

รายงานประจำปี 2547

Annual Report 2004

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บริษัทหลักทรัพย์ ซีบีที จำกัด (มหาชน)

Seamico Securities Public Company Limited

SEAMICO
SECURITIES

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Seamico Securities Services

Securities Services

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

Investment Banking Services

- Equity instruments: public offering, private placement, rights issue, convertible debentures, etc.
- Mergers and acquisitions
- Rescue and reorganization

- Debt instruments: debentures, syndicated loans, etc.
- Selling agent for equity and debt instruments
- Special advisory services

Research

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

MESSAGE FROM THE CHAIRMAN

Last year was another challenging year for the securities industry, which faced an increase in the number of securities companies after some sub-brokers were upgraded to full brokers. Although our market share declined somewhat as a result, Seamico was able to hold on to its No. 3 brokerage share ranking at the end of the year.

Amid the tougher environment, the Company was successful in maintaining its profitability. In 2004, the Company reported a net profit of Baht 503.34 million. The return on equity and return on assets remained high at 17.98% and 10.66%, respectively, whilst shareholders' funds increased by 41.64% from the previous year to Baht 3,067.82 million.

International and local recognition of the Company's status as Thailand's leading local broker has been substantial, with it winning the "Best Local Broker" award from FinanceAsia Magazine for the fourth consecutive year, the Forbes Magazine "Best under A Billion", Forbes Global's 100 Best Small Companies for Asia/Pacific Award in 2004 and the 2003 Top Quartile Companies in Thailand Award for Good Corporate Governance.

Our aim is to expand the Company's business base as well as further enhance the quality of services and research in order to support the increasing number of investors and volume in relation to the upturn of the economy. It is our belief that capable personnel, efficient management and good corporate governance are the main factors that will increase value-added to shareholders.

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

Our commitment to customer service and adherence to sound corporate governance practices have been the keystones of our business philosophy, and we assure you that this will continue in 2005 and beyond.

Thank you again for your support.



Mr. Paron Israsena
Chairman

SEAMICO SECURITIES PLC.

MANAGEMENT REPORT

BUSINESS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004

We are pleased to report that Seamico Securities recorded a net consolidated profit of Baht 503.3 million, a market share of 6% and ranked third amongst all securities firms operating in Thailand in terms of daily market volume.

The Industry and the Thai Market - No Longer the World's Best Performer.....but there is hope

- After a staggering 116.6% increase in 2003, the SET fell by 13.5% in 2004. Many believe this was a consolidation rather than a major correction.
- The market capitalisation of the SET and MAI combined decreased from Baht 4,803.6 billion in 2003 to Baht 4,533.6 billion, or a decrease of 5.6%.
- The overall daily average market volume increased from Baht 18.91 billion in 2003 to Baht 20.51 billion in 2004, or an increase of 8.5%.
- The daily market volume reached the highest level in the SET's 28-year history of Baht 64.26 billion on 4th November 2003. The highest level in 2004 was Baht 63.01 billion on 9th January 2004.
- The SET's decision, on 14th January 2002 to fix commission rates at 0.25% helped the industry in 2003 and 2004. Previously, the industry suffered greatly under a freely negotiable commission rate system.

However.....

- Only 50 companies conducted IPOs in 2004, slightly more than the 29 in 2003.
- The SET's decision to issue 10 new broker seats in 2000-2003 gave rise to stronger competition in the sector.
- The government's privatisation programme did not meet expectations.

We Maintained our Market Position.....

- Amidst the significant increase in competition, we managed to maintain a strong market position in terms of daily average market volume with a market share of nearly 6% and a ranking of No. 3 in the industry.
- Our total number of brokerage trading accounts increased by 29% during 2004.
- New online trading accounts operating under www.seamico.com increased by 47%.
- Investment banking and underwriting fees increased by 356.19 per cent in 2003. Leading major issues such as the Public Offering of NSM and Private Placements of Bangkok Land and Picnic Gas & Engineering Plc. saw us raise more than US\$ 300 million for our clients in the last quarter of 2003 alone. This trend did not continue, however, and our IB fees fell by 45% in 2004.

Corporate and Investment Activity - a Year of Consolidation.....

- We hold a 27.23% stake of Raimon Land Plc's issued capital and remain very committed to its future development.
- Our interest in the Brooker Group is 10.30%. We are still working very closely with Brooker on a number of projects.
- Despite the market's downturn, our subsidiary, Seamico Knight Fund Management Securities Company Limited, also performed well in 2004, increasing its funds under management by 19%.

Our Balance Sheet Has Strengthened Further.....

- Shareholders' funds increased from Baht 2,165.9 million as of 31st December 2003 to Baht 3,067.8 million as of 31st December 2004.
- Our net capital ratio at the end of December 2003 was 270% (well above the SEC's requirement of 7%).
- We remain free of external debt.

We Continue to Win International Awards.....

Seamico won three international awards in 2004:

- Best Local Broker Award in Finance Asia's regional survey (for the fourth consecutive year).
- Top Quartile Best Corporate Governance Award ranked by the Thai Institute of Directors.
- Best under A Billion, Forbes Global's 100 Best Small Companies for the Asia/Pacific.

MANAGEMENT COMMENTS

We are delighted with the results for 2004, particularly in light of such a difficult market. We sincerely wish to thank our clients, our board and our entire team for their support during the year.

It is expected that 2005 and beyond will see even more competition as newly-established brokers are now competing in the market. The issue of fixed commission rates is also expected to be raised again next year. We believe, however, that Seamico's strong market position, our proven and well-established team and our strong financial position will enable us to meet the challenge of this increasingly competitive climate.

With a clear policy of product diversification, client expansion and a planned investment programme, we are confident that Seamico will continue to be a leading player in Thailand's securities sector.



Mr. Robert W. McMillen
Chief Executive Officer



Mr. Reungvit Dusdeesurapot
Chief Executive Officer

Audit Committee's Report

Seamico Securities Public Company Limited

The Board of Directors of Seamico Securities Public Company Limited appointed an Audit Committee, which comprises Mr. William Hang Man Chao as Chairman, and Dr. Sorajak Kasemsuvan and Ms. Korbsook Iamsuri as members.

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 2004, the Audit Committee held four meetings with the head of the accounting and finance department, the head of the compliance and internal audit department, and the Company's auditor to review the quarterly and annual financial statements for 2004 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system.

The Audit 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 and control systems 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 2005, the Audit 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 Committee,



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

FINANCIAL HIGHLIGHTS

	<i>Million Baht</i>			
	2001	2002	2003	2004
TOTAL ASSETS	1,725.52	1,720.02	6,168.71	3,993.33
PAID-UP SHARE CAPITAL	465.76	683.75	715.39	822.33
TOTAL SHAREHOLDERS' EQUITY	694.16	1,346.72	2,165.93	3,067.82
SECURITIES BUSINESS INCOME	349.21	892.53	2,121.66	1,748.53
SECURITIES BUSINESS EXPENSES	38.67	45.32	118.27	67.84
NET INCOME (LOSS)	(185.80)	240.85	730.22	503.34
PROFITABILITY RATIO				
GROSS PROFIT MARGIN (%)	88.50	94.93	94.43	96.12
NET PROFIT MARGIN (%)	(52.82)	26.49	34.23	27.46
RETURN ON EQUITY (%)	(23.79)	21.75	45.59	17.98
INVESTMENT YIELD (%)	10.13	18.41	33.64	5.51
EFFICIENCY RATIO				
RETURN ON TOTAL ASSETS (%)	(13.19)	13.39	22.31	10.66
ASSET TURNOVER (TIMES)	0.25	0.51	0.65	0.37
FINANCIAL POLICY RATIO				
LIQUID ASSETS TO BORROWING (TIMES)	19,499.20	N/A	242.88	370.48
EARNING ASSETS TO BORROWING (TIMES)	63,091.87	N/A	922.96	397.19
LIQUID ASSETS TO TOTAL ASSETS (%)	16.40	36.13	19.69	46.39
EARNING ASSETS TO TOTAL ASSETS (%)	53.07	60.69	74.81	49.73
DEBT TO EQUITY (TIMES)	1.49	0.28	1.85	0.30
PAYOUT RATIO (%)	N/A	14.21	35.76	N/A
OTHERS RATIO				
INVESTMENT IN SECURITIES TO TOTAL ASSET (%)	3.07	18.74	8.01	16.39
NET LIQUID EQUITY (%)	40	246	46	270
PER SHARE				
BOOK VALUE (BAHT)	14.90	19.63	3.02	3.72
EARNING PER SHARE (BAHT)	(4.00)	3.91	1.05	0.62
DIVIDEND PER SHARE (BAHT)	N/A	0.50	0.32	N/A
PAR VALUE (BAHT)	10.00	10.00	1.00	1.00

GENERAL INFORMATION

Name : Seamico Securities Public Company Limited
 Type of Business : A securities company in accordance with the Securities and Exchange Act B.E.2535. Registration No. Bor Mor Jor 493
 Address : 9th, 15th - 17th, 20th - 21st Floor, Liberty Square Building, Silom Road, Bangrak, Bangkok 10500
 Registration No : BorMorJor. 493
 Home page : www.seamico.com
 Telephone : 66 (0) 2695-5000
 Fax : 66 (0) 2631-1709

Capital as of 31st December 2004

Registered Capital Baht 1,037,157,550
 Paid-up Capital: Baht 822,328,201

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

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Shareholding Percentage
Subsidiary						
Seamico Knight Fund Management Securities Company Limited	82 North Sathorn Road, Silom, Bangrak, Bangkok 10500	Private Fund Management	Ordinary	2,000,000	1,020,000	51.00
Associated						
Raimon Land Public Company Limited	62 The Millennia Tower, 22 nd Floor, Unit 2201-2203, Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	Property Development	Ordinary	1,124,653,065	306,254,287	27.23
			Warrant	1,499,206,580	50,947,530	3.40
Other						
The Brooker Group Public Company Limited	16 th Floor, Harindhorn Building, 54 North Sathorn Road, Bangkok 10500	Business Consulting	Ordinary	277,921,957	28,442,800	10.23
Burda (Thailand) Limited	17 th Floor, Unit No. 1702, 208 Wireless Road, Lumpini, Pathumwan, Bangkok	Publisher Women's Magazines	Preferred & Ordinary	500,000	255,000	51.00

OTHER REFERENCES

(a) Warrant Registrar

Thailand Securities Depository Company Limited
4, 6-7th Floor, The Stock Exchange of Thailand Bldg.,
62 Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone: 66 (0) 2229-2800 Fax: 66 (0) 2359-1262

(b) Share Registrar

Thailand Securities Depository Company Limited
4, 6-7th Floor, The Stock Exchange of Thailand Bldg.,
62 Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone: 66 (0) 2229-2800 Fax: 66 (0) 2359-1262

(c) Auditor

Mr. Ruth Chaowanakawi, CPA No. 3247 or
Miss Rungnapa Lertsuwankul, CPA No. 3516
Miss Ratana Jala, CPA No. 3734
Ernst & Young Office Limited
Lake Ratchada Building, Floor 23rd,
193/136-137 New Ratchadapisek Road, Klongtoey, Bangkok
Telephone: 66 (0) 2264-0777 Fax: 66 (0) 2264-0789

(d) Legal Advisor

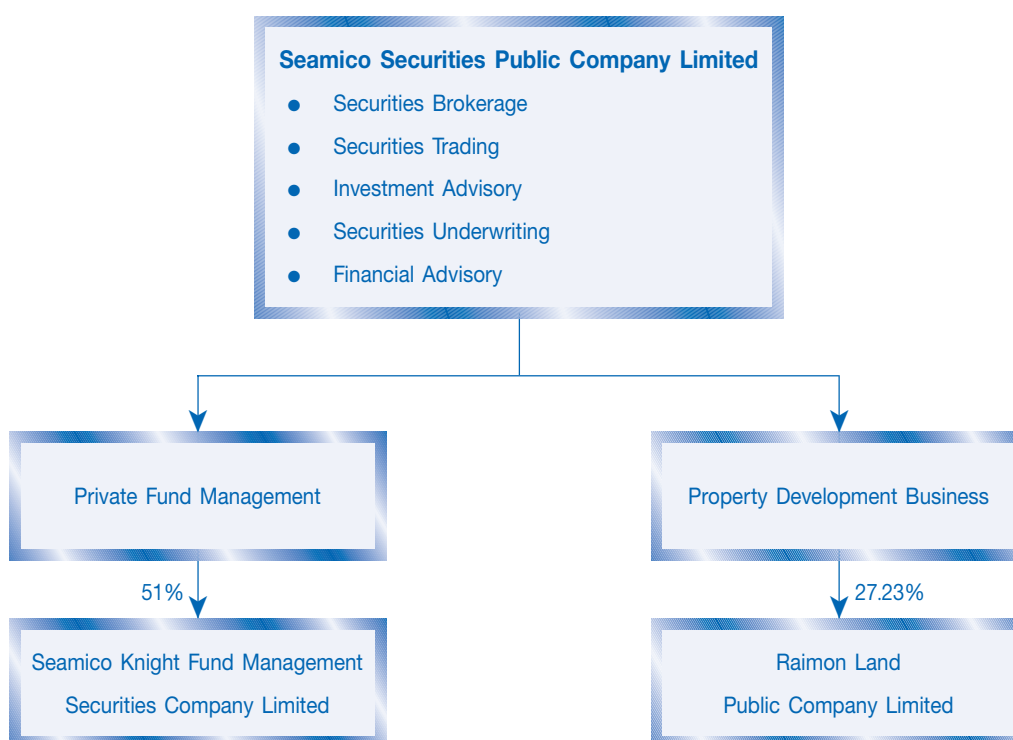
- Siam Premier International Law Office Limited
24th to 25th Floor, Thai Wah Tower II,
21/147-150 South Sathorn Road, Bangkok 10120
Telephone: 66 (0) 2679-1333 Fax: 66 (0) 2679-1314
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road,
Dindaeng, Bangkok 10310
Telephone: 66 (0) 2246-6061 Fax: 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 the securities business in the following categories:

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

A BUSINESS OVERVIEW OF THE COMPANY AND ITS SUBSIDIARY COMPANIES



Note: As of 31st December 2004, the Company had invested in 255,000 in non-cumulative preference shares of Burda (Thailand) Limited, which represents 51% of the total shares of that company but only 17% of the total voting rights. The Company has not recorded its investment in that company as an investment in an associated company and has not presented the value of the investment using the equity method, since the Company had no significant influence over that company and has no right to receive profits but only declared dividends. In addition, the Company has an option to sell, and the investee company has an option to buy back, all of the shares at any time at a price equivalent to the aggregate par value of the shares. No dividend announcement was made for the periods of 2002-2004.

REVENUE STRUCTURE BY SOURCE

	2002		2003		2004	
	Baht million	%	Baht million	%	Baht million	%
<u>Securities business income</u>						
Brokerage fees	770.85	84.80	1,681.15	78.80	1,498.51	81.76
Fees and service income	65.86	7.25	306.02	14.34	177.81	9.70
Interest on margin loans	20.25	2.23	30.33	1.42	28.82	1.57
Gains (losses) on securities trading	28.72	3.16	93.79	4.40	17.89	0.98
Interest and dividends on securities	10.86	1.19	10.36	0.49	25.51	1.39
Total securities business income	896.53	98.62	2,121.65	99.45	1,748.54	95.41
<u>Securities business expense</u>						
Interest on borrowing	2.71	0.30	6.53	0.31	7.79	0.43
Fees and service expenses	36.75	4.04	53.05	2.49	47.79	2.61
Brokerage and fee expenses	5.76	0.63	58.69	2.75	12.26	0.67
Total securities business expenses	45.23	4.98	118.27	5.54	67.84	3.70
Net securities business income	851.31	93.65	2,003.38	93.90	1,680.70	91.70
Allowance for investment devaluation	-	-	-	-	-	-
Provision for possible loan losses	(1.72)	(0.19)	(2.12)	(0.10)	(0.73)	(0.04)
Securities business income - net	849.59	93.46	2,001.26	93.80	1,679.97	91.66
Gains (losses) on exchange rate	0.08	0.01	0.01	0.00	0.02	0.00
Other income	12.43	1.37	11.83	0.55	84.18	4.59
Total Income	909.04	100.00	2,133.49	100.00	1,832.74	100.00
Total Income (loss) - Net	862.10	94.84	2,013.10	94.36	1,764.17	96.26

TYPES OF BUSINESS

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

1. Securities Brokerage

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

The types of services provided include:

1. Cash and cash balance accounts;
2. Credit balance accounts; and
3. Internet accounts, which enable clients to trade themselves via the Internet. The Company has made continual updates in technology for this product since it was launched in 1998.

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

The Company is concerned about the increasing competition in the securities industry. In a move to ensure the Company remains competitive, it plans to enhance its high margin client base such as Internet accounts and clients who are knowledgeable about securities investment by providing them information and channels which they can easily and timely access in order to support their investment decisions. In addition, the Company plans to continue to emphasise service quality in order to maintain a competitive advantage.

Market Share

Market share and trading volume classified by client type in 2002-2004 is as follows:

Trading Volume	2002		2003		2004	
	Baht million	%	Baht million	%	Baht million	%
Market Turnover	2,047,442		4,670,281		5,024,399	
Seamico's Trading Volume	323,651		672,910		598,549	
Seamico's Market Share	7.90%		7.20%		5.96%	
Classified by type of clients						
- Seamico's Portfolio	1,030	0.32	1,937	0.29	1,167	0.19
- Fund	1,994	0.62	3,653	0.54	4,324	0.72
- Sub Broker	5,744	1.77	-	-	-	-
- Retail clients	279,793	86.45	622,605	92.52	551,038	92.07
- Foreign Clients	35,089	10.84	44,716	6.65	42,020	7.02
Total	323,651	100.00	672,910	100.00	598,549	100.00
Classified by type of account						
- Cash Account	297,284	92.15	586,467	87.41	559,841	93.72
- Credit Balance Account	25,337	7.85	84,507	12.59	37,541	6.28
Total*	322,621	100.00	670,974	100.00	597,382	100.00

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

The percentage of the top 10 securities trading clients to the Company's total securities trading volume in 2002-2004

Details	2002		2003		2004	
	Baht million	%	Baht million	%	Baht million	%
Top 10 securities trading clients	43,071	13.31	101,060	15.02	91,757	15.33
Total company's securities trading	323,651	100.00	672,910	100.00	598,549	100.00

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

The Company's Client Types

The majority of Seamico's clients are local retail clients who trade on a cash basis. The following table shows the proportion of client types.

