

SEAMICO



2013 Annual Report

Seamico Securities Public Company Limited

รายงานประจำปี 2556 บริษัทหลักทรัพย์ ซีมิโก้ จำกัด (มหาชน)

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“Investors can learn more on the issuing company’s annual statement (Form 56-1)
of companies listed in www.sec.or.th”

MESSAGE FROM CHAIRMAN

Dear Shareholders,

In 2013, the Thai economy saw strong growth over the first half of the year, driven by government policies, rising investor confidence and other circumstances supportive to an expansion. However, the economy saw more sluggish growth in the second half of the year due to weakening domestic demand, a slower than expected expansion of exports, and political uncertainties. In addition to the fluctuating domestic economic conditions, the world financial markets were also hit by news of the US Federal Reserve's plan to gradually record levels of quantitative easing. This led to global investors to pull back on their holdings of riskier assets in emerging market countries and move capital back to the developed markets.

However, 2013 was an excellent year for brokerage business following a hefty market turnover. Average daily trading volume on the Stock Exchange of Thailand rose to THB 48,070.25 million up THB 16,986.01 million, or 54.65% from a year earlier. This circumstance supported our joint company, KTZMICO, to post a strong financial performance in 2013 with revenues of THB 2,078 million, up THB 304.04 million or 17.13% YoY and net profit of THB 329.10 million, up THB 125.85 million or 61.92% YoY.

On the fund management front, our subsidiary, SOLARIS, also saw an improving performance in 2013, with revenue of THB 16.55 million, up THB 5.89 million or +55.30% YoY and net loss of THB 17.75 million, down THB 10.06 million or 36.18% YoY. Solaris performance were mainly supported by both the aggressive revenue expansion as well as cost efficiency. Total assets under management rose THB 439.31 million, or 11.72% to THB 4,283.86 million at the end of 2013.

With strong performance in both joint and subsidiary companies, SEAMICO was able to achieve an overall net profit of THB 134.44 million, up THB 35.72 million, or 36.18% YoY, mainly driven by rising trading volume on the Stock Exchange of Thailand. The company has proposed an agenda in 2014 annual general shareholders' meeting to pay THB 0.09 cash dividend per share in order to conform to a strong financial performance in 2013.

Seamico Securities PLC strategy is focused on the opening of the ASEAN Economic Community (AEC) in 2015 which will integrate Indochina with the rest of ASEAN and bring more global attention to the growing potential and size of this region. This should lead to increased business and investment opportunities for the company in Indochina, including the newly developing economies of Laos, Myanmar, Vietnam and Cambodia.

Together with regular business operations, as a listed company, Seamico also has a mission to focus on corporate governance. The company received a quality rating of 'Excellent' at the 2013 annual general quality assessment meeting of Thai Investors Association, and 'Very Good' from the Thai Institute of Directors and the Stock Exchange of Thailand. The company also continues to engage in corporate social responsibility (CSR), currently supporting four projects for the education of children and underprivileged groups.

On behalf of the board of directors, I would like to thank all of our investors, customers, and other business partners that have supported the company. I would also like to thank the management and staff for their dedication and excellent work which enabled the company to achieve such successful growth and performance.

Sincerely,



Suthep Wongvorazathe
Chairman

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Seamico Securities Public Company Limited and its subsidiaries

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

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

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2013 are reasonably reliable.



Chaipatr Srivisarvacha

Vice Chairman and Chief Executive Officer

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Seamico Securities Public Company Limited

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

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

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

The Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department and the Company's external auditor to review the quarterly and annual financial statements for 2013 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 and Risk Management Committee followed up the SEC's annual audit result of Solaris 2012 to ensure that all important issues have been resolved. In addition, the Audit & Risk Management Committee has supervised the Company to successfully re-activate the Investment Advisory License in order to maintain the qualification of the securities company.

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

For 2014, the Audit and Risk Management Committee has proposed to the Board of Directors that Mr. Chavala Tienpasertkij, Ms. Nisakorn Songmanee, Mr. Niti Jungnitnirundr and Mr. Permsak Wongpatcharapakorn, of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors for at the annual general meeting of shareholders.

