,000,000</u>
Total debt securities - net	<u>54,366,876</u>	<u>39,946,287</u>	<u>-</u>	<u>94,313,163</u>	<u>201,986,319</u>	<u>-</u>	<u>-</u>	<u>201,986,319</u>

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

Name of company	Type of Business	Consolidated and the Company only			
		2006		2005	
		Amount at cost/ book value Baht	% of holding	Amount at cost/ book value Baht	% of holding
General investments					
<u>Preference shares</u>					
Burda (Thailand) Co., Ltd.	Magazine Publisher	2,550,000	51	2,550,000	51

As at 31 December 2006, the Company has invested in 255,000 non-cumulative preference shares of Burda (Thailand) Co., Ltd. (31 December 2005: 255,000 shares) 51% of investments in Burda (Thailand) Co., Ltd. represents 17% voting rights. The Company has not recorded its investments in that company as an investment in subsidiary or associate as the Company has no control and significant influence over that company and has right to receipt only of declared dividends. In addition, the Company has an option to sell and the investee company has an option to buy back all of shares, at any time, at a price equivalent to the aggregate par value of the shares. No dividend was declared during the years ended 31 December 2006 and 2005.

7 Investments in subsidiary and associated company

The Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, as at 31 December 2006 and 31 December 2005 are summarised below:

Name of Company	Type of business	Type of relationship	Paid-up share capital		% of holding		Investments	
			2006 million Baht	2005 million Baht	2006	2005	2006 million Baht	2005 million Baht
<u>Subsidiary company</u>								
Seamico Knight Fund Management Securities Co., Ltd.	Private fund management	Subsidiary	20	20	51	51	10	10
Seamico Asset Management Co., Ltd	Mutual fund managements	Subsidiary	25	-	100	-	25	-
Seamico Derivatives Co., Ltd.	Buying/selling derivatives	Subsidiary	100	-	51	-	51	-
<u>Associated Company</u>								
Raimond Land Plc.	Real estate	Associate	-	1,350	-	23	-	223

For the year ended 31 December 2006 before disposal of investment, the Company shared its gain from investment in that associated company amounting to Baht 0.3 million based on report, prepared by management of the associated company which has not yet been reviewed by its auditor. The company also recorded loss from dilution amounting to Baht 9.5 million since the associated company called the First and Second Call Option in respect of warrants (RAIMON-W) before the exercise date.

In June 2006, the Company disposed all 306,254,287 ordinary shares of its associate for Baht 360.5 million to one of its related companies under common directors resulting in a gain on sales of Baht 60.8 million. Consequently, Raimond Land Plc. is no longer an associated company.

8 Receivables from Clearing House

	Consolidated and the Company Only	
	2006 Baht	2005 Baht
Receivables from Thai Securities Depositing Co., Ltd. (TSD)	586,656,718	231,262,283
Receivables from Thai Clearing House Co., Ltd. (TCH)	3,601,420	-
<u>Less</u> Receivable from Clearing House on behalf of customers	(1,241,500)	-
	<u>589,016,638</u>	<u>231,262,283</u>

9 Securities and Derivatives business receivables

Balance of Securities business receivables as at 31 December 2006 and 2005 are as follows:

	Consolidated and the Company Only	
	2006 Baht	2005 Baht
Customers' cash accounts	249,867,525	625,647,870
Credit balance transactions	1,391,743,048	983,874,699
Other receivables		
Receivable under litigation	4,655,895	4,655,895
Installment receivable	3,423,819	3,625,594
Other receivable	1,506,237	849,339
Total securities business receivables	1,651,196,524	1,618,653,397
<u>Add</u> Accrued interest receivables	7,787,960	4,555,513
<u>Less</u> Allowance for doubtful accounts (Note 9)	(8,407,381)	(9,049,128)
Net securities business receivables and accrued interest receivables, net	1,650,577,103	1,614,159,782

As at 31 December 2006, the Company had loans and receivables totaling approximately Baht 9.5 million (31 December 2005: Baht 9 million) for which recognition of interest income had been discontinued in accordance with the Office of the Securities and Exchange Commission's notification No. Kor.Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor.Thor. 5/2544 dated 15 February 2001.