Client Proportion	Proportion
Retail : Institution	96 : 4
Local : Foreign	93 : 7
Cash Account : Credit Balance	94 : 6

Policy on the opening of new accounts

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

2. Securities Trading

The Company is concerned that its operating performance may be affected from the volatility of market prices, changes in interest rates and a risk of default by issuers. The Company has therefore defined its investment policy and established a manual. The investment policy and manual are in compliance with the Securities and Exchange Commission's notification covering certain major concerns, such as the following:

- Policy concerning authorised persons for securities dealing, e.g. an investment committee and dealers
- Policy on risk management
- Policy on preventing a conflict of interest
- Policy on compliance
- Policy on the authority of approving investments
- Policy on proper capital allocation to each securities

- Policy on the investment objectives and expected return targets compared with benchmark returns.

Types of Investment

The Company has defined investments into three categories, as follows:

1. Classification by instrument type

Instrument Types	Instrument
1. Equity	Common stock, preference stock, warrants, unit trusts both listed and non-listed in the SET, and both the primary and secondary market. The company will receive returns as dividends and/or capital gain/loss.
2. Fixed Income	Debentures, government bonds, state enterprise bonds both in the primary and secondary market. The Company will receive returns as interest income, and/or capital gain/loss.
3. Hybrid Instrument	Convertible debentures traded both in the primary and secondary market. The Company will receive returns as interest income, and/or capital gain/loss when the Company exercises the instrument.

2. Classification by investment objective

Investment Objectives	Features
1. Investment for Trading	Investment in debt, marketable equities to be held for trading, or sale in the short term. Classified as a temporary investment.
2. Investment for Available for Sale	Investment in debt, marketable equities not to be treated as investment for trading. Classified as a temporary and long-term investment.
3. General Investment	Investment in non-marketable equities. Classified as a temporary and long-term investment.
4. Investment to be held to maturity	Investment in debt instruments to be held until maturity. Classified as a long-term investment, but <i>debt instruments that will mature within 1 year are classified as a temporary investment.</i>

3. Temporary investments due to an error by a securities broking business. The Company has set a policy relating to correcting trading errors of clients as follows:
 - Corrections of errors are to follow the Company's manual and require the approval of the authorised person who investigated the cause of the error.
 - Corrections of errors transferred to the error portfolio will be cleared on the same trading day or at least the next business day after receiving approval of the respective line manager and Deputy Managing Director or higher.

3. Underwriting Business

Seamico Securities offers a full range of financial advisory services, including the sale of securities products. Seamico acts as the financial advisor 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 roles of lead and co-underwriter, underwriter and selling agent. Seamico's normal underwriting fee charged to clients ranges from 1.5 per cent to 3.0 per cent of the total underwriting value subject to the size of the offering.

Revenues from Underwriting Business

Year	No. of Clients	Underwriting Value (Baht million)	Fee Charged (Baht million)
2002	13	184.34	3.76
2003	29	4,821.96	192.75
2004	36	3,065.75	72.24

4. Financial Advisory Business

Through the investment banking department, the Company offers a number of financial advisory services, which include the following:

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

The Company has continuously recruited a number of professional investment bankers to join us so as to strengthen our investment banking teams. The Company's strategy is to provide professional financial advisory services to cover every client type, including small, medium and large-sized businesses by customising services related to client needs based on the expertise and know-how of each investment banking team. Adhering to strict business ethics and maintaining good client relationships are highly valued, as is providing professional advisory services that comply with the Company's policies. Financial advisory service fees from 2002 to 2004 are shown in the table below:

(Unit : Baht million)	2002	2003	2004
Revenue	58.91	93.17	85.44

The following are Seamico's major financial advisory service clients in 2004:

Cases	Services
Capetronic International (Thailand) Plc	Financial Advisory and Lead Underwriter
Ruamnakorn Construction (Thailand) Co Ltd	Financial Advisory and IPO
Gardinia Food (Thailand) Co Ltd	Financial Advisory and IPO
Ayudhaya international factors Co Ltd	Financial Advisory and IPO
Phuket fantasy Plc	Financial Advisory and IPO
Yarnpund Plc	Co-Underwriter
Thainox Stainless Plc	Co-Underwriter
Bliss-tel Plc	Co-Underwriter
United Paper Plc	Co-Underwriter
Eastern Water Resources Development and Management Plc	Co-Underwriter
Syrus Securities Plc	Co-Lead Underwriter
Anet Co Ltd	Merger and Acquisition Services
Lam Soon (Thailand) Plc	Financial Advisory
PICNIC Corporation Plc	Financial Advisory
Yuasa Battery (Thailand) Plc	Financial Advisory
International Engineering Plc and M-LINK Asia Corporation Plc	Financial Advisory
Samchai Steel Industries Plc	Financial Advisory
Safari World Plc	Financial Advisory
Thai Oil Plc	Co-Underwriter
Pacific Pipe Plc	Co-Underwriter
Pornprom Metal Plc	Co-Underwriter
Union Trading And Industries Co Ltd	Lead Underwriter
The Thai Military Bank Plc	Financial Advisory
G Steel Plc	Financial Advisory
Nava Leasing Plc	Financial Advisory
Soul Apparel Plc	Financial Advisory
Major Cineplex Plc	Financial Advisory
National Petrochemical Plc	Financial Advisory
Solution Corner (1998) Plc	Co-Underwriter

Cases	Services
Sherwood Chemicals Plc	Co-Underwriter
Mida Leasing Plc	Co-Underwriter
K-Tech Construction Plc	Co-Underwriter
Seafo Plc	Co-Underwriter
Dcon Products Plc	Co-Underwriter
Focus engineering and construction Plc	Co-Underwriter
L. V. Technology Plc	Co-Underwriter
Unique Mining Services Plc	Co-Underwriter
T. Krungthai Industries Plc	Lead Underwriter
Asia Metal Plc	Lead Underwriter
Lighting and Equipment Co Ltd	Lead Underwriter
Lohakit Steel Service Co Ltd	Financial Advisory and IPO
Repax Construction Co Ltd	Financial Advisory and IPO
Permsin Steel Works Co Ltd	Financial Advisory and IPO
Csp Trading Co Ltd	Financial Advisory and IPO
Cobra International Co Ltd	Financial Advisory and IPO
Thai Metal Trade Co Ltd	Financial Advisory and IPO
Raimon Land Plc	Financial Advisory and PP
Power Q and Saving Intania Co Ltd	Financial Advisory and Lead Underwrite
Airports of Thailand Plc	Co-Underwriter
N. C. Housing Plc	Co-Underwriter
Eastern Commercial Leasing Plc	Co-Underwriter
S. Pack & Print Plc	Co-Underwriter
Sun Tech Group Plc	Financial Advisory in maintaining listed status
Siam Sport Syndicate Plc	Financial Advisory and PO
Grande Asset Development Plc	Lead Underwriter
Tpi Polene Plc	Co-Underwriter
The Bangchak Petroleum Plc	Co-Underwriter
Thainakarin Hospital Plc	Financial Advisory and IPO
Siampan Watana Co Ltd	Financial Advisory and IPO
Millennium Steel Plc	Financial Advisory and PP
Business Online Plc	Lead Underwriter
Siam Paetra International Co Ltd	Financial Advisory in disposing of company assets
Paitoon Hotel And Resorts Co Ltd	Financial Advisory
Interlife John Hancock Assurance Plc	Financial Advisory
Rajavej Co Ltd and Sirivej Medical Co Ltd	Financial Advisory

5. Private Fund Management

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

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

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

INDUSTRY OUTLOOK AND FUTURE COMPETITION

In 2004, the return from the Stock Exchange of Thailand slowed by 13.5%, with the SET index declining from 772.15 points at the end of 2003 to 668.10 points at the end of 2004. Various factors contributed to the decrease, which included the negative impact the bird flu epidemic, terrorism in the three southern provinces, the high price of crude oil in the global market and the tsunami in the six southern provinces at the end of 2004. These occurrences also resulted in the SET index being unable to pass 700 points. In terms of liquidity, the market's turnover grew by 7.6% from the previous year, with daily market turnover rising to Baht 20,508 million, or by 8.5%, spurred by a continuous improvement in the economy from the government's policy of encouraging savings, an improvement in exports and the privatisation of companies and their listing on the SET, such as AOT, MCOT, TOP, and a recovery in the profitability of listed companies, as indicated by their ability to pay attractive dividends. These factors resulted in a significant amount of funds flowing into the capital market.

The competitive environment that involved the cutting of brokerage commission fees ended in 2002. After that, the broking industry continued to post strong performances for three years, with many brokerage firms paying dividends to their shareholders. The Stock Exchange of Thailand and the Securities and Exchange Commission then postponed the adoption of a minimum commission rate until 14 January 2007, whilst a regular review of this matter is conducted every two years in order to ensure that securities companies continue to perform well. Economic prospects look promising in 2005 due to several positive factors, such as an improvement in exports, a positive international balance of trade for seven consecutive years caused the country's international reserve fund to

grow, spurred an expansion of new investment by the private sector and helped the baht strengthen. It is widely believed that the government's GDP growth target of 5.5%-6.0% will be achieved. In addition, the policy of promoting saving by the government may lead to a large expansion of funds into the capital market. Additionally, economic growth will continue to provide a boost to listed companies' operating profits. The positive capital market will likely encourage private companies and state enterprises to mobilise funds from the stock market. Thailand's capital market is a more attractive investment compared with others in the region in the view of foreign investors due to the Thai market's lower P/E ratio of an average of 9.5 times compared with the average global capital market P/E ratio of 15 times. These factors together with the government's policy to improve the quality of securities by promoting good corporate governance among listed companies and to focus on cracking down on stock price manipulation will ensure the strength of the stock market in the long term and become an increasingly attractive market among local and foreign institution investors.

Despite the positive prospects of the stock market, competition among securities companies looks set to intensify further, as many broking firms continue to focus on increasing the quality of their services rather than on cutting commission fees in order to maintain a competitive advantage when commission fee liberalisation occurs in 2007. The Company plans to improve the quality of its entire range of products in the next few years. Moreover, the Company is endeavouring 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 Thailand Futures Exchange (TFEX) is expected to open in the middle of this year. The expansion of our client base to high margin customers, diversifying to related businesses, enhancing our investment banking team and securities trading, improving and developing technology relating to our securities trading system and the quality of our fundamental and technical research reports, our aim to keep up with current events and to provide timely advice to our customers thereby enabling them to make the best investment decisions will strengthen the Company's operations and ensure its survival in the long term.

RISK FACTORS

1. Risk from customer concentration

Seamico is concerned about a risk associated with being dependent on large securities trading account clients, as this may have a considerably adverse effect on the Company. To minimise this risk, the Company has focused on expanding its client base, increasing its securities marketing teams, opening more securities branches and enhancing its distribution channel through online trading.

As a result, the Company's client base has expanded from 12,564 trading accounts in 2002 to 25,638 accounts in 2004, whilst online trading accounts at the end of 2004 increased by as much as three times compared with the end of 2002.

Considering the Company's income proportion in 2004, the top-10 clients ranked by securities trading volume accounted for only 12.5 per cent of the Company's total income.

2. Risk from brokerage commission fee liberalisation

Securities companies have been utilising a minimum securities commission rate as set by the Stock Exchange of Thailand on 14th January 2002. This eliminated the risk of price cutting in the broking industry. However, the SET postponed the grace period for the minimum commission rate for the next two years until 14th January 2007 and will make regular reviews of the commission fee environment every two years. Once the SET changes the minimum securities commission fee to a liberalised commission rate structure, brokerage firms will experience a decline in profitability, as price-cutting will likely reoccur, as was the situation in 2001. The Company has been preparing to manage the risk related to this in order to strengthen the Company's income base and prepare for the change in the securities environment by the steps outlined below:

- Pursue an effective cost management programme from economies of scale in order to obtain a competitive advantage; and
- Create an even more efficient customer relations system and enhance the Company's customer base in order to diversify to related businesses, such as increasing investment banking and fixed income trading teams.

3. 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 able to be delivered as guaranteed. 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 minimise 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 emphasises client selection based on the specialisation 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.

4. Risks from economic factors

Economic 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 evaluating the impact on the money market and capital market. 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.

5. Risk from depending on key personnel

The Company is concerned that having highly qualified employees is vital in order for the Company to achieve its targets, particularly in the broking business. To accomplish this, a heavy reliance is placed on marketing officers. However, there is a risk that marketing staff may move to another brokerage firm, even though they are required to obtain permission prior to leaving. To cope with this risk, the Company has continuously recruited new staff in order to strengthen our broking, investment banking and fixed income trading. To manage this risk, the Company has set a policy to convince capable staff to remain with the Company on a long-term basis by, for example, setting up a continuous plan to develop human resources, implementing 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 with the aim to maintain key personnel.

6. 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, maintaining a highly efficient IT system will enable the Company to expand its client base with a minimum of cost.

7. 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 at more than 100 per cent. However, it has set additional NCR as a cushion in the event of a possible decrease in the overall capital adequacy level.

8. 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 maximises 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 AS AT 31ST DECEMBER 2004

Name	No. of shares held	Percentage of paid-up capital
1. Thai NVDR Company Limited	28,976,136	3.52
2. National Securities Co., Ltd.	20,946,456	2.55
3. Morgan Stanley & Co International Limited	17,347,556	2.11
4. Somers (U.K.) Limited	10,000,000	1.22
5. Mrs. Nonthaya Apithanothai	8,794,444	1.07
6. Credit Agricole Indosuez Luxembourg	7,880,000	0.96
7. Mr. Vithaya Narathassajun	7,750,011	0.94
8. Mr. Boonlert Viboonlarb	7,740,000	0.94
9. Raffles Nominees (Pte) Limited	7,379,443	0.90
10. Mrs. Pennipa Tuangsithsombat	7,300,033	0.89
11. Other	698,214,122	84.91
Total	822,328,201	100.00

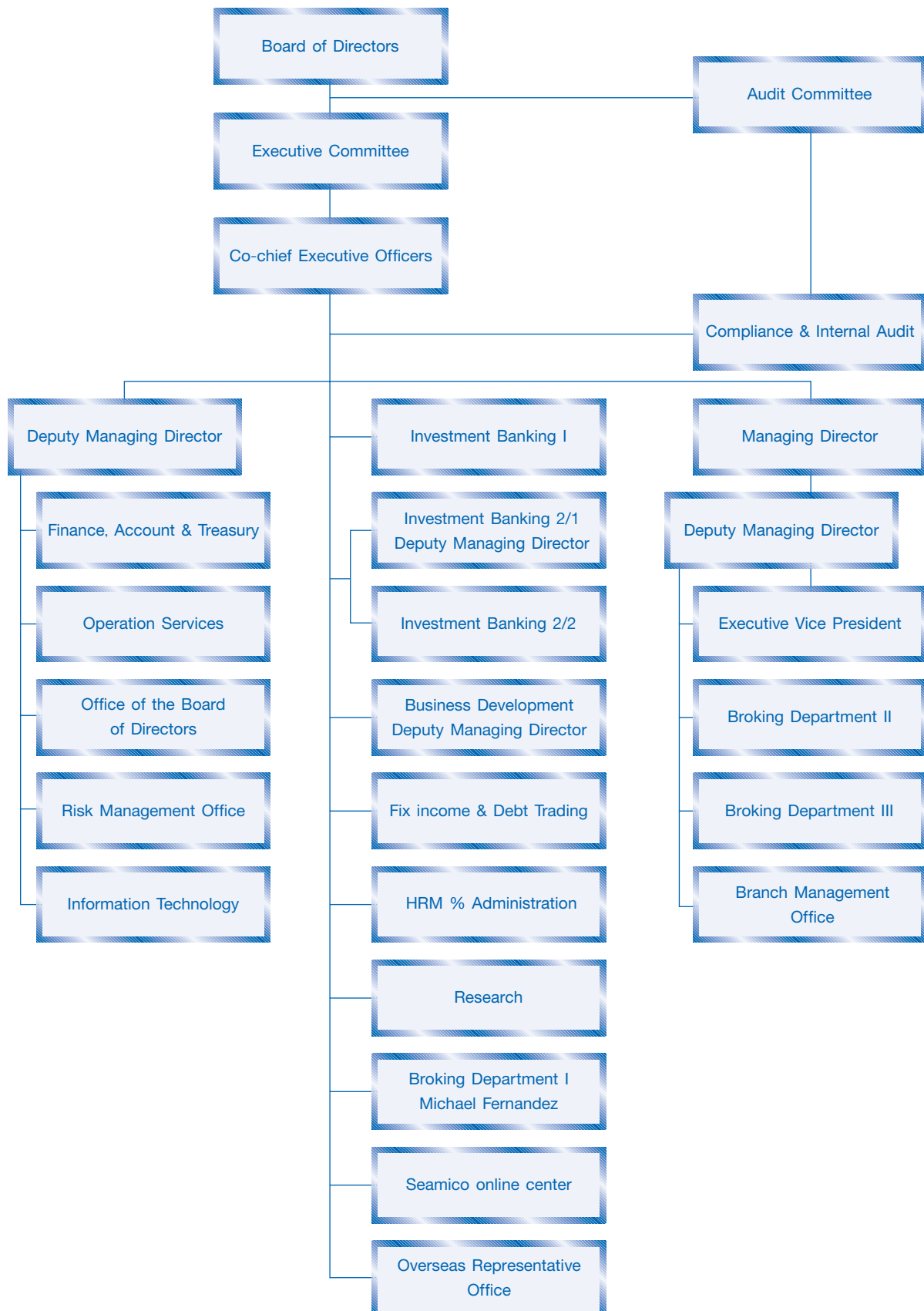
Paid-up capital as at 31st December 2004 totalled Baht 822,328,201.

1.2 MAJOR SHAREHOLDER GROUP

- None -

2. MANAGEMENT

ORGANISATION CHART AS AT 31st DECEMBER 2004



2.1 MANAGEMENT STRUCTURE

2.1.1 COMMITTEES OF THE COMPANY

1. Board of Directors
2. Executive Committee
3. Audit Committee
4. Compensation Committee
5. Remuneration Committee
6. Nominating Committee

2.1.2 COMMITTEE AND RESPONSIBILITIES

1. BOARD OF DIRECTORS

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

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 authorised to carry on 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 authorisation will entitle the grantee to approve transactions, which may cause a conflict of interest between grantee or any related person or interested person.