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

Classifications	Consolidated and the Company Only		
	Total debts (including accrued interest receivables) Baht	2006	
		Allowance for doubtful accounts	
		Amount set up by the Company Baht	Amount required by SEC Baht
Normal debts	1,649,398,533	-	-
Substandard debts	1,178,570	-	-
Doubtful debts	8,407,381	8,407,381	8,407,38
Total	1,658,984,484	8,407,381	8,407,38

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

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

	Consolidated and the Company Only	
	2006 Baht	2005 Baht
Up to 3 months	1,178,199	95,818
Over 3 months to 6 months	-	3,366,794
Over 6 months to 9 months	5,359	46,934
Over 9 months to 12 months	-	66,036
Over 1 year to 3 years	3,746,498	3,268,267
Over 3 years	4,655,895	2,286,979
Total	9,585,951	9,130,828

10 Allowance for doubtful accounts

	Consolidated and the Company Only	
	2006 Baht	2005 Baht
Beginning balance of the year	9,049,128	6,792,915
<u>Add</u> Doubtful accounts (reversal)	(78,083)	2,266,997
<u>Less</u> Bad debt written-off	(563,664)	(10,784)
Ending balance of the year	8,407,381	9,049,128

11 Building improvements and equipment

	Consolidated				
	Building improvement Baht	Office equipment Baht	Vehicles Baht	Furniture and fixtures in process Baht	Total Baht
As at 31 December 2005					
Cost	92,617,918	261,703,145	82,954,798	3,135,411	440,411,272
<u>Less</u> Accumulated depreciation	(48,929,328)	(175,524,549)	(37,992,789)	-	(262,446,666)
Net book amount	<u>43,688,590</u>	<u>86,178,596</u>	<u>44,962,009</u>	<u>3,135,411</u>	<u>177,964,606</u>
For the year ended 31 December 2006					
Opening net book amount	43,688,590	86,178,596	44,962,009	3,135,411	177,964,606
Additions	4,900,374	30,097,780	4,227,383	1,922,958	41,148,135
Transfers	49,000	706,500	-	(755,500)	-
Disposals	-	(93,000)	(555,858)	-	(648,858)
Depreciation charge	(13,405,401)	(36,087,650)	(14,680,034)	-	(64,173,085)
Closing net book amount	<u>35,232,563</u>	<u>80,802,226</u>	<u>33,953,500</u>	<u>4,302,509</u>	<u>154,290,798</u>
As at 31 December 2006					
Cost	97,567,292	288,456,916	82,758,587	4,302,509	473,085,304
<u>Less</u> Accumulated depreciation	(62,334,729)	(207,654,690)	(48,805,087)	-	(318,794,506)
Net book amount	<u>35,232,563</u>	<u>80,802,226</u>	<u>33,953,500</u>	<u>4,302,509</u>	<u>154,290,798</u>

	The Company Only				
	Building improvement Baht	Office equipment Baht	Vehicles Baht	Furniture and fixtures in process Baht	Total Baht
As at 31 December 2005					
Cost	92,617,918	257,858,055	82,860,954	3,135,411	436,472,338
<u>Less</u> Accumulated depreciation	(48,929,328)	(173,651,746)	(37,929,140)	-	(260,510,214)
Net book amount	<u>43,688,590</u>	<u>84,206,309</u>	<u>44,931,814</u>	<u>3,135,411</u>	<u>175,962,124</u>
For the year ended 31 December 2006					
Opening net book amount	43,688,590	84,206,309	44,931,814	3,135,411	175,962,124
Addition	4,900,374	29,918,691	1,190,000	1,216,098	37,225,163
Transfer	49,000	-	-	(49,000)	-
Disposals	-	(93,000)	(529,546)	-	(622,546)
Depreciation charge	(13,405,401)	(35,189,524)	(14,473,104)	-	(63,068,029)
Closing net book amount	<u>35,232,563</u>	<u>78,842,476</u>	<u>31,119,164</u>	<u>4,302,509</u>	<u>149,496,712</u>
As at 31 December 2006					
Cost	97,567,292	283,726,237	79,721,204	4,302,509	465,317,242
<u>Less</u> Accumulated depreciation	(62,334,729)	(204,883,761)	(48,602,040)	-	(315,820,530)
Net book amount	<u>35,232,563</u>	<u>78,842,476</u>	<u>31,119,164</u>	<u>4,302,509</u>	<u>149,496,712</u>