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

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

- a) The incurring of any indebtedness in excess of Baht 25 million with any person;
- b) The creation of, or agreement or consent to suffer to exist, any mortgage, pledge, lien, security interest, lease (excluding any lease entered into in the normal course of business) or other encumbrance on or with respect to all or any of its business, properties or revenues;
- c) The initiation of any litigation or arbitration which may have a materially adverse effect on the operation, business or assets of the company; and
- d) The release of the obligations or liabilities of any Shareholders of the Company, and the proceeding must be approved by a resolution of the Board of Directors' meeting, or shareholders' meeting if required.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The scope of powers, 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 an authorised 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 authorise any transaction (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. Kenneth K.H. Lam	Chairman of Executive Committee
2.	Mr. Robert W. McMillen	Member
3.	Mr. Reungvit Dusdeesurapot	Member
4.	Mr. Bernard Pouliot	Member
5.	Mr. Chao Arunyawat	Member
6.	Mrs. Duangrat Watanapongchat	Member

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 maximise economic value and shareholders' wealth.
- To monitor the business's performance and operations of the Company according to its bylaws and regulations.
- To authorise 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 the shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

3. AUDIT COMMITTEE

The Board of Directors meeting No. 15/1999 dated 11th November 1999 approved the establishment of the Audit Committee. The Chairman and the members of the Audit Committee will have a term of office of three years. The current Audit Committee is composed of the following three directors.

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

RESPONSIBILITIES

1. To review the sufficiency, credibility and objectivity of financial reporting by co-ordinating with the external auditor and management responsible for preparing the quarterly and yearly financial reports. The audit committee may suggest issues or matters to be included for review or audit by the external auditor during its audit of the company.
2. To review the adequacy and effectiveness of the internal control systems and internal audit functions by co-ordinating with the external auditor and internal auditor.
3. To review compliance with the Securities and Exchange Act, Regulations of the SET and any other relevant laws.
4. To advise on the appointment of the external auditor, including the audit fee by considering the creditability, the adequacy of its resources, the firm's audit engagements and the experience of its supervisory and professional staff.

5. To consider compliance with all connected transaction disclosures or conflict-of-interests disclosures.
6. To take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the Company's management all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.).
7. To report the activities of the audit committee in the Company's annual report, which must be signed by the chairman of the audit committee. The following information should be included in the report:
 - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
 - Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange 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.

4. COMPENSATION COMMITTEE

The Board of Directors meeting No. 1/2001 dated 20th February 2001 approved the establishment of the Compensation Committee. The current Compensation Committee is composed of the following four directors.

1.	Mr. William H.M. Chao	Chairman of Compensation Committee
2.	Mr. Bernard Pouliot	Member
3.	Mr. Kenneth K.H. Lam	Member
4.	Miss Korbsook Iamsuri *	Member

* The appointment was approved by a resolution of the Board of Directors Meeting No. 2/2004 dated 19th April 2004.

RESPONSIBILITIES

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

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

- Directors' Remuneration
- Senior Management Compensation
- ESOP Scheme
- Senior Management Bonuses
- Senior Management Contracts

5. REMUNERATION COMMITTEE

The Board of Directors meeting No. 5/2000 dated 10th May 2000 approved the establishment of the Remuneration Committee, which composed the following three directors:

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

RESPONSIBILITIES

The Remuneration Committee will review the overall remuneration system of Seamico.

6. NOMINATING COMMITTEE

The Board of Directors meeting No. 3/2004 dated 10th May 2004 approved the establishment of the Nominating Committee, which composed the following four directors.

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

RESPONSIBILITIES

Each Board of Directors member can propose a suitable person to the Nominating Committee as a center, and the Nominating Committee will propose to a Board of Directors meeting and/or shareholders' meeting for consideration in accordance with the Company's Articles of Association.

INDEPENDENT DIRECTOR

The Company has four independent directors, as follows:

Name	Other position in the Company
1. Mr. Paron Israsena	Chairman of the Board of Directors
2. Mr. William Hang Man Chao	Chairman of Audit Committee
3. Miss Korbsook Iamsuri	Member of Audit Committee
4. Dr. Sorajak Kasemsuvan	Member of Audit Committee

DEFINITION OF INDEPENDENT DIRECTOR OF THE COMPANY

1. An independent director must not hold a listed company's shares exceeding 5% of the total shares with voting rights.
2. An independent director must not have any relation with a listed company in terms of managing the company or an affiliated company, an associated company, a related company, or a person who may have a conflict of interest such as an auditor or solicitor. Such relations include being an employee or staff member or adviser who receives a regular salary. An 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, to the financial and operation 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 with a transaction value of more than 10 million or 3% of tangible assets.

4. The independent director is to disclose any relationship which may lead to the director failing to be independent.

SELECTION OF THE INDEPENDENT DIRECTOR

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

2.1.3 ATTENDANCE RECORD IN 2004

In 2004 there were six Board of Director meetings, each lasting 2-3 hours. Details of the attendance record are as follows:

	Name	Position	Number Attended
1.	Mr. Paron Israsena	Chairman and Independent Director	6
2.	Mr. James S.W. Wong	Vice Chairman	0
3.	Mr. Robert W. McMillen	Executive Director and Chief Executive Officer	5
4.	Mr. Reungvit Dusdeesurapot	Executive Director and Chief Executive Officer	6
5.	Mr. Chao Arunyawat	Executive Director and Managing Director	6
6.	Mrs. Duangrat Watanapongchat	Executive Director and Deputy Managing Director	6
7.	Mr. Kenneth K.H. Lam	Director	3
8.	Mr. Bernard Pouliot	Director	4
9.	Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee	5
10.	Miss Korbsook Iamsuri	Independent Director and Audit Committee's Member	5
11.	Dr. Sorajak Kasemsuvan	Independent Director and Audit Committee's Member	3

2.1.4 MANAGEMENT AND COMPANY SECRETARY

1.	Mr. Reungvit Dusdeesurapot	Authorised Director and Chief Executive Officer
2.	Mr. Robert W. McMillen	Authorised Director and Chief Executive Officer
3.	Mr. Chao Arunyawat	Authorised Director and Managing Director
4.	Mrs. Duangrat Watanapongchat	Authorised Director and Deputy Managing Director 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 2004

Name-Surname	Mr. Paron Israsena
Position	Chairman and Independent Director
Age	77 Years
Education	<ul style="list-style-type: none"> - Ph.D. Honorary Doctor of Philosophy, Chiang Mai University (1992) - DBA., Honoris Cause, Chulalongkorn University (1986) - Honorary Doctoral, Suranaree University (2002) - SM.ME., Massachusetts Institute of Technology, USA (1954) - B. Eng. ME., Chulalongkorn University (1951) - B. Eng., with Honors, Chulalongkorn University (1950) - Director Accreditation Program (DAP) (2003)
% of Shareholdings	0 %
Experience	
1993 - Present	Chairman and Independent Director, Seamico Securities Plc. / Securities Business
Present	Director and Member of Audit Committee, Siam Cement Plc.
Present	Director and Chairman of Audit Committee, Sammakorn Plc.
Present	Chairboard, Shin Sattelite Plc.
Present	Director and Member of Audit Committee, Padaeng Industry Plc.
Present	Board of Directors, National Competitiveness Development
Present	Board of Directors, Management and Knowledge Development Policy
Present	Board of Directors, National Economic and Social Development
Present	Board of Directors, Thailand Productivity Institute
Present	Director, Thai Red Cross Society
Present	Director, Darunsikhalai of King Mongkut's University of Technology Thonburi

Name-Surname	Dr. James Sai Wing Wong
Position	Vice Chairman
Age	67 Years
Education	Ph.D., Major - Mathematics, California Institute of Technology (1965)
% of Shareholdings	0 %
Experience	
1998 - Present	Vice Chairman, Seamico Securities Plc. / Securities Business
1987 - Present	Chairman, Chinney Investments Limited / Investment Business
Present	Chairman, Hon Kwok Land Investment Co., Ltd.
Present	Chairman, Chinney Alliance Group Ltd.
Present	Chairman, Sun Cheong Holdings Ltd.
Present	Independent Director, Lo's Enviro-Pro Holdings Ltd.
Present	Independent Director, Chun Wo Holdings Ltd.

Name-Surname	Mr. Robert William McMillen
Position	Executive Director and Chief Executive Officer (Authorised)
Age	49 Years
Education	<ul style="list-style-type: none"> - Chartered Accountant, Major - Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major - Accounting, The New South Wales University of Technology (1982)
% of Shareholdings	009%
Experience	
1 June 2000 - Present	Executive Director and Chief Executive Officer (Authorised) Seamico Securities Plc. / Stock Broker and Financial Advisor
2002 - Present	Director, Raimon Land Plc. / Property Business
2002 - Present	Director, Contemporary Property Co., Ltd. / Property Business
2001 - Present	Director, Raimon Land Planner Co., Ltd. / Raimon Land Consultant
2001 - Present	Director, Burda-Rizzoli (Thailand) Co., Ltd. / Publishing Women's Magazine
1 Oct. 2003 - Present	Director (Authorised) and Member of Executive Committee, Brooker Group Plc. / Consultant, Publisher and Advisor
1998 - Present	Chairman and Director, Strategic Property Company Limited / Property Business
Present	Director, Knight Pacific Fund Limited / Fund Management
Present	Director, Quam Fund (SPC) Limited / Fund Management
Present	Director, Orient Select Investments Limited / Fund Management
2003 - 15 Jan. 05	Independent Director and Member of Audit Committee, Eastern Star Real Estate Plc.
8 Aug. - 30 Sep. 2003	Director (Authorised) and Chairman of Executive Committee, Brooker Group Plc. / Consultant, Publisher and Advisor
1998 - 7 Aug. 2003	Director (Non-authorised) and Chairman of Executive Committee, Brooker Group Plc. / Consultant, Publisher and Advisor
1997 - 31 May 2000	Executive Director and Managing Director, Seamico Securities Plc. / Stock Broker and Financial Advisor

Name-Surname	Mr. Reungvit Dusdeesurapot
Position	Executive Director and Chief Executive Officer (Authorised)
Age	46 Years
Education	<ul style="list-style-type: none"> - M.PHIL, Major - Economics, University of Oxford (1984) - B.SC. (HON.), Major - Economics, London School of Economics, University of London (1982) - Director Accreditation Program (DAP) (2003)
% of Shareholdings	0.42%
Experience	
1 June 2000 - Present	Executive Director and Chief Executive Officer (Authorised) Seamico Securities Plc. / Securities Business
2002 - Present	Director, Raimon Land Plc. / Property Business
2002 - Present	Director, Raimon Land Planner Co., Ltd. / Raimon Land Consultant
2002 - Present	Director, Contemporary Property Co., Ltd. / Property Business
1998 - Present	Chairman and Director, Strategic Property Company Limited / Property Business
1997 - Present	Chairman, Syn Mun Kong Insurance Plc. / Insurance Business
2001 - 1 Jan. 2004	Director, Brooker Group Plc. / Consultant Business
2000 - 2001	Chairman, Brooker Group Plc. / Consultant Business
1999 - 2000	Director, Brooker Group Plc. / Consultant Business
1997 - 31 May 2000	Executive Director and Managing Director, Seamico Securities Plc. / Securities Business

Name-Surname	Mr. Chao Arunyawat
Position	Executive Director and Managing Director (Authorised)
Age	52 Years
Education	<ul style="list-style-type: none"> - Master Degree of Financial Management The National Institute of Development Administration (1979) - Director Accreditation Program (DAP) (2003)
% of Shareholdings	0.02%
Experience	
1 June 2000 - Present	Executive Director and Managing Director (Authorised) Seamico Securities Plc. / Securities Business
2001 - 2002	Vice Chairman and Director, Strategic Property Co., Ltd. / Property Business
1995 - 30 May 2001	Executive Vice President, ABN Amro Asia Plc. / Securities Business

Name-Surname	Mrs. Duangrat Watanapongchat
Position	Executive Director and Deputy Managing Director (Authorised)
Age	47 Years
Education	<ul style="list-style-type: none"> - Master Degree of Accounting, Thammasat University (1983) - Directors Certification Program (DCP) (2002)
% of Shareholdings	0.09%
Experience	
25 Apr. 2002 - Present	Executive Director and Deputy Managing Director (Authorised) Seamico Securities Plc. / Securities Business
1 June 2000 - 2002	Deputy Managing Director, Seamico Securities Plc. / Securities Business
1994 - 31 May 2000	Executive Director and Deputy Managing Director Seamico Securities Plc. / Securities Business

Name-Surname	Mr. Kenneth Kin Hing Lam
Position	Director
Age	51 Years
Education	Master Degree, Major - Business Administration Chinese University of Hong Kong (1983)
% of Shareholdings	0 %
Experience	
1998 - Present	Director, Seamico Securities Plc. / Securities Business
2002 - Present	Director, Raimon Land Plc. / Property Business
2000 - Present	Director, Quam Limited and Its Group / Investment Business
Present	Independent Director, Hon Kwok Land Investment Co., Ltd. / Investment Business

Name-Surname	Mr. Bernard Pouliot
Position	Director
Age	53 Years
Education	Bachelor Degree, Major - Commerce, University of Quebec (1974)
% of Shareholdings	0 %
Experience	
1998 - Present	Director, Seamico Securities Plc. / Securities Business
2000 - Present	Chairman, Quam Limited / Investment Business
1994 - Present	Director, Distacom Communication Ltd. / Investment Business
Present	Director, Phoenic Real Estate Co., Ltd.
2002 - 15 Aug. 2003	Director, Brooker Group Plc. / Consultant Business

Name-Surname	Mr. William H.M. Chao
Position	Independent Director and Chairman of Audit Committee
Age	47 Years
Education	Master of Business Administration, Major - Finance / Marketing University of Chicago (1985)
% of Shareholdings	0.07%
Experience	
1998 - Present	Independent Director and Chairman of Audit Committee Seamico Securities Plc. / Securities Business
2000 - Present	Independent Director, Cal-Comp Electronics (Thailand) Plc. / Electronics Business
1998 - Present	Director, Wing Wah Advisory (Thailand) Limited / Consultant
Present	Member of Investment Committee Bangkok Garden Property Fund / Investment Business
Present	Director, City Realty Co., Ltd. / Property Business

Name-Surname	Miss Korbsook Iamsuri
Position	Independent Director and Audit Committee's Member
Age	47 Years
Education	- Master of Business Administration, Major - Finance University of Wisconsin, Madison (1984) - Directors Certification Program (DCP) (2001)
% of Shareholdings	0.02%
Experience	
1 June 2001 - Present	Independent Director and Audit Committee member Seamico Securities Plc. / Securities Business
Present	Director, Kamol Kij Group / Agriculture Business
Present	Director, Black and White Co., Ltd. / Audio Visual Business
15 Aug. 2003 - 2004	Independent Director and Member of Audit Committee Raimon Land Plc. / Property Business

Name-Surname	Dr. Sorajak Kasemsuvan
Position	Independent Director and Audit Committee's Member
Age	50 Years
Education	Ph.D., International Law, London School of Economics and Political Science University of London, U.K. (1987)
% of Shareholdings	0 %
Experience	
2002 - Present	Independent Director and Audit Committee member Seamico Securities Plc. / Securities Business
Mar. 2003 - Mar. 2005	Advisor to the Minister of Foreign Affairs
Present	Senior Vice President for Corporate Communication and International Trade Law Charoen Pokphand Group Co., Ltd. / Investment Business
Present	Director, Kantana Group Plc.
Present	President, Traffic Corner Holdings Plc.
1999 - 2002	Director - General, Mass Communication Organization of Thailand
1999	Dean, Faculty of Law, Assumption University
1996 - 1999	Vice President, Institute of Social and Economic Policy
1996 - 1999	Managing Director, Magna Pictures Co., Ltd.
1996 - 1999	Vice President, Federation of National Film Association of Thailand

Name-Surname	Mr. Somchai Kanjanapetcharat
Position	Deputy Managing Director
Age	49 Years
Education	MBA, The National Institute of Development Administration (1991)
% of Shareholdings	0.04%
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	47 Years
Education	MBA (Finance) University of Detroit (1982)
% of Shareholdings	0.02%
Experience	
2003 - Present	Deputy Managing Director, Seamico Securities Plc. / Securities Business
Present	Non-authorized Director, EMC Plc. / Construction Business
2002 - 2003	Executive Director, Philip Securities (Thailand) Plc. / Securities Business
1999 - 2002	Deputy Managing Director, Philip Securities (Thailand) Plc. / Securities Business
1998 - 1999	Special Manager - Financial Sector Restructuring Authority

Name-Surname	Miss Patarin Tananart
Position	Deputy Managing Director
Age	44 Years
Education	MBA (MIS) University of Texas (1986)
% of Shareholdings	0%
Experience	
1 Dec. 2003 - Present	Deputy Managing Director, Seamico Securities Plc. / Securities Business
2003 - 2003	Managing Director, Siam City Securities Co., Ltd.
1 May 01 - 30 Apr. 03	Executive Director, UOB Kayhian Securities (Thailand) Co., Ltd.

Name-Surname	Mrs. Banchit Chittanusart
Position	Executive Vice President - Finance, Account and Treasury Department
Age	43 Years
Education	Master Degree of Accounting, Thammasat University (1989)
% of Shareholdings	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 2004

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

	Director	Position
1.	Mr. Jeremy Lechemere King	Authorised Director
2.	Mr. Hamish Brush Macpherson	Director
3.	Mr. Chatchaval Eimsiri	Director
4.	Mr. Supakorn Vejjajiva	Director

2.2 DIRECTOR AND MANAGEMENT SELECTION

Each member of the Board of Directors can propose a suitable person to the Nominating Committee as a center, and the Nominating Committee will propose to a Board of Directors meeting and/or shareholders' meeting for consideration in accordance with the Company's Articles of Association.