12 Intangible assets

	Consolidated			
	2006			
	Balance - beginning of year Baht	Increase Baht	Amount amortised Baht	Balance - end of year Baht
Deferred license fees				
Mutual fund management	-	1,000,000	-	1,000,000
Derivatives business	-	5,000,000	(679,452)	4,320,548
Private fund management	165,490	-	(109,000)	56,490
Computer software	6,074,906	6,739,728	(2,573,991)	10,240,643
Total	6,240,396	12,739,728	(3,362,443)	15,617,681

	The Company Only			
	2006			
	Balance - beginning of year Baht	Increase Baht	Amount amortised Baht	Balance - end of year Baht
Deferred license fees				
Derivatives business	-	5,000,000	(679,452)	4,320,548
Computer software	5,950,437	6,713,898	(2,531,954)	10,132,381
Total	5,950,437	11,713,898	(3,211,406)	14,452,929

13 Deferred income tax

The deferred income tax accounts consist of:

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Deferred tax assets				
Allowance for doubtful accounts	1,512,176	1,672,613	1,512,176	1,672,613
Allowance for loss on impairment	8,467,569	32,163,002	8,467,569	32,163,002
Amortisation of intangible assets	9,981,369	12,796,119	9,981,369	12,796,119
Unrealised loss on revaluation of investment				
- Trading securities	17,205,198	-	17,205,198	-
- Available-for-sales securities	654,450	6,116,813	654,450	6,116,813
Other assets	1,767,908	1,107,867	61,841	61,841
	<u>39,588,670</u>	<u>53,856,414</u>	<u>37,882,603</u>	<u>52,810,388</u>
Deferred tax liabilities				
Share of profit in associate	-	27,749,800	-	27,749,800
Other liabilities	15,151	579	15,151	579
	<u>15,151</u>	<u>27,750,379</u>	<u>15,151</u>	<u>27,750,379</u>
Deferred tax - net	<u>39,573,519</u>	<u>26,106,035</u>	<u>37,867,452</u>	<u>25,060,009</u>

The movement in deferred tax during the years is as follows:

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Cumulative effect of adoption of accounting for deferred income tax	26,106,035	75,613,130	25,060,009	74,091,713
Charges to statements of income	18,944,998	(23,615,572)	18,284,957	(23,140,181)
Item in shareholders' equity	(5,477,514)	(25,891,523)	(5,477,514)	(25,891,523)
End of the year	<u>39,573,519</u>	<u>26,106,035</u>	<u>37,867,452</u>	<u>25,060,009</u>

14 Other assets

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Accrued advisory fee income	4,588,500	9,135,246	4,588,500	9,135,246
Accrued interest income	1,063,987	1,821,716	1,063,987	1,821,716
Prepaid insurance	1,552,132	1,581,555	1,548,118	1,577,235
Prepaid repair and maintenance	654,966	870,550	627,670	870,550
Foreclosed properties receivable	-	34,569,360	-	34,569,360
Deposits	43,759,242	30,223,015	43,213,212	29,776,756
Fund management fee and service				
Income receivables	20,633,105	19,633,191	-	-
Foreclosed properties	2,938,663	2,938,663	2,938,663	2,938,663
Others	3,978,758	3,314,815	5,127,066	2,776,617
Total	<u>79,169,353</u>	<u>104,088,111</u>	<u>59,107,216</u>	<u>83,466,143</u>

15 Convertible borrowings

As at 31 December 2006 and 31 December 2005, borrowings in the consolidated financial statements represent Thai Baht loans of the subsidiary company from foreign related parties. The borrowings are due at call but in not more than 5 years, maturing in August 2008, and carry interest at a rate of 5 percent per annum, payable quarterly. The lenders have the right but not the obligation to convert the borrowings to equity in the subsidiary at par value, up to a maximum of 500,000 ordinary shares, or not more than 20% of the capital of the subsidiary company, from August 2005 until the maturity per the loan agreement. However, their shareholdings in that subsidiary company must be in compliance with the law. In addition, the lenders have the right to receive additional interest payments from the subsidiary company equivalent to what their entitlement to dividends would be if the outstanding loan balance had already been converted into ordinary shares.