ARTICLES OF ASSOCIATION OF THE COMPANY REGARDING DIRECTOR SELECTION

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

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

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

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

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

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

2.3 REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2004

2.3.1 Monetary Remuneration

Directors

	Name	Responsibilities	Type of Remuneration	
			Fee	Bonus
1.	Mr. Paron Israsena	Chairman and Independent Director	780,000	3,500,000
2.	Dr. James Sai Wing Wong	Vice Chairman and Director	120,000	100,000
3.	Mr. Robert W. McMillen*	Authorised Director and Member of Executive Committee	0	0
4.	Mr. Reungvit Dusdeesurapot*	Authorised Director and Member of Executive Committee	0	0
5.	Mr. Chao Arunyawat*	Authorised Director and Member of Executive Committee	0	0
6.	Mrs. Duangrat Watanapongchat*	Authorised Director and Member of Executive Committee	0	0
7.	Mr. Kenneth K.H. Lam	Director and Member of Executive Committee	120,000	500,000
8.	Mr. Bernard Pouliot	Director and Member of Executive Committee	120,000	500,000
9.	Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee	240,000	800,000
10.	Miss Korbsook Iamsuri	Independent Director and Member of Audit Committee	240,000	800,000
11.	Dr. Sorajak Kasemsuvan	Independent Director and Member of Audit Committee	240,000	800,000

Note * Four authorised directors of the Company are not entitled to director fees and director bonuses.

Directors (Authorised) and Management totalling 7 persons

Type of Remuneration	Remuneration (Baht)
Salary	26,037,720
Bonus	93,223,000
Total	119,260,720

2.3.2 Other Remuneration

1. ESOP II Warrants

The Extraordinary General Meeting of Shareholders No. 1/2001 held on 15th June 2001 had approved the issuance of 6,600,000 ESOP warrants with 2 a term up to 5 years offered to directors and employees of the Company and its subsidiary. The holders can exercise their warrants at the ratio of 1 warrant for 10 ordinary shares at the price of Baht 1 per share (exercise ratio was adjusted from 1 warrant for 1 ordinary share at the price of Baht 10 per share in accordance with the change of par value from Baht 10 each to Baht 1 each). As at 31st December 2004, 6,534,500 ESOP II Warrants were exercised and remaining 65,500 ESOP II Warrants are unexercised.

Condition of the exercise

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

Other restrictions and features

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

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

If directors or employees:

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

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

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

Allocation of ESOP II Warrants in 2004

Director and Management	Position	Number of ESOP Warrants
1. Mr. Somchai Kanjanapetcharat *	Deputy Managing Director	33,000
2. Mr. Chupong Tanasettakorn **	Deputy Managing Director	30,000
3. Miss Patarin Tananart **	Deputy Managing Director	30,000

Note * Additional allocation

** First allocation

2. ESOP III Warrants

The Extraordinary General Meeting of Shareholders No. 1/2003 held on 16th December 2003 approved the issuance of 14,300,000 ESOP warrants with a term up to 5 years offered to employees who had never been allotted ESOP warrants. The holders can exercise their warrants at the ratio of 1 warrant for 1 ordinary share at the price of Baht 1 per share. As at 31st December 2004, 4,033,261 ESOP III Warrants were exercised and remaining 10,266,739 ESOP III Warrants are unexercised.

Condition of the exercise

- Exercisable amount of 1/3 immediately after receiving necessary approval.
- Exercisable amount of 2/3 after the next 12 months after the issuance.
- Exercisable the remaining after the next 24 months after the issuance.

Other restrictions and features

- For employees joining the Company after an announcement of this capital increase, half at the end of the first year of service, and the remaining at the end of the second year of service.

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

If directors or employees:

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

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

If there are any remaining unallotted ESOP Warrants, the Board of Directors in co-operation with the Remuneration Committee may determine an allocation of remaining warrants to any employee in accordance with the above specified procedures and conditions.

Allocation of ESOP II Warrants in 2004

Management	Position	Number of ESOP Warrants
1. Mrs. Banchit Chittanusart	Executive Vice President Finance, Account and Treasury Department	51,200

THE CHANGE OF SECURITIES HOLDING BY DIRECTORS AND MANAGEMENT

Director / Management	Position	Number of shares held		Change Increase/ (Decrease)
		31 Dec. 03	31 Dec. 04	
Mr. Paron Israsena	Chairman and Independent Director	0	0	0
Mr. James S.W. Wong	Vice Chairman	0	0	0
Mr. Robert W. McMillen	Executive Director and CEO	1,500,000	700,033	(799,967)
Mr. Reungvit Dusdeesurapot	Executive Director and CEO	7,662,020	3,460,039	(4,201,981)
Mr. Chao Arunyawat	Executive Director and MD	2,670,000	125,000	(2,545,000)
Mrs. Duangrat Watanapongchat	Executive Director and DMD	530,000	738,000	208,000
Mr. Kenneth K.H. Lam	Director	0	0	0
Mr. Bernard Pouliot	Director	0	0	0
Mr. William H.M. Chao	Independent Director and Chairman of Audit Committee	500,000	569,444	69,444
Miss Korbsook Iamsuri	Independent Director and Audit Committee's Member	56,320	130,000	73,680
Dr. Sorajak Kasemsuvan	Independent Director and Audit Committee's Member	0	0	0
Mr. Somchai Kanjanapetcharat	Deputy Managing Director	200,000	310,000	110,000
Mr. Chupong Tanasettakorn	Deputy Managing Director	0	125,000	125,000
Miss Pattarin Tananart	Deputy Managing Director	2,000	2,000	0
Mrs. Banchit Chittanusart	Executive Vice President Finance, Account and Treasury Department	0	0	0

2.3.3 PROVIDENT FUND

In 2004, the Company contributed Baht 1,658,322 for the management to the Company's provident fund.

2.4 CORPORATE GOVERNANCE

The Company realises the importance of good corporate governance and compliance with the SET's principles, as follows:

1. Policy on corporate governance

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

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

2. The equitable treatment of shareholders

The Company emphasises the equitable treatment of shareholders, as follows:

- The right to obtain information

All shareholders shall obtain notice and details of meetings together with the Board of Directors' opinion on such matters not less than 7 days prior to the meeting date to ensure that shareholders have timely and sufficient information regarding the issues to be decided at the meeting.

- Voting rights

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

- The right to be treated equally

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

3. The rights of stakeholders

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

3.1 Shareholders

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

3.2 Clients

Customer satisfaction is a major concern of the Company. A code of ethics has been implemented and is regulated by the Compliance Unit. Any claim or suggestion from clients shall be taken into action immediately.

3.3 Employees

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

4. Shareholders' meetings

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

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

The minutes of shareholders' meetings shall be presented to the next meeting to be certified.

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

5. Leadership and vision

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

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

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

6. Conflict of interest

The Company guards against conflicts of interest, as follows:

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

7. Code of ethics

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

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

8. The balance of power for non-executive directors

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

The Composition of the Board of Directors

- Executive Directors 4 persons
- Non-Executive Directors 7 persons

Who are:

- Independent Directors 4 persons
- Outside Directors 3 persons

The Chairman is selected from independent directors.

The Appointment of the Audit Committee

To be as transparent as possible, the Company appointed a specific committee, the Audit Committee, to oversee financial reports, the internal control system and corporate governance to comply with the Company's policy. The Audit Committee shall receive information directly from the Compliance and Internal Audit Department.

9. Aggregation or segregation of positions

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

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

10. Remuneration for directors and management

Directors' Remuneration : Directors' remuneration is aimed at supporting and maintaining qualified directors, and does not exceed the amount approved by shareholders. In addition, the remuneration for the Audit Committee shall be increased as well as the quantity of work.

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

Remuneration as at 31 December 2004 : See details as set out in 2.3 "REMUNERATION FOR MANAGEMENT"

11. Board of Director meetings

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

The Company's secretary will announce the date, time and venue of the meetings and send a notice to all directors in advance.

During Board meetings, directors may raise any additional subject for consideration. Each director may also freely present an opinion. Minutes shall be presented to the Board of Directors to be certified and kept for future reference.

Reports of securities holding in the Company and directors' attendance records have been presented to Board of Director meetings since 2001.

The directors' attendance record for 2004 is set out in 2.1.3.

12. Committees

Various committees have been established such as an Executive Committee, Audit Committee, Compensation Committee, Remuneration Committee and Nominating Committee to assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of the Audit Committee and Compensation Committee is independent directors in order to ensure independence and transparency (details of each committee are set out in 2.1.2).

13. Controlling system and internal audit

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

The Company has established a Compliance and Internal Audit Department. Its main duty is to consider and review the implementation of the Company's policy, financial transactions and compliance to relevant laws and regulations. To be independent of management, the Company's Board of Directors assigned a senior vice president of the Compliance and Internal Audit Department as the secretary of the Audit Committee. In addition, the Compliance and Internal Audit Department will hold meetings to report its findings directly to the Audit Committee without the participation of management.

14. Directors' reporting

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

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

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

15. Investor Relations

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

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

2.5 SUPERVISION ON USING INSIDE INFORMATION

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

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

1. Reference to the Company's organisation, each department is clearly divided in according with its owned 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 and Information Technology.
2. The rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the code and standard practices so as to avoid a probable conflict of interest and can be monitored, which are:-
 - 2.1 According to the Employee Trading Regulation, 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 Reference to the Prohibited Trading in the Company's Securities regulation, the Director, Executive Management Officer and Related Officers are prohibited from buying/selling all Company securities related to 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 on the changes in securities holdings 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 in management and marketing officers marketing officers who have a conflict of interest are to disclose their information prior to soliciting or persuading customers in trading such securities. Also, the Company has to provide a disclaimer in research papers to comply with SEC regulations.
 - 2.4 To monitor the Company, management and related officers subscribe to securities which 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 of 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 the 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 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 subjected to disciplinary sanctions.

2.6 INTERNAL CONTROL

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

In the year 2004, the Audit Committee held 4 meetings with the head of Accounting and Finance department, the Head of Compliance & Internal Audit department, and the Company's auditor to review the quarterly and annual financial statement of 2004 and the disclosure of financial reports and notes to 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.

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

RELATED PARTIES AND CONNECTED TRANSACTIONS

1. Purchase / Sale of goods and/or services

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
1) Quam Securities Co., Ltd. (Formerly named APC Securities Co., Ltd.) A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Share trading value	968.67	788.08	-	- In 2002, fee charge at 0.25 per cent, which is normal rate charged to other customers.	- With market rate or fair value reference to SET's regulation
	- Brokerage fee	2.21	1.76	-	- Actual expense incurred.	
	- Underwriting fee expense	0.31	0.43	-	- Actual expense incurred.	
	- Public relations expense	-	0.03	0.05	- Fee at the rate 0.5-0.75 per cent of the shares issued	- Agreed per the contract
	- Brokerage fee expense	-	0.37	-	- Fee at the rate 1 per cent of the value of shares issued plus related expenses	
	- Financial advisory fee income	0.15	0.14	-	- Fee was determined 0.25 per cent from cash account and 0.21 per cent of volume trade via internet, which is normal rate Charged to other customers.	
2) Quam Securities Nominees (Singapore) Pte. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Share trading value	-	545.95	1,803.68	- Fee was determined 0.25 per cent from cash account and 0.21 per cent of volume trade via internet, which is normal rate Charged to other customers.	
	- Brokerage fee	-	1.18	4.30	- At the rate determined under the contract at 0.40 per cent of the share issued.	
	- Securities business payable	-	25.52	-	- At actual expenses	
	- Other liabilities	-	0.97	0.26		
	- Brokerage fee expense	-	0.97	0.26		
	- Other income	-	-	0.01		

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
3) Syn Mun Kong Insurance Plc. Related by way of common director, Mr. Reungvit Dusdeesurapot, co-CEO and authorised director of Seamico and at the same time a director (non-authorised) of Syn Mun Kong	- Providing financial instrument trading service	-	62.55	-	- Fee in accordance with the contract with reference to the bond dealing market price	
	- Brokerage fee	0.16	0.28	0.25	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	63.02	112.17	101.93	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Gain on sales of financial instrument	-	0.04	-	- At rate agreed by each party	
4) Seamico Knight Fund Management Securities Co., Ltd. (SKFM) A subsidiary of Seamico at present	- Investment in common shares	3.68	6.01	6.40	- Investment portion 51 per cent	
	- Investment in private fund	30.18	126.77	222.11	- Determined under the contract	
	- Securities business payable	0.22	-	1.17		
	- Securities business receivable	-	31.58	-		
	- Other receivable	0.01	0.60	0.02	- Actual value outstanding in account	
	- Investment in private fund managed by subsidiary company	-	35.00	111.19	- At invested value	
	- Share trading value	47.73	748.83	797.55	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Brokerage fee	0.14	1.87	1.99	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Service income	2.68	-	-	- Base on the number of hours and rates of the service personnel	
	- Sales of fixed assets	1.29	-	-	- At the agreed price by reference to the sales price of independent seller	
	- Private Fund management Expense	0.09	1.28	2.75	- At the rate of 1-2 per cent of net asset value of the fund as under the contract	
	- Other income	-	0.06	-	- At rate agreed by each party	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
5) Raimon Land Plc. Related by way of common directors, Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot	<ul style="list-style-type: none"> - Investment in common shares - Investment in warrants - Purchase ordinary shares issuance - Other expenses - Advisory fee income 	95.68 38.39 - - -	140.46 34.47 43.37 0.01 3.15	294.10 10.19 81.25 - 1.77	<ul style="list-style-type: none"> - Investment portion 27.23 per cent - Investment portion 3.40 per cent - At the offering price to other investors - Actual expense incurred - At the rate determined under the contract at 1.5 per cent of the shares issued 	
6) Raimon Land Planner Co., Ltd. Related by way of common directors, Mr. Robert W. McMillen and Mr. Reungvit Dusdeesurapot	<ul style="list-style-type: none"> - Advisory fee income - Sale of office building of a subsidiary company - Sale of property foreclosed (Land) - Sale of investment in Strategic Property Co., Ltd. 	3.29 53.0 7.3 1.65	3.93 - - -	- - - -	<ul style="list-style-type: none"> - At the rate determined under the contract at 2.75 per cent of the shares issued - At the price agreed per the contract based on the appraisal value as appraised by independent valuers - At the price agreed per the contract based on the appraisal value as appraised by independent valuers - Price agreed per the contract 	
7) Knight Asian Investment Ltd. Related by way of common director with Seamico, Mr. Jeremy Lechemere King in the year 2001 to March 2002. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King from June 2002 to present.	<ul style="list-style-type: none"> - Share trading value - Brokerage fee - Securities business receivable - Securities business payable 	83.14 0.30 1.11 0.41	499.49 1.25 - -	241.24 0.60 - 1.27	<ul style="list-style-type: none"> - Brokerage fee charged at 0.25 per cent rate charged to other customers. 	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
8) Knight Thai Strategic Investments Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Advisory fee income	0.20	0.14	-	- Fee at the rate determined under the contract 1 per cent of the share issuance plus related expenses	
9) Knight Asset Management Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Fee and service accounts receivable - Fee and service income	1.69 2.14	7.98 13.02	10.84 10.21	- At the rate agreed by the contract	
10) 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	
11) Knight Asset (Thailand) Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Accrued expenses - Other assets - Fee and service income - Purchase of fixed assets - Personnel expenses - Other expenses	0.02 0.06 - 1.94 1.27 2.83	- 0.03 0.42 - - -	- - 0.01 - - -	- At the rate agreed by the contract - At the rate agreed by the contract - Actual expense incurred - Actual expense incurred - Actual expense incurred	
12) 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	- -	- -	2.18 2.21	- At the rate agreed by each party	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
13) Knight Pacific Fund Co., Ltd. Related by way of common director with Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) Mr. Jeremy Lechemere King	- Securities business payable - Share trading value - Brokerage fee	- - -	- - -	3.94 340.89 0.85	- Brokerage fee charged at 0.25 per cent rate charged to other customers.	
14) Ticon Industrial Connection Plc. Related by way of common director. Mr. Chatchaval Jiaravanon	- Advisory fee income - Underwriting fee	2.57 0.83	- -	- -	- At the rate determined under the contract Baht 3 million - Fee charge at the rate of 2 per cent of the value of underwriting share.	- Mr. Chatchaval Jiaravanon resigned from Seamico on 12 th July 2002.
15) United Broadcasting Corporation Related by way of common director. Mr. Chatchaval Jiaravanon	- Advisory fee income	0.61	-	-	- At the rate determined under the contract Baht 1 million per year	- Mr. Chatchaval Jiaravanon resigned from Seamico on 12 th July 2002.
16) Charoen Pokphand Group Co., Ltd. Related by way of common Director, Dr. Sorajak Kasemsuvan	- Advisory fee income	-	-	1.13	- At the rate agreed by each party	
17) Newer Challenge Holding Limited Related by way of common Director, Mr. Kenneth K.H. Lam	- Advisory fee income	0.20	-	-	- Fee at the rate determined under the contract 2 per cent	
18) Well Foundation Co., Ltd. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Sale of investment in Raimon Land Plc.	13.59	-	-	- At the rate Baht 2.61 per share agreed per the contract	
19) Mr. Nigel John Cornick A director of Raimon Land, Seamico's associated company	- Sale of investment in Raimon Land Plc.	5.23	-	-	- At the rate of Baht 2.61 per share agreed per the contract	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
20) Mr. Chatchaval Jiaravanon, a Director who resigned from Seamico on 12th July 2002.	- Brokerage fee	0.47	-	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	196.57	-	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
21) Mr. Reungvit Dusdeesurapot Director	- Brokerage fee	0.08	0.13	0.15	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	32.38	50.95	60.31	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
22) Mr. Robert W. McMillen Director	- Brokerage fee	0.08	0.07	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	31.13	29.25	7.15	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
23) Mr. Chao Arunyawat Director	- Brokerage fee	0.03	0.04	0.04	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	11.40	14.91	14.27	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Securities business payable	-	2.93	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
24) Miss Korbsook Iamsuri Director	- Brokerage fee	-	0.02	0.01	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	0.29	6.14	4.26	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Securities business payable	-	0.20	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
25) Mrs. Duangrat Watanapongchat Director	- Securities business receivable	-	0.37	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Brokerage fee	0.02	0.09	0.06	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	6.17	36.34	22.46	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
26) Mr. William Hang Man Chao Director	- Securities business receivable	-	0.89	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Securities business payable	-	-	0.53	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Brokerage Fee	-	0.05	0.13	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
27) Mr. Bernard Pouliot Director	- Share trading value	-	23.42	50.80	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Securities business payable	-	0.09	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	0.23	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Other payable	-	-	0.06	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
28) Dr. James Sai Wing Wong Director	- Other payable	-	-	0.31		
29) Mr. Lam Kim Hing Kenneth Director	- Other payable	-	-	0.49		
30) Mr. Somchai Kanjanapecharat Deputy Managing Director	- Brokerage Fee	-	-	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	-	6.34		
31) Ms. Pattarin Thananat Deputy Managing Director	- Brokerage Fee	-	-	0.03	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	-	12.18		
32) Mr. Panudech Boonsong Mrs. Duangrat Watanapongchat's brother	- Securities business payable	-	-	0.52		
	- Brokerage Fee	-	-	0.07	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
33) Mr. Decha Watanapongchat Mrs. Duangrat Watanapongchat's spouse	- Share trading value	-	-	26.58		
	- Brokerage Fee	-	-	0.0006	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
34) Ms. Jarupa Arunyawat Mr. Chao Arunyawat's spouse	- Share trading value	-	-	0.25		
	- Brokerage fee	-	-	0.02	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
35) Ms. Samorntip Arunyawat Mr. Chao Arunyawat's sister	- Share trading value	-	-	6.77		
	- Brokerage fee	-	-	0.01	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers.	
	- Share trading value	-	-	4.58		

2. Purchase / Sale assets and investment

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
1) Strategic Property Co., Ltd. Previous wholly-owned subsidiary of Seamico	- Purchase assets (vehicle) - Interest income	0.27 0.47	- -	- -	- At the agreed price by reference to the sales price of the independent seller	
2) Wing Wah Advisory (Thailand) Limited Related by way of common director. Mr. William H.M. Chao	- Purchase of fixed assets	-	0.05	-	- At the rate agreed by each party whereby the Company does not lose any interest	
3) Brooker Group Plc. Seamico's associated company	- Investment in common share	-	8.33	-	- The Company purchased the additional 20.3 per cent common shares of the Brooker Group Plc. in February 2003, at the offering price to other investors. Since November 2003, Brooker Group Plc. was not Seamico's associated company	- This is regarded as a connected transaction and was approved by the Company board of Directors on 15 th November 2000.
	- Investment in ordinary shares (provision for loss)	(1.72)	58.59	24.46	- Investment portion 10.23 per cent	
	- Accrued expense	-	0.03	-		
	- Other account payable	0.07	-	0.46	- At the rate determined under the contract 30 per cent	
	- Prepaid expense	0.13	0.09	0.09	- As agree on invoice	
	- Fee for financial market news	0.47	0.58	0.49	- As agree on invoice	
	- Brokerage fee expense	0.07	1.29	0.46	- At the rate determined under the contract 30 per cent of fee income	
	- Brokerage fee	-	0.08	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers	
	- Share trading value	-	30.38	-	- Brokerage fee of 0.25 per cent, which is normal rate charged to other customers	
	- Financial advisory fee income	-	1.27	-	- At the rate determined under the contract of 2 per cent of the placement value and Baht 250,000 per year plus related expenses.	
	- Other expense	-	0.54	0.14	- At rate agreed by each party	

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
4) Burda (Thailand) Ltd. Related by way of common director, Mr. Robert W. McMillen	- Investment in preferred shares	2.55	2.55	2.55	- The Company invested in BURDA-Rizzoli (Thailand) Ltd. representing 33.8 per cent of the total shares in September 2000 but only 9 per cent of the total voting rights. From the year 2001 increased its holding to 51 per cent but only 17 per cent of the total voting rights	- This is regarded as a connected transaction and was approved by the Company's board of directors on 22 nd September 2000.
	- Advisory fee income	0.23	0.23	0.23	- As agreed in the contract (Baht 0.23 million per annum)	
	- Accrued advisory fee	0.12	0.12	0.12		

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
<p><u>Transaction between Seamico's subsidiary and related companies</u></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>	<ul style="list-style-type: none"> - Borrowing 5 years - Accrued interest payable - Interest expense from borrowing 	-	<ul style="list-style-type: none"> 2.50 0.10 0.10 	<ul style="list-style-type: none"> 2.50 0.15 0.11 	<ul style="list-style-type: none"> - At the rate determined under the contract, interest charged 5 per cent per annum 	<p>This transaction is loan of Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) The lenders have 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>	<ul style="list-style-type: none"> - Borrowing 5 years - Accrued interest payable - Interest expense from borrowing 	-	<ul style="list-style-type: none"> 2.50 0.05 0.05 	<ul style="list-style-type: none"> 2.50 0.04 0.15 	<ul style="list-style-type: none"> - At the rate determined under the contract, interest charged 5 per cent per annum 	<p>This transaction is loan of Seamico's subsidiary company (Seamico Knight Fund Management Securities Co., Ltd.) The lenders have the right to convert the loan to a maximum of 250,000 ordinary shares.</p>
<p>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</p>	<ul style="list-style-type: none"> - Securities business receivable - Credit balance - Accrued interest payable - Interest income - Interest expense 	-	-	<ul style="list-style-type: none"> 77.70 0.03 1.05 0.04 	<ul style="list-style-type: none"> - Interest charged at the rate of 4.00 percent per annum - Interest charged at the rate of 0.25 percent per annum 	

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
1) Quam Capital (Holdings) Ltd. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	<ul style="list-style-type: none"> - Agreement to provide advisory services - Annual advisory fee 	24.71	14.12	14.12	<ul style="list-style-type: none"> - Fee in accordance with the contract Baht 2 million per month before related tax. Since October 2002, the fee charged reduced to Baht 1 million per month before related tax 	<ul style="list-style-type: none"> - The purpose of the Transaction is for the Company to improve quality of its human resources and obtain technical support and improve its international product marketing.
2) Quam Securities Co., Ltd. A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	<ul style="list-style-type: none"> - Agreement to provide registration service and monitoring of securities companies - Annual expense 	3.12	3.02	2.92	<ul style="list-style-type: none"> - Fee in accordance with the contract HKD47,000 per month. 	<ul style="list-style-type: none"> - The transaction is determined as market or fair value. It also provide the company with assistance in relation to compliance function, including company registry and business registration compliance, tax compliance and inland revenue correspondence, employer/employee compliance issues and bank account opening and correspondence.

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2002	2003	2004		
3) Quam (H.K) Limited A company under Quam Group (Formerly named APC Group) Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	1) Fee for financial market news - Annual fee	1.04	0.98	-	- Fee in accordance with the contract in 2002, Fee charged USD 22,400 per month - Since August 2003, fee charged HKD 60,000 per month	

Audit Committee's opinion in regard to related parties and connected transaction as of 31st December 2004

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

Policy and Related Parties and Connected Transactions in the Future

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall operating results in the year 2004 ended 31st December 2004

Seamico Securities recorded a net consolidated profit for 2004 of Baht 503.34 million, a decrease of 31 per cent from Baht 730.22 million recorded in 2003. In 2004, the Company had market share 5.96 per cent and a trading volume ranked 3rd among the 36 securities firms operating in Thailand.

MAJOR ACHIEVEMENTS WHICH AFFECTED THE RESULTS IN 2004

In the first quarter of 2004, the SET performed strongly with a daily average market volume of Baht 28.4 billion. This resulted to certain extent from the strong performances of listed companies, which posted continued earnings growth. However, in the remaining nine months of 2004, the stock market declined with a daily average market volume of only Baht 17.8 billion, or a decrease of 37 per cent from the same period in 2003. The major factors behind the decline of the SET's decline in the nine-month period of 2004 were as follows:

- Prolonged fluctuations of oil prices;
- A rise in US interest rates;
- The move by the Chinese government to slow its economy;
- Fear of bird flu re-emerging regionally; and
- Concern over unrest in the South of the country.

The Securities Industry and the Thai Market

- The SET index fell by 13.5 per cent in 2004, or from 772.15 points at the end of 2003 to 668.10 points.
- The combined market capitalisation of the SET and MAI decreased from Baht 4,803.55 billion in 2003 to Baht 4,533.60 billion in 2004, or a decrease of 5.6 per cent.
- The overall average daily volume of the market increased from Baht 18.9 billion in 2003 to Baht 20.5 billion in 2004, or an increase of 8.5 per cent.
- The decision by the SET and SEC to fix commission rates at 0.25 per cent commencing on 14th January 2002 was positive for the entire securities industry. The fixed rate will be in effect until 14th January 2007 and reconsidered every two years.

However:

- There were 36 broker members in 2004, and the number will increase to 37 or 38 in the coming year. This will give rise to stronger competition in the sector, especially with a possible transferring of marketing officers and major customers on concern over benefits.
- The government's privatisation programme did not meet expectations.

Expanded customer base

- The Company managed to maintain its top-three market position in terms of daily average volume with a market share of 5.96 per cent.
- In 2004, our total number of brokerage trading accounts increased by 29 per cent, and online trading accounts operating under www.seamico.com rose by 47 per cent.

Corporate and Investment activity

- The Company's interest in Raimon Land Plc increased from 25 per cent to 27 per cent at the end of 2004.
- We increased investment in a private fund managed by our subsidiary, Seamico Knight Fund Management Securities Co Ltd, from Baht 65 million to Baht 176 million.
- Seamico Knight Fund Management Securities Co Ltd also performed well in 2004, increasing its funds under management by 19 per cent from 2003.

We continue to win International Awards

In 2004, Seamico won the following:

- "The Best Local Broker Award" in Finance Asia's regional survey (for the fourth consecutive year).
- "The Best Under A Billion", Forbes Global's 100 best small companies for the Asia/Pacific in 2004.
- "Triple A Best Equity House Thailand" from Asset Magazine.
- Ranked on top in terms of best corporate governance according to the "Strengthening Corporate Governance Practices in Thailand 2002" of the Thai Institute of Directors. The project is supported by the SET and SEC.

Our Balance Sheet Strengthened

- Shareholders' equity increased from Baht 2,165.9 million at 31st December 2003 to Baht 3,067.8 million at 31st December 2004.
- Our Net Capital Ratio (NCR) at the end of December 2004 was 270 per cent (well above the SEC's requirement of 7 per cent).
- We remain free of external debt.

2. Operating Results

(1) Securities Business Income

1.1) Brokerage Fee

In 2004, the Company's trading volume decreased by 11 per cent from the previous year, which caused our brokerage income to decrease by Baht 182 million. However, the Company was successful in expanding the client base by 29 per cent.

1.2) Fee and Service Income

The Company earned fee and service income in 2004 of Baht 178 million, which decreased from Baht 128 million 2003. Fee and service income comprised Underwriting Fees of Baht 72 million, Advisory Fees of Baht 85 million and Private Management Fees of Baht 17 million. In 2004, we increased investment banking and underwriting activity with 76 financial advisory clients and 36 underwriting clients.

1.3) Interest on Margin Loans

The amount of margin loans decreased by 22 per cent from 2003, which resulted in a decrease in net interest income by Baht 2.8 million or by 10 per cent from 2003. As well as, the Company earned commission income of Baht 93.7 million in 2004.

1.4) Gain on Trading in Securities

In 2004, the Company realised a gain on securities trading of Baht 17.9 million, or a decrease of Baht 75.9 million, or 81 per cent, from 2003, which was generated by the following:

● Thai Packaging and Printing Plc	Baht 6.0 Million
● Bangkok Land Plc	Baht 3.9 Million
● Debt instruments, etc. Promissory notes, Government bonds	Baht 11.9 Million

(2) Securities Business Expense

2.1) Interest on Borrowing

Interest from borrowing totalled Baht 7.8 million, Baht 1.8 million of which arose from normal day-to-day cash management to help maximise the use of the Company's resources. The remaining Baht 6 million was interest paid for cash deposits from customers.

2.2) Fee and Service Expense

Fee and service expense amounted to Baht 60 million in 2004, which comprised the following:

- Fee and service expense for an underwriting licence of Baht 20 million and a private fund licence of Baht 0.3 million, or 34 per cent of the total expense.
- Fees paid to the Stock Exchange of Thailand that were variable according to trading volume, or accounting for 50 per cent of the total expense.
- Fees paid incurred from the advisory and underwriting activity and other, or 16 of the total expense.

(3) Operating Expense

- Most operating expenses were for personnel and premises and equipment, which accounted for 74 per cent and 12 per cent of total operating expense, respectively. However, these expenses were semi-variable in line with the Company's income.
- Other significant operating expenses

- Information Technology and communication expense, accounting for 4 per cent of the total expense.
- Advisory expense, accounting for 2 per cent.

(4) Profit Margin

The gross profit margin for 2004 was 96 per cent, which was 2 per cent higher than in 2003. The net profit margin in 2004 decreased from 34 per cent in 2003 to 27 per cent as the percentage of operating expense in 2004 was higher than the previous year. In 2004, the increase in premise and equipment expense was due to office renovation, new branches and an increase in communications expense such as computer equipment and software improvements in order to support Internet trading. In addition, corporate income tax increased from 7.4 per cent to 8.8 per cent as a loss carried forward was fully utilised in 2003.

(5) Return on Equity

The return on equity ratio in 2004 was 18 per cent compared with 45 per cent in 2003.

3. Operating Results Compared to Budget

-Not Applicable-

Financial Position

1. Assets

1.1 Combination of Assets

As at 31st December 2004, the Company maintained total assets of Baht 3,993 million, 92 per cent of which was liquid assets, 4 per cent fixed assets and another 4 per cent other assets.

Assets which had a major change were as follows:

- Securities Business Receivable

The securities business receivable as at 31st December 2004 was Baht 1,332 million, or a decrease of 68 per cent from 31st December 2003. The decline occurred as the Company's trading volume at the end of 2004 was much lower than at the end of 2003. (Average daily trading volume at the end of 2004 was Baht 859 million compared with Baht 7,380 million at the end of 2003). However, most receivables were cash accounts due within three days after the trading date.

- Investment in Associated Company

The amount of investment in the Company's associated company at the end of 2004 increased from 2003 by Baht 153 million due to an additional investment in Raimon Land Plc of Baht 81 million and the realisation of shared profits from the investment accounted for under the equity method of Baht 72 million.

- Investment in Securities
During 2004, the Company increased investment in listed securities, debt securities and private funds totalling Baht 308 million, which as at 31st December 2004 decreased by 10 per cent from 2003. The proportion of short-term investments and long-term investments as at 31st December 2004 was 60:40.
- Cash and Cash Equivalent
Cash and cash equivalent as at 31st December 2004 was Baht 1,210 million, or an increase of Baht 477 million or 65 per cent from 2003.

1.2 Quality of Assets

In the Financial Statement, the Company recorded an impairment of assets according to accounting standards. The major assets can be summarized, as follows:

- Investment
As at 31st December 2004, the Company had total investments of Baht 654 million (original cost Baht 753 million), or 16 per cent of total assets. Investments comprised 43 per cent in listed securities and 23 per cent in debt instruments available or accepted by banks and 34 per cent through private funds.
- Securities Business Receivable and Accrued Interest Receivable
The Company maintained a total securities receivable and accrued interest receivable as at 31st December 2004 of Baht 1,332 million. In 2004, the Company wrote off securities business receivables arising during the 1997-1998 financial crisis, which mainly comprised credit balance receivables under the old system (margin loans) from the balance sheet together with a related allowance for doubtful accounts of Baht 257 million. As a result, the allowance for doubtful accounts at the end of 2004 decreased from 2003 by Baht 256 million. However, the Company continues to follow up debt written off.
The Company's policy is to closely monitor all securities receivables and will engage in negotiations in the first step if a client fails to settle a transaction. If any receivable cannot be negotiated or if a debtor refuses to settle their debt, legal steps will be taken.
As at 31st December 2004, the amount of Baht 0.6 million was in the legal process and Baht 261 million was awarded as judgements.

2. Liquidity

2.1 Cash Flow

Cash and cash equivalent as at 31st December 2004 totalled Baht 1,210 million, or an increase from 2003 by Baht 477 million. The ratios of cash-in flow and cash-out flow from various activities are shown in the following table:

From	Baht Millions
Cash from Operating Activities	226
Cash used in Investing Activities	(294)
Cash from Financing Activities	545
Net increase from Cash and Cash Equivalent	477

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

- **Operating Activities**

The investment in bills of exchange and promissory notes, aval or accepted by banks as at 31st December 2004 totalled Baht 153 million. These were short-term investments bought and sold. The longest investment term was not more than three months.

- **Investing Activities**

The Company increased its investment in Raimon Land Plc by Baht 81 million. Since Raimon Land was ordered to exit the rehabilitation process by the Central Bankruptcy Court in 2003, Raimon made a successful recovery. In 2004, Seamico realised shared profits from Raimon that were recorded under the equity method of Baht 72 million.

The Company invested in office equipment, vehicles, office renovations and in opening new branches to support additional revenue generated during 2004 of roughly Baht 115 million.

The investment in the private fund managed by Seamico Knight Fund Management Securities Co Ltd also increased by Baht 100 million. As at 31st December 2004, total funds were Baht 176 million and the NAV of the fund was Baht 222 million.

2.2 Significant Liquidity Ratios

The Company had very high liquidity with respect to significant liquidity ratios as at 31st December 2004 compared with 31st December 2003, as seen in the table below:

	2004	2003
Liquid Assets to Total Assets Ratio (%)	46	19
Net Liquid Capital Ratio (NCR) (%)	270	46

Furthermore, during 2004, the Company used an overdraft line for cash management purposes only. As at 31st December 2004, 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

In 2004, the Company maintained major investments, as follows:

Expenses on Underwriting Licence

In order to expand the Company's business operations, it requested an underwriting licence, which was granted on 18th April 2000. According to the terms of this licence, the Company has an obligation to pay a licence fee of Baht 100 million to be divided into equal annual installments of Baht 20 million per year over not more than five years. The Company completed the installment payments in 2004.

Due to efforts by the SET and MAI to persuade over-the-counter companies to list on the SET or MAI, the number of new listed companies increased in 2004. In 2004, the Company had underwriting fee income of Baht 72 million, which indicates that underwriting activity was more active, and this is expected to continue.

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 2004, the Company registered an increase in share capital by the issuance of 100 million new ordinary shares at a par value of Baht 1 at a price of Baht 8 per share and the exercise of warrants by shareholders and employees with a total increase in capital in 2004 of Baht 805 million.

4.2 Adequacy of Capital Structure

The debt to equity ratio as at 31st December 2004 was 0.30 times, which is lower than the ratio as at 31st December 2003 of 1.85 times. This was due to a decrease in the amount of securities accounts payable from 2003 resulting from a decline in trading volume at the end of 2004 compared with 2003.