16 Share capital

Registered and paid-up capital

On 28 April 2005, the shareholders at the Annual General Meeting passed a resolution to approve an increase of authorised share capital of 41,200,000 shares from 1,037,157,550 shares with a par value of Baht 1 per share to 1,078,357,550 ordinary shares with a par value of Baht 1 per share. The increase in new registered shares is reserved for free warrants distributed to non director or non management.

On 28 April 2006, the shareholders at the Annual General Meeting passed a resolution to approve a reduction of authorised share capital from 1,078,357,550 shares with a par value of Baht 1 per share to 1,037,157,550 ordinary shares by cancelling authorised share capital of 41,200,000 shares with a par value of Baht 1 per share, which is no longer required for free warrants distributed to non director or non management.

As at 31 December 2006, the Company had a registered share capital of Baht 1,037,157,550, at Baht 1 each, and paid-up share capital of Baht 833,558,465 (31 December 2005: Baht 829,506,109 at Baht 1 each). The excess of the registered share capital over the paid-up share capital represents the shares reserved for future exercise of warrants.

Net asset value

As at 31 December 2006, the net asset value per share, which was determined by dividing shareholders equity by the number of shares in issue and paid up as at the balance sheet date, was Baht 3.47 per share (31 December 2005 : Baht 3.72 per share). Such net asset value per share does not reflect the dilutive effect of the shares which are to be issued for the conversion of warrants.

17 Treasury stock

On 28 February 2006, the Board of Directors approved a project to buy back 82,962,440 ordinary shares (representing 10% of the shares in issue) at a price equivalent to the bid prices on the Stock Exchange of Thailand or the same prices offered to general shareholders, within a total budget of no more than Baht 200 million and with the repurchase period from 15 March 2006 to 14 September 2006. The method and period for the sale of the shares bought back was to be decided by the Company's Board of Directors within 6 months, but not more than 3 years, after the completion of the buy back and such sale was to be made at a price of not less than 85 per cent of the average closing prices of the 5 working days prior to the selling date.

According to the Federation of Accounting Professions' announcement no. Sor.Sor.Vor.Bor.Chor. 016/2548 dated 4 February 2005, it requires public limited companies that 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 is used to pay dividends, the retained earnings after the dividend payment should not be less than the treasury stocks. This is to comply with the announcement of the Judicial Council, which deliberated the issue of treasury stock schemes under Section 66/1(2) of the Public Limited Companies Act B.E. 2535.

The Company had treasury stocks of 53,872,000 shares representing 6.49% of the total sold shares outstanding on the date when the Board resulted the share repurchase. The total treasury stocks are Baht 199.99 million and the Company has appropriated the retained earnings as the treasury stock reserve for the whole amount.

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

On 15 June 2001, the shareholders at an Extraordinary General Meeting of shareholders approved the issuance of 6,660,000 five-year warrants to the Company's directors of 3,040,000 units and employees of the Company and subsidiary of 3,560,000 units, free of charge. The exercise price of the warrants after the change in the par value of the shares is 1 warrant to 10 ordinary shares, with the exercise price at Baht 1 per share (the par value is Baht 1 each). The exercise period was ended on 30 November 2006. During the year ended 31 December 2006, the balances of 35,500 warrants were exercised, therefore as at 31 December 2006 there is no warrant outstanding.

b) Warrants offered to existing shareholders

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

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

During the year ended 31 December 2006, the warrants were exercised amounting to 38,889 units. As at 31 December 2006 the outstanding warrants, which have been allotted but not exercised, are 201,214,034 units.

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

In December 2003, the shareholders at an Extraordinary General Meetings of shareholders approved the issuance of 1,430,000 five-year warrants with a par value of Baht 10 each, to the Company's directors and employees (other than directors or employees who received a prior allotment of warrants), free of charge. The warrants are exercisable at a price equal to the par value of the shares, in a ratio of 1 warrant to 1 ordinary share, throughout their life, in accordance with certain stipulated conditions.

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

During the year ended 31 December 2006, the employees exercised their warrants amounting to 3,623,767 units. As at 31 December 2006 the outstanding warrants, which have been allotted but not exercised, are 1,768,058 units.