4.3 Shareholders' equity

As at 31st December 2004, shareholders' equity totalled Baht 3,068 million, an increase of Baht 902 million, or 42 per cent, from 31st December 2003. This occurred as a result of a net profit in 2004 of Baht 503 million, a capital increase of Baht 805 million, a dividend paid of Baht 261 million and a decrease in the value of investments of Baht 145 million.

4.4 Liabilities

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

SEAMICO
SECURITIES

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANY
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2004 AND 2003**

Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheets of Seamico Securities Public Company Limited and its subsidiary company as at 31 December 2004 and 2003, the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Seamico Securities Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seamico Securities Public Company Limited and its subsidiary company and of Seamico Securities Public Company Limited as at 31 December 2004 and 2003 and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok : 21 January 2005

BALANCE SHEETS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

AS AT 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
ASSETS					
Cash and cash equivalents	4	1,210,480,036	733,012,426	1,207,109,519	726,450,650
Investments in debt and equity securities	5				
Short-term investments - Net		395,352,694	296,019,156	395,352,694	296,019,156
Long-term investments - Net		259,055,234	197,842,855	259,055,234	197,842,855
Net investments		654,407,928	493,862,011	654,407,928	493,862,011
Investments in subsidiary and associated companies	6	294,099,816	140,457,326	300,499,226	146,463,644
Trading transactions with securities companies		190,958,545	434,787,848	190,958,545	434,787,848
Securities business receivable and accrued interest receivable	7				
Securities business receivable		1,335,733,049	4,369,009,234	1,335,733,049	4,369,009,234
Accrued interest receivable		2,622,814	14,617,151	2,622,814	14,617,151
Total securities business receivable and accrued interest receivable		1,338,355,863	4,383,626,385	1,338,355,863	4,383,626,385
Less : Allowance for doubtful accounts	8	(6,792,915)	(262,689,928)	(6,792,915)	(262,689,928)
Net securities business receivable and accrued interest receivable		1,331,562,948	4,120,936,457	1,331,562,948	4,120,936,457
Building improvements and equipment - net	9	180,617,729	119,667,546	178,103,769	117,961,242
Intangible assets - net	10	11,917,785	35,005,410	11,471,542	34,454,119
Property foreclosed - net	11	44,705,744	38,570,751	44,705,744	38,570,751
Deposits		29,012,516	23,936,593	28,505,809	23,490,634
Other assets	12	45,565,104	28,469,518	31,179,668	17,274,863
TOTAL ASSETS		3,993,328,151	6,168,705,886	3,978,504,698	6,154,252,219

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

BALANCE SHEETS (Continued)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

AS AT 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Convertible borrowings	13	5,000,000	5,000,000	-	-
Trading transactions with securities companies		-	432,465,551	-	432,465,551
Securities business payables		666,939,096	2,913,754,017	666,939,096	2,913,754,017
Accrued expenses		168,100,991	444,279,264	166,036,480	441,903,399
Corporate income tax payable		50,633,966	149,625,633	50,633,966	149,625,633
Other liabilities		34,831,211	57,653,541	33,829,036	57,185,308
TOTAL LIABILITIES		925,505,264	4,002,778,006	917,438,578	3,994,933,908
SHAREHOLDERS' EQUITY					
Share capital	14				
Registered					
1,037,157,550 ordinary shares of Baht 1 each		1,037,157,550	1,037,157,550	1,037,157,550	1,037,157,550
Issued and fully paid-up					
822,328,201 ordinary shares of Baht 1 each					
(2003 : 715,394,040 ordinary shares of Baht 1 each)		822,328,201	715,394,040	822,328,201	715,394,040
Premium on share capital		1,105,100,602	405,935,334	1,105,100,602	405,935,334
Share subscriptions received in advance	15	184,100	1,060,000	184,100	1,060,000
Revaluation surplus (deficit) in investments	5.6	(48,180,909)	97,509,550	(48,180,909)	97,509,550
Retained earnings					
Appropriated - Statutory reserve	16	103,715,755	48,553,465	103,715,755	48,553,465
Unappropriated		1,077,918,371	890,865,922	1,077,918,371	890,865,922
Equity attributable to Company's shareholders		3,061,066,120	2,159,318,311	3,061,066,120	2,159,318,311
Minority interest - equity attributable to minority shareholders of subsidiary		6,756,767	6,609,569	-	-
TOTAL SHAREHOLDERS' EQUITY		3,067,822,887	2,165,927,880	3,061,066,120	2,159,318,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,993,328,151	6,168,705,886	3,978,504,698	6,154,252,219

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

EARNINGS STATEMENTS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
INCOME					
Brokerage fees		1,498,505,182	1,681,152,713	1,498,505,182	1,681,152,713
Fees and service income	18	177,812,784	306,021,723	161,277,055	287,187,291
Gains on trading in securities		17,888,015	93,794,404	17,888,015	93,794,404
Interest and dividend		25,508,874	10,363,518	25,508,874	10,363,518
Interest on margin loans		28,819,244	30,327,910	28,819,244	30,327,910
Share of profit of subsidiary and associated companies		72,391,632	-	72,784,724	2,323,786
Other income		11,814,862	11,834,294	11,814,862	11,894,294
Total income		1,832,740,593	2,133,494,562	1,816,597,956	2,117,043,916
EXPENSES					
Expenses on borrowings		7,788,168	6,526,707	7,536,561	6,374,343
Fees and service expenses	19	60,053,744	111,739,533	62,417,810	112,527,366
Bad debt and doubtful accounts		730,822	2,115,475	730,822	2,115,475
Share of loss of associated company		-	4,008,132	-	4,008,132
Operating expenses					
Personnel expenses		815,717,910	887,974,766	808,118,227	880,730,830
Premises and equipment expenses		127,577,589	106,924,208	124,947,648	104,510,008
Taxes and duties		3,550,462	2,329,796	3,550,462	2,329,796
Directors' remuneration	20	9,760,000	5,640,000	8,860,000	4,560,000
Other expenses	21	142,388,396	115,178,468	135,410,122	110,833,297
Total operating expenses		1,098,994,357	1,118,047,238	1,080,886,459	1,102,963,931
Total expenses		1,167,567,091	1,242,437,085	1,151,571,652	1,227,989,247
EARNINGS BEFORE INCOME TAX AND					
MINORITY INTEREST		665,173,502	891,057,477	665,026,304	889,054,669
CORPORATE INCOME TAX	22	(161,681,818)	(158,831,946)	(161,681,818)	(158,831,946)
EARNINGS BEFORE MINORITY INTEREST		503,491,684	732,225,531	503,344,486	730,222,723
MINORITY INTEREST IN NET PROFIT OF					
A SUBSIDIARY COMPANY		(147,198)	(2,002,808)	-	-
NET EARNINGS FOR THE YEAR		503,344,486	730,222,723	503,344,486	730,222,723
EARNINGS PER SHARE					
	25				
Basic earnings per share		0.62	1.05	0.62	1.05
Diluted earnings per share		0.59	1.04	0.59	1.04

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

STATEMENTS OF CASH FLOWS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
Cash flows from operating activities				
Net earnings	503,344,486	730,222,723	503,344,486	730,222,723
Adjustments to reconcile net earnings to net cash provided by (paid for) operating activities				
Shares of loss (gain) of subsidiary and associated companies	(72,391,632)	4,008,132	(72,784,724)	1,684,346
Net gain of minority interest	147,198	2,002,808	-	-
Gain on disposal of investments in associated company	-	(8,014,745)	-	(8,014,745)
Depreciation and amortisation	79,589,474	71,127,368	78,833,904	70,577,375
Bad debt and doubtful accounts	730,822	2,115,475	730,822	2,115,475
Loss (gain) on disposal of investments in private fund	196,538	(67,963,279)	196,538	(67,963,279)
Unrealised loss on revaluation of investments in securities	4,095,289	10,881,089	4,095,289	10,881,089
Reversal of loss on impairment of investments in securities	(3,131,851)	(3,308,497)	(3,131,851)	(3,308,497)
Reversal of provision for impairment of property foreclosed	(6,134,993)	-	(6,134,993)	-
Gain from disposal of fixed assets	(1,899,281)	(1,863,896)	(1,905,752)	(1,863,896)
Earnings from operating activities before changes in operating assets and liabilities	504,546,050	739,207,178	503,243,719	734,330,591
Decrease (increase) in operating assets				
Long-term deposits with financial institutions	-	87,000	-	87,000
Short-term investments	(210,528,203)	(100,295,272)	(210,528,203)	(100,295,272)
Trading transactions with securities companies	243,829,303	(432,677,592)	243,829,303	(432,677,592)
Securities business receivable and accrued interest receivable	2,788,642,687	(3,401,588,068)	2,788,642,687	(3,401,588,068)
Deposits	(5,075,923)	(2,168,452)	(5,015,175)	(2,168,452)
Other assets	(17,930,318)	(9,250,189)	(14,739,537)	(853,500)
Increase (decrease) in operating liabilities				
Trading transactions with securities companies	(432,465,551)	357,278,035	(432,465,551)	357,278,035
Securities business payables	(2,246,814,921)	2,740,714,738	(2,246,814,921)	2,740,714,738
Accrued expenses	(276,178,273)	329,603,586	(275,866,919)	327,825,181
Corporate income tax payable	(98,991,667)	149,625,633	(98,991,667)	149,625,633
Other liabilities	(22,822,330)	47,985,800	(23,356,272)	47,629,823
Net cash flows from operating activities	226,210,854	418,522,397	227,937,464	419,908,117

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

STATEMENTS OF CASH FLOWS (Continued)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
Cash flows from investing activities				
Cash paid for purchase of investments in an associated company	(81,250,857)	(8,326,080)	(81,250,857)	(8,326,080)
Cash received from sale of investments in an associated company	-	8,428,600	-	8,428,600
Cash paid for purchase of long-term investments	(96,868,149)	(58,891,956)	(96,868,149)	(58,891,956)
Cash paid for purchase of equipment	(115,313,927)	(36,290,451)	(113,892,441)	(36,103,822)
Cash received from disposal of equipment	2,084,454	2,143,115	2,082,117	2,143,115
Cash paid for purchase of intangible assets	(2,323,279)	(536,948)	(2,277,779)	(430,818)
Net cash used in investing activities	(293,671,758)	(93,473,720)	(292,207,109)	(93,180,961)
Cash flows from financing activities				
Cash received from domestic borrowings	-	5,000,000	-	-
Cash paid for dividend	(261,129,747)	(34,225,536)	(261,129,747)	(34,225,536)
Cash received from increase in share capital	805,874,161	30,940,010	805,874,161	30,940,010
Cash received in advance for share subscription	184,100	1,060,000	184,100	1,060,000
Net cash flows from (used in) financing activities	544,928,514	2,774,474	544,928,514	(2,225,526)
Net increase in cash and cash equivalents	477,467,610	327,823,151	480,658,869	324,501,630
Cash and cash equivalents as at 1 January	733,012,426	405,189,275	726,450,650	401,949,020
Cash and cash equivalents as at 31 December	1,210,480,036	733,012,426	1,207,109,519	726,450,650
Supplemental cash flows information				
Cash paid during the year for :-				
Interest expenses	5,208,796	4,141,244	5,056,431	4,141,244
Corporate income tax	265,966,391	9,251,021	265,878,653	9,206,313
Non-cash items				
Transfer other investment to investment in an associated company	-	142,165,415	-	142,165,415
Transfer other investment to short-term investment	-	5,622,282	-	5,622,282
Transfer investment in an associated company to long-term investment	-	83,621,832	-	83,621,832

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	CONSOLIDATED							Total
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Revaluation surplus (deficit) in investments	Appropriated - statutory reserve	Retained earnings - Unappropriated	Minority interest	
Balance - as at 1 January 2003	683,754,030	405,935,334	700,000	8,303,288	12,042,329	231,379,872	4,606,761	1,346,721,614
Increase in revaluation surplus in investments	-	-	-	89,206,262	-	-	-	89,206,262
Legal reserve	-	-	-	-	36,511,136	(36,511,136)	-	-
Increase in share capital	31,640,010	-	(700,000)	-	-	-	-	30,940,010
Share subscription received in advance	-	-	1,060,000	-	-	-	-	1,060,000
Dividend payment	-	-	-	-	-	(34,225,537)	-	(34,225,537)
Net earnings for the year 2003	-	-	-	-	-	730,222,723	2,002,808	732,225,531
Balance - as at 31 December 2003	715,394,040	405,935,334	1,060,000	97,509,550	48,553,465	890,865,922	6,609,569	2,165,927,880
Decrease in revaluation surplus in investments	-	-	-	(145,690,459)	-	-	-	(145,690,459)
Legal reserve	-	-	-	-	55,162,290	(55,162,290)	-	-
Increase in share capital	106,934,161	699,165,268	(1,060,000)	-	-	-	-	805,039,429
Share subscription received in advance	-	-	184,100	-	-	-	-	184,100
Dividend payment (Note 17)	-	-	-	-	-	(261,129,747)	-	(261,129,747)
Net earnings for the year 2004	-	-	-	-	-	503,344,486	147,198	503,491,684
Balance - as at 31 December 2004	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	6,756,767	3,067,822,887

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2003

(Unit : Baht)

	THE COMPANY ONLY							Total
	Issued and paid-up share capital	Share premium	Share received in advance	Revaluation surplus (deficit) in investments	Appropriated - statutory reserve	Retained earnings	Unappropriated	
Balance - as at 1 January 2003	683,754,030	405,935,334	700,000	8,303,288	12,042,329	231,379,872	1,342,114,853	
Increase in revaluation surplus in investments	-	-	-	89,206,262	-	-	89,206,262	
Legal reserve	-	-	-	-	36,511,136	(36,511,136)	-	
Increase in share capital	31,640,010	-	(700,000)	-	-	-	30,940,010	
Share subscription received in advance	-	-	1,060,000	-	-	-	1,060,000	
Dividend payment	-	-	-	-	-	(34,225,537)	(34,225,537)	
Net earnings for the year 2003	-	-	-	-	-	730,222,723	730,222,723	
Balance - as at 31 December 2003	715,394,040	405,935,334	1,060,000	97,509,550	48,553,465	890,865,922	2,159,318,311	
Decrease in revaluation surplus in investments	-	-	-	(145,690,459)	-	-	(145,690,459)	
Legal reserve	-	-	-	-	55,162,290	(55,162,290)	-	
Increase in share capital	106,934,161	699,165,268	(1,060,000)	-	-	-	805,039,429	
Share subscription received in advance	-	-	184,100	-	-	-	184,100	
Dividend payment (Note 17)	-	-	-	-	-	(261,129,747)	(261,129,747)	
Net earnings for the year 2004	-	-	-	-	-	503,344,486	503,344,486	
Balance - as at 31 December 2004	822,328,201	1,105,100,602	184,100	(48,180,909)	103,715,755	1,077,918,371	3,061,066,120	

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

NOTES TO FINANCIAL STATEMENTS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

1. GENERAL INFORMATION

The Company was incorporated as a public limited company under Thai law and operates in Thailand. It is engaged in the securities business and currently has 5 licensers that are securities brokerage, securities trading, investment advisory, securities underwriting and on-line securities trading. The Company's registered office is located at 9th, 15th-17th, 20th-21st Floor Liberty Square, 287 Silom Road, Bangrak, Bangkok, and there are 9 branches in Bangkok and provinces. As at 31 December 2004, the Company had a total of 558 employees (2003 : 460 employees).

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements include the balance sheets of Seamico Securities Public Company Limited (hereinafter referred to as "the Company"), and Seamico Knight Fund Management Securities Company Limited, a company registered under Thai law and engaged in managing a private fund business, (hereinafter referred to as "the subsidiary") as at 31 December 2004 and 2003, and their earnings statements for the year then ended.

	Percentage of shares held by the Company		Total assets of subsidiary included in consolidated balance sheets		Total income of subsidiary included in consolidated earnings statements for the year ended 31 December		Net gain (loss) of subsidiary included in consolidated earnings statements for the year ended 31 December	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Seamico Knight Fund Management Securities Co., Ltd.	51	51	21.2	20.5	16.5	18.8	(2.2)	3.1

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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 Revenue recognition

a) Brokerage fees

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

b) Fees and service income

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

c) Gains (losses) on trading in securities

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

d) Interest and dividends on investments

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

e) Interest on margin loans

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

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

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

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 33/2543 dated 25 August 2000, amended by Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

3.2 Interest on borrowing

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

3.3 Cash and cash equivalents

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

3.4 Long-term deposits with financial institutions

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

3.5 Recognition and amortisation of customer deposits

Money which customers have placed with the Company for securities trading is recorded as an asset of the Company for internal control purposes. As at the balance sheet date, the Company writes these amounts off from both assets and liabilities and presents only those assets which belong to the Company.

3.6 Investments

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

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

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

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

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

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

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

3.7 Investments in subsidiary and associated companies

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

3.8 Securities business receivable and allowance for doubtful accounts

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

- a) Assets classified as doubtful loss are to satisfy the following criteria :-
 - (1) Loans balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written-off in accordance with tax law.
 - (2) Loans balances which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria :-
 - (1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance.

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

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

3.9 Equipment and depreciation

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

Building improvements	- 5	years
Office equipments	- 5	years
Computer equipments	- 3-5	years
Vehicles	- 5	years

No depreciation is provided for furniture and fixture in process.

3.10 Intangible assets and amortisation

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

3.11 Property foreclosed

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

3.12 Assets under financial lease agreements

The Company records motor vehicles under financial leases as assets and liabilities in an amount equal to the fair value of the leased assets at the inception of the leases. The present value of the minimum payments under the leases is calculated using the discounted interest rates stipulated in the leases. Interest expenses are recorded to each period over the term of the lease based on the outstanding balance of the finance lease payables during each period.

3.13 Foreign currency

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

Exchange gains and losses are included in determining earnings.

3.14 Financial instruments

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

Financial instruments presented in the balance sheets consist of cash and cash equivalents, investments, trading transactions with securities companies, securities business receivables, borrowings, and securities business payables. An accounting policy used for each accounting transaction has been separately shown under a related caption.

3.15 Earnings per share

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

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

3.16 Use of accounting estimates

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

4. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash in hand	261	768	251	758
Current and saving deposits	714,867	1,250,318	711,506	1,243,767
Promissory notes - maturity date not more than three months	700,000	-	700,000	-
Total cash and cash equivalents	1,415,128	1,251,086	1,411,757	1,244,525
Less : Cash deposits held for customers	(204,648)	(518,074)	(204,648)	(518,074)
Net cash and cash equivalents of the Company's portion	1,210,480	733,012	1,207,109	726,451

In addition, as at 31 December 2004 and 2003, the Company had long-term deposits with financial institutions amounting to Baht 300 million, in the form of promissory notes held for customers in the Company's name. The balances are netted and presented at a value of zero in the balance sheets.