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

On 28 April 2005, the shareholders at the Annual General Meeting passed a resolution to approve the issue of 5 years free warrants for the purchase of the Company's ordinary shares for 41,200,000 units with a par value of 1 Baht. The warrants will be distributed to non director or non management. Exercise price is equal to par value. The exercise ratio is 1 warrant to 1 ordinary share, commencing one year after distribution of the warrant. However, the issuance of such warrants should be approved by the Securities and Exchange Commission before allotment. On 28 April 2006, the shareholders at the Annual General Meeting passed a resolution to approve a canceling of a resolution of the 2005. Annual General Meeting on 28 April 2005 relating to the approval the issue of ordinary shares and warrants for distribution to non director or non management.

19 Legal reserve

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Opening balance	107,835,755	103,715,755	107,835,755	103,715,755
Appropriation during the year	-	4,120,000	-	4,120,000
Closing balance	<u>107,835,755</u>	<u>107,835,755</u>	<u>107,835,755</u>	<u>107,835,755</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve could not be used for dividend payment. As at 31 December 2006, the legal reserve has already reached 10% of registered capital.

20 Dividend

At the Annual General meeting of shareholders held on 28 April 2006, a dividend in respect of the operating result for the year ended 31 December 2005 of Baht 0.169 per share amounting to a total of Baht 140 million was approved to be payable to shareholders. Dividends were paid on 15 May 2006.

At the Annual General meeting of shareholders held on 28 April 2005, a dividend in respect of the operating result for the year ended 31 December 2004 of Baht 0.32 per share amounting to a total of Baht 263 million was approved to be payable to shareholders. Dividends were paid on 12 May 2005.

21 Fees and service income

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Underwriting fees	27,110,700	98,346,416	27,110,700	98,346,416
Financial advisory fees	45,933,268	71,612,957	45,933,268	71,612,957
Private fund management	19,302,938	17,983,850	-	-
Others	2,982,220	3,773,146	2,982,220	3,773,146
Total	95,329,126	191,716,369	76,026,188	173,732,519

22 Fees and service expenses

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Brokerage fees paid to the Stock Exchange of Thailand	17,244,422	19,127,735	17,244,422	19,127,735
Amortisation of underwriting, private fund and derivative license	994,891	6,172,013	679,452	5,863,013
Others	9,000,842	13,783,747	12,199,544	16,377,372
Total	27,240,155	39,083,495	30,123,418	41,368,120

23 Directors' remuneration

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

24 Other expenses

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Entertainment expenses	12,163,384	14,409,591	11,944,541	14,212,123
Foreign representative office expenses	-	11,817,578	-	11,817,578
Publication and marketing expenses	9,047,677	24,185,681	8,932,996	24,041,020
Travelling expenses	13,722,056	13,129,140	12,283,336	11,853,940
Donation	517,388	6,061,649	517,388	6,061,649
SET Fee	3,740,437	5,131,061	3,740,437	5,131,061
Others	25,636,591	22,007,280	24,557,051	21,591,654
Total other expenses	64,827,533	96,741,980	61,975,749	94,709,025

25 Provident fund

For the year ended 31 December 2006, the company's contribution to the provident fund was Baht 8 million (2005: Baht 8.3 million).

26 Corporate income tax

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Corporate income tax paid	59,560,892	36,791,122	59,472,488	36,791,122
Deferred income tax	(18,944,998)	23,615,573	(18,284,957)	23,140,181
	<u>40,615,894</u>	<u>60,406,695</u>	<u>41,187,531</u>	<u>59,931,303</u>

Reconciliation of income tax expenses and the results of the accounting profit multiplied by the income tax rate is as follow:

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Net profit before tax	196,412,411	223,812,247	198,348,949	222,127,724
Tax rate	25%, 30%	25%, 30%	25%	25%
The result of the account profit multiplied by the income tax rate	48,888,102	55,965,519	49,587,237	55,531,931
Effect of the non-deductible income and expense	(8,272,208)	4,441,176	(8,399,706)	4,399,372
	<u>40,615,894</u>	<u>60,406,695</u>	<u>41,187,531</u>	<u>59,931,303</u>

27 Reconciliation of diluted earnings per share

	Consolidated					
	Net earnings (Restated)		Weighted average number of ordinary shares		Earnings per share (Restated)	
	2006 Baht	2005 Baht	2006 shares	2005 shares	2006 Baht	2005 Baht
Basic earnings per share						
Net earnings	156,132,075	162,930,300	811,481,397	824,973,946	0.19	0.20
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,352,044	11,346,648	-	-
Convertible borrowings	294,000	294,000	-	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>156,426,075</u>	<u>163,224,300</u>	<u>812,833,441</u>	<u>836,320,594</u>	<u>0.19</u>	<u>0.20</u>

	The Company only					
	Net earnings (Restated)		Weighted average number of ordinary shares		Earnings per share (Restated)	
	2006 Baht	2005 Baht	2006 shares	2005 shares	2006 Baht	2005 Baht
Basic earnings per share						
Net earnings	157,161,418	162,196,421	811,481,397	824,973,946	0.19	0.20
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,352,044	11,346,648	-	(0.01)
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>157,161,418</u>	<u>162,196,421</u>	<u>812,833,441</u>	<u>836,320,594</u>	<u>0.19</u>	<u>0.19</u>

28 Related party transactions

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

	Consolidated		The Company Only	
	2006 Baht	2005 Baht	2006 Baht	2005 Baht
Outstanding as at the balance sheet date				
Subsidiary company				
Investment in subsidiary company	-	-	86,200,000	10,200,000
Investment in private fund managed by subsidiary company	122,402,106	175,568,465	122,402,106	175,568,465
Securities and Derivatives business payable	-	4,494,903	-	4,494,903
Other receivable	-	-	2,636,393	629,487
Associated company				
Investment in ordinary shares	-	320,021,520	-	320,021,520
Investment in Bill of exchange	-	200,000,000	-	200,000,000
Related companies				
Under common directors				
Investment in ordinary shares	-	14,221,400	-	14,221,400
Investment in preference shares	2,550,000	2,550,000	2,550,000	2,550,000
Securities business receivable - Credit balance	86,578,746	-	86,578,746	-
Accrued interest receivable Securities business receivable - Credit balance	625,027	-	625,027	-
Accrued advisory fee	120,495	120,495	120,495	120,495
Securities and Derivatives business payable	2,996,321	7,165,879	2,996,321	7,165,879
Securities and Derivatives business payable - Credit balance	-	505	-	505
Accrued interest payable Securities business payable - Credit balance	-	291	-	291
Other payable and Accrued expenses	-	1,378,097	-	1,378,097
Convertible borrowing	-	2,500,000	-	-
Accrued interest payable	-	37,052	-	-
Under common directors with subsidiaries				
Fee and service accounts receivable	19,767,915	18,058,234	-	-
Securities and Derivatives business receivable	-	14,219,034	-	14,219,034
Convertible borrowing	5,000,000	2,500,000	-	-
Accrued interest payable	281,515	147,000	-	-
Accrued expenses	-	51,468	-	-
Related persons				
Securities and Derivatives business receivables	81,662	-	81,662	-
Securities and Derivatives business payable	-	48,127	-	48,127