5. INVESTMENTS IN DEBT AND EQUITY SECURITIES

5.1 Classified by type of investments

(Unit : Thousand Baht)

	Consolidated and the Company Only			
	2004		2003	
	Cost/Cost net amortisation	Fair value	Cost/Cost net amortisation	Fair value
Short-term investments :				
Trading securities				
Equity securities - Listed securities	511	710	13,667	15,905
Debt securities - Bill of exchange	52,886	52,886	87,680	87,680
Debt securities - Promissory notes	534	534	837	837
Debt securities - Corporate bond	50,000	50,000	-	-
Available-for-sale securities				
Debt instrument - Government bonds	49,907	49,938	-	-
Equity securities - Listed securities	290,585	230,202	146,393	156,803
Other securities - Warrants	6,906	11,083	5,470	34,794
Total	451,329		254,047	
Add (less) : Allowance for changes in fair value of securities	(55,976)		41,972	
Total short-term investments	395,353		296,019	
Long-term investments :				
Available-for-sale securities				
Equity securities - Listed securities	83,622	24,461	83,622	58,592
Private fund	176,191	222,113	65,000	126,770
Held-to-maturity debt securities				
Convertible debentures	-		2,931	
Other investments				
Ordinary shares	35,609		35,609	
Preference shares	4,658		4,658	
Unit trusts	-		201	
Total	300,080		192,021	
Add (Less) : Allowance for changes in fair value of securities	(13,239)		36,740	
Less : Allowance for loss on impairment	(27,786)		(30,918)	
Total long-term investments	259,055		197,843	
Total investments in debt and equity Securities	654,408		493,862	

As at 31 December 2004, the Company has debt securities in Government bonds of Baht 149.4 million belonging to cash customers and margin customers, which the Company has to refund to such customers on demand. The balance is netted presented in the balance sheet.

5.2 Classified by maturity date of debt instrument

(Unit : Thousand Baht)

	Consolidated and the Company Only					
	2004			2003		
	Maturity date			Maturity date		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Trading securities						
Corporate debt securities	53,420	50,000	103,420	88,517	-	88,517
Available-for-sale securities						
Government securities	49,907	-	49,907	-	-	-
Add : Allowance for changes in fair value of securities	31	-	31	-	-	-
Total	49,938	-	49,938	-	-	-
Held-to-maturity debt securities						
Corporate debt securities	-	-	-	2,931	-	2,931
Less : Allowance for loss on impairment	-	-	-	(2,931)	-	(2,931)
Total	-	-	-	-	-	-
Total debt securities	103,358	50,000	153,358	88,517	-	88,517

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

Name of company	Type of business	Consolidated and the Company Only			
		2004		2003	
		Amount (at cost/ book value)	Percentage of holding	Amount (at cost/ book value)	Percentage of holding
		Thousand Baht	%	Thousand Baht	%
Other investments					
<i>Preference shares</i>					
Burda (Thailand) Co., Ltd.	Publisher magazine	2,550	51.0	2,550	51.0
<i>Ordinary shares</i>					
Electronic Realty Associates (Thailand) Ltd.	Real estate	-	16.7	-	16.7

5.4 As at 31 December 2004 and 2003, the Company had invested 255,000 in non-cumulative preference shares of Burda (Thailand) Co., Ltd., which represents 51% of the total shares of that company but only 17% of the total voting rights. The Company has not recorded its investment in that company as an investment in an associated company, and has not presented the value of the investment using the equity method, since the Company has no significant influence over that company and has no right to receipt of profits but only of declared dividends. In addition, the Company has an option to sell and the investee company has an option to buy back all of the shares, at any time, at a price equivalent to the aggregate par value of the shares. No dividend was declared during the year 2004 and 2003.

5.5 As at 31 December 2004, the Company records its investments totalling Baht 176 million (2003 : Baht 65 million) in private funds managed by a subsidiary company as long-term investments in available-for-sales securities and presents them at their attributable net asset value. The Company has not recorded its transactions relating to the investment in private funds separately by individual securities, with reference to the substance of the investment. Realised gain (loss) on any disposal of investments in private fund portfolio is, however, recognised in its earnings statements.

5.6 As at 31 December 2004 and 2003, unrealised gain (loss) on change in the value of the investments which presented in shareholders' equity are as follows :-

(Unit : Thousand Baht)

	Consolidated and the Company Only	
	2004	2003
Balance - beginning of the year	97,510	8,303
Change during the year		
- from revaluation	(130,453)	17,980
- from disposed/transferred/amortisation	(15,238)	71,227
Balance - end of the year	(48,181)	97,510

5.7 As at 31 December 2004 and 2003, the Company has investment in the following problem companies :-

(Unit : Thousand Baht)

	Consolidated and the Company Only			
	2004		2003	
	Cost	Allowance for impairment	Cost	Allowance for impairment
Investment in held-to-maturities debt securities				
Companies which have loan settlement problems	-	-	2,931	2,931
Other investments				
Companies cited going concerns issues	6,000	6,000	6,000	6,000
Companies with disclaimed opinion by its auditor due to insufficiency supporting documents to audit	21,781	21,781	21,781	21,781

6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

The Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, as at 31 December 2004 and 2003 are summarised below :-

(Unit : Million Baht)

Name of company	Type of business	Type of relationship	Paid-up share capital		% holding		Investments			Dividend income for years		
			2004	2003	2004	2003	Cost	Equity Method	2004	2003		
Subsidiary company												
Seamico Knight Fund Management Securities Co., Ltd.	Private fund management	Shareholder	20	20	51	51	10	10	6	6	-	-
Associated company												
Raimon Land Plc.	Real estate	Shareholder and influence over	1,125	900	27	25	223	142	294	140	-	-

During the year 2004, the Company purchased an additional 81,250,857 ordinary shares of an associated company by means of exercising its rights to take part in the additional share offering of this company in proportion to its existing shareholding, and to buy up shares remaining unsubscribed by other shareholders who chose not to take part in the offering. As a result, the Company's interest in that company has risen from 25.01% to 27.23%.

As at 31 December 2004, the fair value of the investments in an associated company, which was calculated based on latest bid price of the shares on the last trading day of the year as quoted on the Stock Exchange of Thailand, was approximately Baht 297.1 million.

7. SECURITIES BUSINESS RECEIVABLE AND ACCRUED INTEREST RECEIVABLE

(Unit : Thousand Baht)

	Consolidated and the Company Only					
	2004			2003		
	New receivable	Old receivable	Total	New receivable	Old receivable	Total
Customer's account	559,516	-	559,516	3,095,721	-	3,095,721
Credit balance receivable	763,413	-	763,413	978,548	-	978,548
Other receivable						
Receivable under litigation	4,656	-	4,656	2,858	229,824	232,682
Installment receivable	6,366	-	6,366	1,158	20,046	21,204
Other receivable	1,782	-	1,782	40,854	-	40,854
Total securities business receivable	1,335,733	-	1,335,733	4,119,139	249,870	4,369,009
Add : Accrued interest receivable	2,623	-	2,623	3,369	11,248	14,617
Less : Allowance for doubtful accounts	(6,793)	-	(6,793)	(6,292)	(256,398)	(262,690)
Securities business receivable and accrued interest receivable - net	1,331,563	-	1,331,563	4,116,216	4,720	4,120,936

Securities business receivables - the “old receivable” group represented securities business receivables arising during the 1997-1998 financial crisis, mainly comprised credit balance receivables under the old system (Margin loans). During 2004, the Company wrote off all Baht 257 million of such receivables, together with the related allowance for doubtful accounts.

7.1 The Company had stopped recognising income, as at 31 December 2004 and 2003 are summarized below :-

(Unit : Thousand Baht)

	Consolidated and the Company Only					
	2004			2003		
	New receivable	Old receivable	Total	New receivable	Old receivable	Total
Customer's account	12,803	-	12,803	44,870	8,171	53,041
Other receivable	-	-	-	-	252,947	252,947
Total loans which stopped recognizing income	12,803	-	12,803	44,870	261,118	305,988

7.2 The Company classifies securities business receivables, including related interest receivable, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The following is a summary of securities business receivable classified as at 31 December 2004 and 2003 :-

(Unit : Million Baht)

	2004								
	Receivable balance			Allowance for doubtful account			Receivable balance after allowance for doubtful accounts		
	New receivable	Old receivable	Total	New receivable	Old receivable	Total	New receivable	Old receivable	Total
Doubtful debt	6.8	-	6.8	6.8	-	6.8	-	-	-
Substandard debt	6.0	-	6.0	-	-	-	6.0	-	6.0
Total	12.8	-	12.8	6.8	-	6.8	6.0	-	6.0

(Unit : Million Baht)

	2003								
	Receivable balance			Allowance for doubtful account			Receivable balance after allowance for doubtful accounts		
	New receivable	Old receivable	Total	New receivable	Old receivable	Total	New receivable	Old receivable	Total
Doubtful debt	6.3	256.4	262.7	6.3	256.4	262.7	-	-	-
Substandard debt	38.6	4.7	43.3	-	-	-	38.6	4.7	43.3
Total	44.9	261.1	306.0	6.3	256.4	262.7	38.6	4.7	43.3

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

(Unit : Thousand Baht)

	Consolidated and the Company Only					
	For the year ended 31 December 2004			For the year ended 31 December 2003		
	New receivable	Old receivable	Total	New receivable	Old receivable	Total
Balance - beginning of the year	6,292	256,398	262,690	3,876	256,698	260,574
Write off bad debt	-	(256,628)	(256,628)	-	-	-
Increase (decrease) in bad debt and doubtful accounts	501	230	731	2,416	(300)	2,116
Balance - end of the year	6,793	-	6,793	6,292	256,398	262,690

9. BUILDING IMPROVEMENTS AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated				
	Building improvements	Office equipments	Vehicles	Furniture and fixtures in process	Total
Cost					
31 December 2003	60,496	184,269	45,548	4,082	294,395
Purchases	5,795	34,997	29,608	44,915	115,315
Transfers	28,197	12,530	-	(40,727)	-
Disposals/written off	-	(3,960)	(4,449)	-	(8,409)
31 December 2004	94,488	227,836	70,707	8,270	401,301
Accumulated depreciation					
31 December 2003	39,559	115,519	19,650	-	174,728
Disposals/written off	-	(3,907)	(4,317)	-	(8,224)
Depreciation for the year	9,313	32,138	12,728	-	54,179
31 December 2004	48,872	143,750	28,061	-	220,683
Net book value					
31 December 2003	20,937	68,750	25,898	4,082	119,667
31 December 2004	45,616	84,086	42,646	8,270	180,618
Depreciation charge included in earnings statements for the year					
2003					45,203
2004					54,179

(Unit : Thousand Baht)

	The Company Only				
	Building improvements	Office equipments	Vehicles	Furniture and fixtures in process	Total
Cost					
31 December 2003	60,496	182,078	45,454	4,082	292,110
Purchases	5,795	34,889	29,608	43,601	113,893
Transfers	28,197	11,216	-	(39,413)	-
Disposals/written off	-	(3,948)	(4,449)	-	(8,397)
31 December 2004	94,488	224,235	70,613	8,270	397,606
Accumulated depreciation					
31 December 2003	39,559	114,968	19,622	-	174,149
Disposals/written off	-	(3,904)	(4,317)	-	(8,221)
Depreciation for the year	9,313	31,551	12,710	-	53,574
31 December 2004	48,872	142,615	28,015	-	219,502
Net book value					
31 December 2003	20,937	67,110	25,832	4,082	117,961
31 December 2004	45,616	81,620	42,598	8,270	178,104
Depreciation charge included in earnings statements for the year					
2003					44,775
2004					53,574

As at 31 December 2004, certain equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to approximately Baht 93 million. In addition, the Company has vehicles acquired under financial leases with net book values amounting to approximately Baht 0.4 million.

10. INTANGIBLE ASSETS

(Unit : Thousand Baht)

	Consolidated				
	For the year ended 31 December 2004				
	Remaining period of amortisation	Balance - beginning of year	Increase	Amortised	Balance - end of year
Deferred license fees					
Underwriting business	3.5 months	25,863	-	(20,000)	5,863
Private fund management	30 months	383	-	(109)	274
Computer software	Not exceed 60 months	8,759	2,323	(5,301)	5,781
Total		35,005	2,323	(25,410)	11,918

(Unit : Thousand Baht)

	The Company Only				
	For the year ended 31 December 2004				
	Remaining period of amortisation	Balance - beginning of year	Increase	Amortised	Balance - end of year
Deferred license fee					
Underwriting business	3.5 months	25,863	-	(20,000)	5,863
Computer software	Not exceed 60 months	8,591	2,278	(5,260)	5,609
Total		34,454	2,278	(25,260)	11,472

11. PROPERTY FORECLOSED

(Unit : Thousand Baht)

	Consolidated and the Company Only	
	For the year ended 31 December	
	2004	2003
Cost	90,283	90,283
Less: Provision for impairment	(45,577)	(51,712)
Net	44,706	38,571

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

As at 31 December 2004, a sales and purchase agreement has been executed with a customer for approximately Baht 35 million (at cost) of the property foreclosed of the Company. The Company has received part of the deposit. The transaction is still in the progress. Hence, the Company has not yet recognized the sale, with such assets still recorded as the property foreclosed.

12. OTHER ASSETS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Withholding tax deducted at source	1,551	5,374	1,402	5,312
Accrued advisory fee income	18,646	1,251	18,646	1,251
Accrued interest income	845	1,094	845	1,094
Accrued fund management fee income	13,755	10,705	-	-
Others	10,768	10,046	10,287	9,618
Total	45,565	28,470	31,180	17,275

13. CONVERTIBLE BORROWINGS

As at 31 December 2004 and 2003, 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.

14. SHARE CAPITAL

Registered and paid-up capital

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

Therefore, as at 31 December 2004, the Company had a registered share capital of Baht 1,037,157,550, comprising 1,037,157,550 shares of Baht 1 each, and paid-up share capital of Baht 822,328,201 comprising 822,328,201 shares of 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 2004, 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 3.72 per share (2003 : Baht 3.02 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.

15. WARRANTS

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

On 15 June 2001, an Extraordinary General Meeting of shareholders approved the issuance of 6,600,000 five-year warrants to the Company's directors (3,040,000 units) and employees of the Company and subsidiary (3,560,000 units), free of charge. The exercise price of the warrants is Baht 10 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant per 1 ordinary share throughout their life. During 2004, the remaining of 253,000 warrants were allotted to directors and employees, and therefore as at 31 December 2004 all warrants had been allotted.

During 2004, 202,500 of the warrants were exercised, and therefore as at 31 December 2004, 65,500 of the warrants had not been exercised.

Due to the change in the par value of the shares, the exercise ratio of the 65,500 unexercised warrants has been adjusted to 1 warrant to 10 ordinary shares, with the exercise price set at Baht 1 per share.

15.2 Warrants offered to existing shareholders

In December 2003, an Extraordinary General Meeting of shareholders approved the issuance of 20,372,351 five-year warrants to existing shareholders and shareholders who subscribed to the new issue of ordinary shares, in a ratio of 1 warrant per 4 existing ordinary shares, free of charge. The exercise price of the warrants is Baht 60 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant per 1 ordinary share, commencing one year after the issue date (from 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 adjusted to comprise 203,723,510 warrants with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 6 per share. During May 2004, 203,616,117 warrants had allotted to shareholders.

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

In December 2003, an Extraordinary General Meetings of shareholders approved the issuance of 1,430,000 five-year warrants with 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 per 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 per 1 ordinary share while the exercise price remains par value, or Baht 1 per share. During August 2004, 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 2004, 4,033,261 of the warrants were exercised, and therefore as at 31 December 2004, 9,757,139 of the warrants had not been exercised.

16. STATUTORY RESERVE

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

17. DIVIDEND PAYMENT

On 29 April 2004, a meeting of the Annual General Shareholders approved the payment of a dividend of Baht 0.32 per share from its earnings for the year ended 31 December 2003 to its shareholders, a total of Baht 261,129,747 (net of reversal accrued dividend to foreign shareholders who do not have the rights to receive such dividend). The dividend was paid to the shareholders on May 2004.

18. FEES AND SERVICE INCOME

(Unit : Thousand Baht)

	For the year ended 31 December			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Underwriting fees	72,243	192,754	72,243	192,754
Financial advisory fees	85,444	93,165	85,444	93,165
Private fund management	16,536	18,835	-	-
Others	3,590	1,268	3,590	1,268
Total	177,813	306,022	161,277	287,187

19. FEES AND SERVICE EXPENSES

(Unit : Thousand Baht)

	For the year ended 31 December			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Brokerage fees paid to the Stock Exchange of Thailand	30,162	33,839	30,162	33,839
Amortization of underwriting fee licence and private fund fee licence	20,309	20,433	20,000	20,000
Others	9,583	57,468	12,256	58,688
Total	60,054	111,740	62,418	112,527

20. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits (exclusive of salaries, bonus and related benefits payable to executive directors) paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act., and including the estimation of directors' remuneration for the year 2004 which is to be approved by the Annual General Meeting of Shareholders.

Other benefits paid to the Company's directors and executives

During the year 2004, the Company issued 632,866 free warrants for the purchase of the Company's ordinary shares to directors and executives from department manager level up, as discussed in Notes 15.1 and 15.3 to the financial statements. Such warrants can be exercised to purchase 2,684,866 ordinary shares of the Company at a price equal to par value of Baht 1 per share. The average market price of the Company's shares, calculated based on an average closing price over the year 2004, is Baht 10.8 per share. The issue of such free warrants is not recorded as an accounting expense.

21. OTHER EXPENSES

(Unit : Thousand Baht)

	For the year ended 31 December			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Information and communication expenses	41,963	33,740	38,921	31,507
Advisory fee expenses	17,619	16,548	17,619	16,548
Entertainment expenses	17,297	14,138	16,732	13,589
Foreign representative office expenses	15,315	14,793	15,315	14,793
Publication and marketing expenses	9,303	7,147	9,221	6,812
Travelling expenses	10,928	6,021	9,110	5,168
Others	29,963	22,791	28,492	22,416
Total other expenses	142,388	115,178	135,410	110,833

22. CORPORATE INCOME TAX

Corporate income tax has been calculated based on net earnings for the year after adding back not-deductible expenses and provisions, deducting taxable expenses, tax-exempted income and tax losses brought forward from prior years.

23. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to both by the employees and the Company and will be paid to employees upon termination in accordance with the rules of the fund. During the year 2004, approximately Baht 7.3 million (2003: Baht 4.8 million) had been contributed to the fund by the Company.

24. STATEMENTS OF CASH FLOWS

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

25. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the year ended 31 December					
	Weighted average					
	Net earnings		number of ordinary shares		Earnings per share	
	2004	2003	2004	2003	2004	2003
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Net earnings	503,344	730,223	811,183	697,142	0.62	1.05
Effect of dilutive potential ordinary shares						
Warrants	-	-	40,578	5,371		
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	503,344	730,223	851,761	702,513	0.59	1.04

26. RELATED PARTY TRANSACTIONS

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Outstanding as at the balance sheet date				
Subsidiary company				
- Seamico Knight Fund Management Securities Co., Ltd.				
Investment in subsidiary company	-	-	6,399	6,006
Investment in private fund managed by subsidiary company	222,113	126,770	222,113	126,770
Securities business receivable	-	31,584	-	31,584
Securities business payable	1,170	-	1,170	-
Other receivable	-	-	19	595
Associated company - Raimon Land Plc.				
Investment in ordinary shares	294,100	140,457	294,100	140,457
Investment in warrants	10,190	34,465	10,190	34,465

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Outstanding as at the balance sheet date (contunied)				
Related companies				
<i>Related by way of common directors</i>				
<i>The Brooker Group Plc.</i>				
Investment in ordinary shares	24,461	58,592	24,461	58,592
Prepaid expenses - fee for financial market news	92	88	92	86
Other payable/Accrued expenses	459	3	459	-
<i>Burda (Thailand) Co., Ltd.</i>				
Investment in preference shares	2,550	2,550	2,550	2,550
Accrued advisory fee	120	120	120	120
<i>Quam Securities Nominee (Singapore) Pte. Ltd.</i>				
Securities business receivable - Credit balance	77,701	-	77,701	-
Accrued interest receivable - Credit balance	32	-	32	-
Securities business payable	-	25,517	-	25,517
Accrued interest payable - Credit balance	1	-	1	-
Other liabilities	257	973	257	973
<i>Quam Asset Management Limited</i>				
Convertible borrowing	2,500	2,500	-	-
Accrued interest payable	37	51	-	-
Related companies				
<i>Related by way of common directors with subsidiary company</i>				
<i>Knight Asset Management Ltd.</i>				
Fee and service accounts receivable	10,844	7,979	-	-
<i>Knight Thai Strategic Investment Ltd.</i>				
Convertible borrowing	2,500	2,500	-	-
Accrued interest payable	147	101	-	-
<i>Knight Asset (Thailand) Co., Ltd.</i>				
Other assets	-	33	-	-
<i>Knight Asian Investment Ltd.</i>				
Securities business payable	1,272	-	1,272	-
<i>Knight Pacific Fund Ltd.</i>				
Securities business payable	3,944	-	3,944	-
<i>Knight Asia Ltd.</i>				
Accrued fee and service expense	265	-	-	-
<i>Knight PF Management Ltd.</i>				
Fee and service accounts receivable	2,180	-	-	-
Related persons				
Securities business receivable	-	1,257	-	1,257
Securities business payable	1,052	3,220	1,052	3,220
Other payable	856	-	856	-

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy
	2004	2003	2004	2003	(Only in 2004)
Transactions occurred during the years					
Subsidiary company					
Seamico Knight Fund Management Securities Co., Ltd.					
Volume of securities trade (2004 : with the commission received by Baht 1.99 million and 2003 : Baht 1.87 million)	797,549	748,825	797,549	748,825	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Private fund management fee expenses	-	-	2,746	1,277	At rate determined under the contract at 1-2 percent of net asset value of fund managed
Investment in private fund managed by subsidiary company	111,191	35,000	111,191	35,000	At invested value
Other income	-	-	-	60	
Associated company					
<i>Raimon Land Plc.</i>					
Purchase of additional ordinary shares issuance	81,251	43,372	81,251	43,372	At the offering price to other investors
Financial advisory fee income	1,765	3,149	1,765	3,149	At the rate of 1.50 percent of the value of share issued
Other expenses	-	10	-	10	
Related companies					
Related by way of common directors					
<i>The Brooker Group Plc.</i>					
Purchase of ordinary shares issuance	-	8,326	-	8,326	
Volume of securities trade (2003 : with the commission received by Baht 0.08 million)	-	30,383	-	30,383	
Financial advisory fee income	-	1,271	-	1,271	
Amortisation fee for financial market news	485	575	483	351	At rate agreed by each party
Commission expenses	459	1,287	459	1,287	At the rate of 30 percent of fee income as determined under the contract
Other expenses	142	539	142	119	At rate agreed by each party
<i>Burda (Thailand) Co., Ltd.</i>					
Financial advisory fee income	225	225	225	225	At the rate determined under the contract of Baht 225,000 per year
Related by way of common directors					
<i>Raimon Land Planner Co., Ltd.</i>					
Financial advisory fee income	-	3,927	-	3,927	
<i>Syn Mun Kong Insurance Plc.</i>					
Volume of securities trade (2004 : with the commission received by Baht 0.25 million and 2003 : Baht 0.28 million)	101,932	112,168	101,932	112,168	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
Sale volume of bill of exchange (with gain on sales of Baht 0.04 million)	-	62,548	-	62,548	

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy
	2004	2003	2004	2003	(Only in 2004)
Transactions occurred during the years (Continued)					
Related companies (Continued)					
<i>Charoen Pokphand Group Co., Ltd.</i>					
Financial advisory fee income	1,133	-	1,133	-	At rate agreed by each party
<i>Wing Wah Advisory (Thailand) Limited</i>					
Sales of fixed assets	-	49	-	49	
<i>Quam Asset Management Limited</i>					
Interest expenses	147	51	-	-	Interest charged at the rate of 5 percent per annum
Related by way of common directors					
<i>Quam Securities Co., Ltd.</i>					
Volume of securities trade (2003: with commission received by Baht 1.76 million)	-	788,084	-	788,084	
Financial advisory fee income	-	142	-	142	
Rental and services expenses for representative offices	2,922	3,016	2,922	3,016	At the rate of HKD 47,000 per month as determined under the contract
Commission expenses	-	373	-	373	
Underwriting fee expenses	-	431	-	431	
Other expenses	51	26	51	26	At actual expenses
<i>Quam Capital (Holdings) Limited</i>					
Advisory fee expenses	14,118	14,118	14,118	14,118	At the rate determined under the contract but no more than Baht 1 million per month plus related tax and expenses
<i>Quam (H.K.) Limited</i>					
Fee for financial market news	-	977	-	977	
<i>Quam Securities Nominee (Singapore) Pte. Ltd.</i>					
Volume of securities trade (2004 : with commission received by Baht 4.30 million and 2003 : Baht 1.18 million)	1,803,677	545,950	1,803,677	545,950	Commission charged at 0.25 percent from cash account and 0.21 percent of volume trade via internet, which is normal rate charged to other customers
Interest income	1,048	-	1,048	-	Interest charged at the rate of 4.00 percent per annum
Interest expenses	37	-	37	-	Interest charged at the rate of 0.25 percent per annum
Commission expenses	257	973	257	973	At the rate determined under the contract at 0.40 of the shares issuance
Other income	9	-	9	-	At actual expenses

(Unit : Thousand Baht)

	Consolidated		The Company Only		Pricing policy
	2004	2003	2004	2003	(Only in 2004)
Transactions occurred during the years (Continued)					
Related companies (Continued)					
Related by way of common directors with subsidiary company					
<i>Knight Asian Investment Ltd.</i>					
Volume of securities trade (2004 : with commission received by Baht 0.60 million and 2003 : Baht 1.25 million)	241,242	499,486	241,242	499,486	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
<i>Knight Asset Management Ltd.</i>					
Fee and service income	10,209	13,018	-	-	At rate agreed by each party
<i>Knight Thai Strategic Investment Ltd.</i>					
Interest expenses	105	101	-	-	Interest charged at the rate of 5 percent per annum
Advisory fee income	-	142	-	142	
<i>Knight Asset (Thailand) Ltd.</i>					
Fee and service income	7	416	-	-	At rate agreed by each party
<i>Knight Pacific Fund Ltd</i>					
Volume of securities trade (2004 : with commission received by Baht 0.85 million)	340,894	-	340,894	-	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers
<i>Knight Asia Ltd</i>					
Fee and service income	273	-	-	-	At rate agreed by each party
<i>Knight PF Management Ltd</i>					
Fee and service income	2,205	-	-	-	At rate agreed by each party
Related persons					
Total volume of securities trade (2004 : with total commission received by Baht 0.54 million and 2003 : Baht 0.40 million)	215,967	161,233	215,967	161,233	Commission charged at 0.25 percent of the value of trades, which is normal rate charged to other customers

In addition during 2004 the Company allotted warrants to directors and employees, as discussed in note 15 to the financial statements.

27. FINANCIAL INFORMATION BY SEGMENT

The Company principally operates a securities business, while the subsidiary company principally operates fund management business. The business of these companies is primarily conducted in Thailand.

Revenue and operation information of the Company and its subsidiary are divided between the securities business and fund management business as of 31 December 2004 and 2003 and for the year then ended, as follows :-

(Unit : Million Baht)

	For the year ended 31 December							
	Fund management							
	Securities business		business		Elimination entry		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
Income	1,817	2,116	19	20	(3)	(3)	1,833	2,133
Expenses	(1,152)	(1,227)	(19)	(16)	3	1	(1,168)	(1,242)
Income tax	(162)	(159)	-	-	-	-	(162)	(159)
Gain from minority interest	-	-	-	-	-	(2)	-	(2)
Net earnings	503	730	-	4	-	(4)	503	730

(Unit : Million Baht)

	As at 31 December							
	Fund management							
	Securities business		business		Elimination entry		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
Investments	955	640	-	-	(6)	(6)	949	634
Trading transactions with securities companies	191	435	-	-	-	-	191	435
Net securities business receivable and accrued interest receivable	1,332	4,121	-	-	-	-	1,332	4,121
Building improvement and equipment - net	178	118	4	2	(2)	(1)	180	119
Others	1,323	840	18	19	-	-	1,341	859
Total	3,979	6,154	22	21	(8)	(7)	3,993	6,168

28. COMMITMENTS

Transactions with related parties

- 1) On 21 June 1999, the Company entered into a one-year rental and service agreement to rent a representative office in Hong Kong from QUAM Securities Company Limited. Such agreement is annually extended. Under the agreement, the Company agreed to pay a monthly fee at the rate of HKD 47,000.
- 2) On 1 January 2002, the Company entered into an advisory service agreement with QUAM Capital (Holdings) Limited, a company related by way of having common directors. Under the agreement, QUAM Capital was to provide advice, support and other services to develop the technical expertise of the Company, particularly in the areas of cross-border investment banking, the research capabilities of the Company, and the distribution of such research, both within Thailand and internationally, through the QUAM Capital network. Under the terms of the agreement, on 10 May 2004, the Company agreed to extend an agreement period for another one year, and to pay a monthly service fee not exceeding Baht 1 million plus related tax and expenses.

- 3) On 16 December 2002, the Company entered into a one-year fee allocation agreement with Brooker Group Plc., under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. Such agreement has been extended to until 31 December 2005. The Company must pay advisory fees to that company at a percentage of the fee income earned from the introduction of that company.
- 4) On 27 January 2003, the Company entered into a private fund management agreement with a subsidiary company. Such company is to manage private funds invested by the Company. Under the agreement, the Company agreed to pay a monthly management fee at rates of 0.25 - 2.00 percent per annum of the net asset value of the fund, and to pay an additional incentive fee if that subsidiary company managed to achieve an actual return greater than an agreed rate (such incentive fee will be effective when that company grants an approval from SEC).

Transactions with other business parties

- 1) The Company entered into an agreement with a company for management services for its representative office in Hong Kong. The Company agreed to pay a monthly fee of HKD 156,000 from January 2004.
- 2) The Company sold all of its investment in a subsidiary company (Marlin Partners Jersey Limited) and that subsidiary company's group on 31 August 1999. Under the relevant agreement, the Company is committed to pay any taxes of one of the companies in this group should additional tax be assessed in respect of the year when the Company was a shareholder of that company. However, to date no additional tax assessment has been made in respect of that year.
- 3) The Company sold all of its investment in a subsidiary company (Strategic Property Company Limited) on 3 October 2002. Under the relevant agreement, the Company is obliged to compensate the buyer if any events or circumstances occur which result in damage to the buyers because the Company did not fully disclose information at the time the sale was agreed.
- 4) The Company entered into fee allocation agreements with five local companies and another one foreign companies under which the Company agreed to appoint those companies as the agents to introduce clients to the Company as a financial adviser and the placement of shares for its clients. The Company must pay agency fees to those companies at a percentage of the fee income earned from the introduction of those companies.
- 5) The Company entered into an agreement with a local company, whereby it is to seek investors for placement of an additional issue of ordinary shares. In the event that investors (one of two of that investors is a related company of the Company) are unable to pay the amount it was agreed they would invest and are unable to return the commitment fees to the local company, the Company, as the party arranging the

placement, is jointly responsible for the repayment such commitment fees to the local company. As at 31 December 2004, the Company's maximum commitment under such contract is Baht 19.5 million.

- 6) As at 31 December 2004, the Company had outstanding capital commitments totalling approximately Baht 12.5 million for the 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:-

<u>Year</u>	<u>Amount</u> (Million Baht)
2005	39.2
2006	34.5
2007 onwards	4.4

29. BANK GUARANTEES

As at 31 December 2004, there were outstanding bank guarantees of approximately Baht 4.0 million and Baht 7.0 million, respectively (2003 : Baht 4.0 million and Baht 2.0 million, respectively), required in the normal course of business of the Company and a subsidiary company.

30. CONTINGENT LIABILITIES

In March 2001, the Company was sued by a securities business customer claiming damages of approximately Baht 11.9 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

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

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

31.1 Credit risk

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

31.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

	Outstanding balance of financial instruments as at 31 December 2004								
	Consolidated								
	Floating interest rate	Fixed interest rate and remaining period before maturity date or repricing date			Without interest	Total	Average interest rate (Percent)		Effective interest rate (Percent)
		Less than 1 year	1-5 years				Floated	Fixed	
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht					
Financial instruments - assets									
Cash and cash equivalents	105	700	-	406	1,211	0.61	1.77	0.99	
Investments in debt securities	-	103	50	-	153	-	2.41	2.99	
Trading transactions with securities companies	-	-	-	191	191	-	-	-	
Securities business receivable and accrued interest receivable ⁽¹⁾	-	766	-	566	1,332	-	4.50	4.20	
Total	105	1,569	50	1,163	2,887				
Financial instruments - liabilities									
Convertible borrowings	-	-	5	-	5	-	5.00	5.00	
Securities business payable	-	-	-	667	667	-	-	-	
Total	-	-	5	667	672				

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

	Outstanding balance of financial instruments as at 31 December 2004								
	The Company Only								
	Floating interest rate	Fixed interest rate and remaining period before maturity date or repricing date			Without interest	Total	Average interest rate (Percent)		Effective interest rate (Percent)
		Less than 1 year	1-5 years				Floated	Fixed	
Million Baht	Million Baht	Million Baht	Million Baht	Million Baht					
Financial instruments - assets									
Cash and cash equivalents	105	700	-	402	1,207	0.61	1.77	0.99	
Investments in debt securities	-	103	50	-	153	-	2.41	2.99	
Trading transactions with securities companies	-	-	-	191	191	-	-	-	
Securities business receivable and accrued interest receivable ⁽¹⁾	-	766	-	566	1,332	-	4.50	4.20	
Total	105	1,569	50	1,159	2,883				
Financial instruments - liabilities									
Securities business payables	-	-	-	667	667	-	-	-	
Total	-	-	-	667	667				

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

31.3 Liquidity risk

The maturity dates of financial instruments held as at 31 December 2004 were, counting from the balance sheet date, as follows:-

(Unit : Million Baht)

	Outstanding balances of financial instruments as at 31 December 2004									
	Consolidated					The Company Only				
	At call	Within 1 year	1-5 years	No maturity	Total	At call	Within 1 year	1-5 years	No maturity	Total
Financial instruments - assets										
Cash and cash equivalents	500	200	-	511	1,211	500	200	-	507	1,207
Investments in debt securities	-	103	50	-	153	-	103	50	-	153
Investments in equity securities	-	-	-	795	795	-	-	-	802	802
Trading transactions with securities companies	-	191	-	-	191	-	191	-	-	191
Securities business receivable and accrued interest receivable ⁽¹⁾	-	566	-	766	1,332	-	566	-	766	1,332
Total	500	1,060	50	2,072	3,682	500	1,060	50	2,075	3,685
Financial instruments - liabilities										
Convertible borrowings	-	-	5	-	5	-	-	-	-	-
Securities business payables	-	667	-	-	667	-	667	-	-	667
Total	-	667	5	-	672	-	667	-	-	667

⁽¹⁾ Securities business receivable with no maturity date is included defaulted securities business receivable.

31.4 Foreign exchange risk

As at 31 December 2004, the Company and its subsidiary company had no significant financial instruments in foreign currencies.

31.5 Fair value

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

Cash and cash equivalents

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

Long-term deposits with financial institutions/borrowings

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

Investments

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

Trading transactions with securities companies/securities business payables

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

Securities business receivable

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

As at 31 December 2004, there were no material differences between the book value and the fair value of the Company and its subsidiary's financial instruments.

32. PRESENTATION

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

In addition, certain amounts in the earnings statements for the year ended 31 December 2003 have been reclassified to conform to the current years classification, with no effect on previously reported shareholders' equity.

33. APPROVAL OF FINANCIAL STATEMENTS

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

AUDITOR'S REMUNERATION

1. Audit fee

The company and its subsidiary (Seamico Knight Fund Management Securities Co.,Ltd.) paid audit fee to Ernst & Young Office Limited for the year 2004 total Baht 1,189,095.

2. Non-audit fee

-N/A-

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