	Consolidated		The Company Only		Pricing policy (Only in 2006)
	2006 Baht	2005 Baht	2006 Baht	2005 Baht	
Transactions during the years					
Subsidiary company					
Commission received	2,276,358	1,501,710	2,276,358	1,501,710	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Private fund management fee expenses	-	-	3,492,161	2,846,226	At rate determined under the contract at 1 percent of net asset value of fund managed, and 20% of net asset value of fund comparing to stock exchange
Withdrawal of cash from private fund managed by subsidiary company	50,000,000	50,000,000	50,000,000	50,000,000	
Other income	-	-	3,359,695	-	At actual expense
Associated companies					
Sale of ordinary shares (Raimon Land Plc.)	360,491,291	-	360,491,291	-	At the rate determined under contract at 1.1771 Baht per share
Bill of exchange redeem	200,000,000	-	200,000,000	-	Interest charged at the rate 7-7.50 percent per annum
Dividend received	11,117,031	14,393,951	11,117,031	14,393,951	At rate of Baht 0.363 per share
Investment in Bill of exchange	-	200,000,000	-	200,000,000	Interest charged at the rate of 7-7.50 percent per annum
Interest income in Bill of exchange	2,239,726	3,789,041	2,239,726	3,789,041	Interest charged at the rate of 7-7.50 percent per annum
Related Companies					
Under common directors					
Sales of ordinary shares Broker Group Plc.	19,909,960	-	19,909,960	-	At the market price - Baht 0.70 per share
Purchase of additional ordinary shares issuance	-	6,886,400	-	6,886,400	At the offering price to other investors
Commission received	6,695,974	5,939,226	6,695,974	5,939,226	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Interest income	3,349,509	1,893,686	3,349,509	1,893,686	Interest charged at the rate of 6.00-8.50 percent per annum
Interest expense	-	7,858	-	7,858	
Commission expense	3,000,749	2,279,739	3,000,749	2,279,739	At the agreed rate determined under contract at 20-40 percent
Financial advisory fee income	537,331	266,632	537,331	266,632	At the rate of fee income as determined under the contract
Advisory fee expenses	9,350,000	13,764,706	9,350,000	13,764,706	At the rate determined under the contract but no more than Baht 0.85 million per month plus related tax and expenses

	Consolidated		The Company Only		Pricing policy (Only in 2006)
	2006 Baht	2005 Baht	2006 Baht	2005 Baht	
Transactions during the years					
Related Companies (Cont'd)					
Under common directors (Cont'd)					
Rental and services expenses for Representative office	-	2,715,171	-	2,715,171	
Amortisation fee for financial market news	-	109,159	-	105,743	
Other expenses	45,579	101,207	45,579	101,207	At negotiated rate agreed by each party
Interest expenses	12,485	147,000	-	-	Interest charged at the rate of 5 percent per annum
Related Companies Under common directors with subsidiaries					
Fee and service income	8,134,259	13,775,179	-	-	At the rate determined under the contract
Commission received	55,937	878,105	55,937	878,105	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Interest expenses	281,515	147,000	-	-	Interest charged at the rate of 5 percent per annum
Related Person					
Commission received	707,859	131,063	707,859	131,063	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Income from selling bonds	86,054	-	86,054	-	At market price

29 Commitments

Transactions with related parties

- a) On 16 December 2002, the Company entered into a one-year fee allocation agreement with Brooker Group Plc., under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. Such agreement has been extended to until 31 December 2007. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.
- b) On 27 January 2003, the Company entered into a private fund management agreement with a subsidiary company. Such company is to manage private funds invested by the Company. Under the agreement, the Company agreed to pay a monthly management fee at rates of 1 percent per annum of the net asset value of the fund, and to pay an additional incentive fee if that subsidiary company managed to achieve an actual return greater than an agreed rate. Such incentive fee was approved by the SEC in February 2006.

Transactions with other business parties

As at 31 December 2006, the Company had outstanding capital commitments totalling approximately Baht 0.9 million for purchase of computer and office equipment, and had the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment.

	Consolidated Million Baht	The Company Only Million Baht
Within 1 year	12.83	11.13
Within 1 year < 5 years	9.36	7.66

30 Contingent liabilities

In March 2001, the Company was sued by a securities business customer claiming damages of approximately Baht 12 million (plus interest at the rate of 15% per annum) as a result of the Company's refusal to return securities. The Company contested the claim with the civil court, on the grounds that the Company had the right to appropriate these securities as surety. On 31 January 2003, the court dismissed the plaintiff's case. However, the Company's customer lodged an appeal with the court on 27 February 2003 and the case is therefore being reheard.

31 Financial instruments

Interest rate risk

Interest rate risk is the exposure to the risk associated with the effects of fluctuations in prevailing levels of market interest rates on the Company's financial instruments. As at 31 December 2006, the outstanding balances of financial statements classified by type of interest rate are as follows:

	(Unit : Million Baht)								
	Consolidated								
	Floating interest rates	Fixed interest rate			Without interest	Non performing debts	Total	Interest rate (%)	
		Remaining maturity date or repricing date	Over 5 years	Over 1 - 5 years				Floating interest rate	Fixed interest rate
	Less than 1 year	1 - 5 years	Over 5 years						
Financial assets									
Cash and cash equivalents	195	180	-	200	-	575	0.50 - 3.90	4.90	
Investments in debt securities	-	174	40	-	-	214	-	4.78 - 5.73	
Receivables from Clearing House Securities and Derivatives business receivables	-	-	-	589	-	589	-	-	
Total	195	1,400	40	251	8	1,659	-	6.00 - 8.50	
	1,754			1,040	8	3,037			
Financial liabilities									
Convertible borrowings	-	-	5	-	-	5	-	5.00	
Securities and Derivatives business payables	-	-	-	761	-	761	-	-	
Total	-	-	5	761	-	766	-	-	

31 Financial instruments (Cont'd)

	(Unit : Million Baht)							
	The Company Only				Non Without interest	performing debts	Total	
	Floating interest rates	Fixed interest rate		Over 5 years				
		Remaining maturity date Less than 1 year	period before date or repricing 1 - 5 years		Interest rate (%) Floating interest rate	Fixed interest rate		
Financial assets								
Cash and cash equivalents	190	180	-	200	-	570	0.50 - 3.90	4.90
Investments in debt securities	-	54	40	-	-	94	-	5.15 - 5.73
Receivables from Clearing House Securities and Derivatives business receivables	-	-	-	-	-	589	-	-
Total	190	1,400	40	251	8	1,659	-	6.00 - 8.50
Financial liabilities								
Securities and Derivatives business payables	-	-	-	761	-	761	-	-
Total	-	-	-	761	-	761	-	-

31 Financial instruments (Cont'd)**Credit risk**

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

Liquidity risk

The maturity dates of financial instruments held as of 31 December 2006, counting from the balance sheet date, are as follows:

	Consolidated					Total Baht
	At call	Within	Over 5	No	Total	
	Baht	1 year Baht	1 - 5 years Baht	years Baht		
Financial assets						
Cash and cash equivalents	180	-	-	-	395	575
Investments in debt securities	-	174	40	-	-	214
Investments in equity securities	-	-	-	-	508	508
Receivables from Clearing House	-	589	-	-	-	589
Securities and Derivatives business receivables	8	251	-	-	1,400	1,659
Total	188	1,014	40	-	2,303	3,545
Financial liabilities						
Convertible borrowings	-	-	5	-	-	5
Securities and Derivatives business payables	-	761	-	-	-	761
Total	-	761	5	-	-	766

	The Company Only					
	At call	Within	1 - 5 years	Over 5	No	Total
	Baht	1 year	Baht	years	maturity	
	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets						
Cash and cash equivalents	180	-	-	-	390	570
Investments in debt securities	-	54	40	-	-	94
Investment in equity securities	-	-	-	-	508	508
Receivables from Clearing House	-	589	-	-	-	589
Securities and Derivatives						
business receivables	8	251	-	-	1,400	1,659
Total	188	894	40	-	2,298	3,420
Financial liabilities						
Securities and Derivatives						
business payables	-	761	-	-	-	761
Total	-	761	-	-	-	761

Fair value

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

32 Business/geographical segment information

The Company's operation involves mainly in securities brokering and service provision and is operated only in Thailand, accordingly, no business/geographical area segmental information is presented.

33 Subsequent event

On 8 January 2007, the Company paid in an additional capital of Baht 75 million to Seamico Asset Management Company Limited, which is its subsidiary. A total investment is Baht 100 million.

AUDITOR'S REMUNERATION

1. **Audit fee**

The company and its subsidiaries (Seamico Knight Fund Management Securities Co., Ltd., Seamico Asset Management Co., Ltd. and Seamico Derivatives Co., Ltd.) paid audit fee to PricewaterhouseCoopers ABAS Ltd. for the year 2006 total Baht 1,620,000.

2. **Non-audit fee**

The Company paid fee for IT General Controls Review to PricewaterhouseCoopers FAS Ltd. for the year 2006 total Baht 304,950.

Address of Seamico Securities Plc.

1. HEAD OFFICE

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2. PATTAYA BRANCH

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3. VIPHAVADEE BRANCH

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6. KHON KEAN BRANCH

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8. CHONBURI BRANCH

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9. PHAHOLYOTHIN BRANCH

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10. RAJDAMRI BRANCH

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12. PRACHANIVES 1 BRANCH

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