On behalf of the Audit & Risk Management Committee,



(Mr. James M. Kelso)

Chairman, Audit & Risk Management Committee

FINANCIAL HIGHLIGHTS

Million Baht

	2011	2012	2013
Total Assets	1,969.23	1,972.34	2,606.00
Paid-Up Share Capital	451.31	511.31	653.87
Total Shareholders' Equity	1,742.67	1,784.73	2,374.35
Securities Business Income	11.90	51.15	27.37
Securities Business Expenses	4.56	5.12	6.31
Net Income (Loss)	23.03	98.72	134.44
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	61.66	89.99	76.94
Net Profit Margin (%)	17.58	61.89	67.17
Return on Equity (%)	1.37	5.64	6.57
<u>Efficiency Ratio</u>			
Return on Total Assets (%)	1.24	5.07	6.01
Asset Turnover (Times)	0.01	0.03	0.01
<u>Financial Policy Ratio</u>			
Liquid Assets to Total Assets (%)	20.72	21.96	32.74
Earning Assets to Total Assets (%)	66.15	74.86	67.88
Debt to Equity (Times)	0.13	0.10	0.10
Payout Ratio (%)	70.94	116.62	99.55
<u>Others Ratio</u>			
Investment in Securities to Total Asset (%)	7.28	13.75	15.73
Net Capital Rule (NCR) (%)	N/A*	N/A*	N/A*
<u>Per Share</u>			
Book Value (Baht)	1.93	1.75	1.82
Earning Per Share (Baht)	0.03	0.01	0.12
Dividend Per Share (Baht)	0.05	0.06	0.09
Par Value (Baht)	0.50	0.50	0.50

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

GENERAL INFORMATION

Name	: Seamico Securities Public Company Limited.
Address	: 18 th Floor, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500.
	<p><u>Type of Business</u></p> <p>Seamico Securities incorporated and resident in Thailand to do business in accordance with the Securities and Exchange Act B.E.2535.</p> <p>The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act on August 8, 1994 and was listed on the Stock Exchange of Thailand on March 17, 1995.</p> <p>The Company has developed securities business through KT ZMICO Securities Co., Ltd. (registered the change of its name from “KTB Securities Co., Ltd.” on April 1, 2009) with Krung Thai Bank Plc. by transferring its business, operation system, staff and assets to KT ZMICO Securities Co., Ltd. and start operation under the name of KT ZMICO Securities Co., Ltd. since May 4, 2009.</p> <p>Such business transferred had been approved by the extraordinary shareholders’ meeting No.2/2009 on March 20, 2009.</p> <p>The status of the Company after the transfer of business and margin loan accounts is to continue as a listed securities company which most business will be related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.</p> <p>The Company has temporarily ceased its operation on securities and derivative contracts business since May 1, 2009 which was approved by the Office of the Securities and Exchange Commission No. SEC.Thor. 701/2552.</p>
Registration No	: 0107537002460
Home page	: www.seamico.com .
Telephone	: 66 (0) 2624-6399
Fax	: 66 (0) 2624-6398

NUMBER AND TYPE OF PAID-UP SHARES

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

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

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Investment Value (million baht)	Shareholding Percentage
Subsidiary							
Solaris Asset Management Company Limited*	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2624-6300 Fax. 0-2624-6330	Mutual Fund Management	Ordinary	21,000,000	16,450,000	156.40	78.33
Associate Company							
KT ZMICO Securities Company Limited **	16 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500 Tel. 0-2695-5000 Fax. 0-2631-1709	Securities	Ordinary	259,127,200	128,532,600	1,237.50	49.60
Other							
Thanh Cong Securities Joint Stock Company	3 rd & 5 th Floor - Centec tower, 72-74 Nguyen Thi Minh Khai St., Ward 6, District 3, HCMC, Vietnam	Securities	Ordinary	36,000,000	6,796,500	156.02	18.88
BCEL Krungthai Securities Company Limited (invested by KT ZMICO Securities Company Limited)	7 th Floor, Stock Market Building, Khampaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR	Securities	Ordinary	1,000,000	300,000	115.52	30

Note :* In 2013, the subsidiary company increased its paid up share capital by Baht 17.4 million with the holding of the Company increased to 78.33% (from 75.34% shareholding)

** In 2013, the associate company increased its paid up share capital by Baht 300 million with the holding of the Company increased to 49.60% (from 49.54% shareholding)

OTHER REFERENCES

(a) Share Registrar

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

(b) Auditor

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

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

(c) Legal Advisor

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

BUSINESS POLICY & OVERVIEW

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

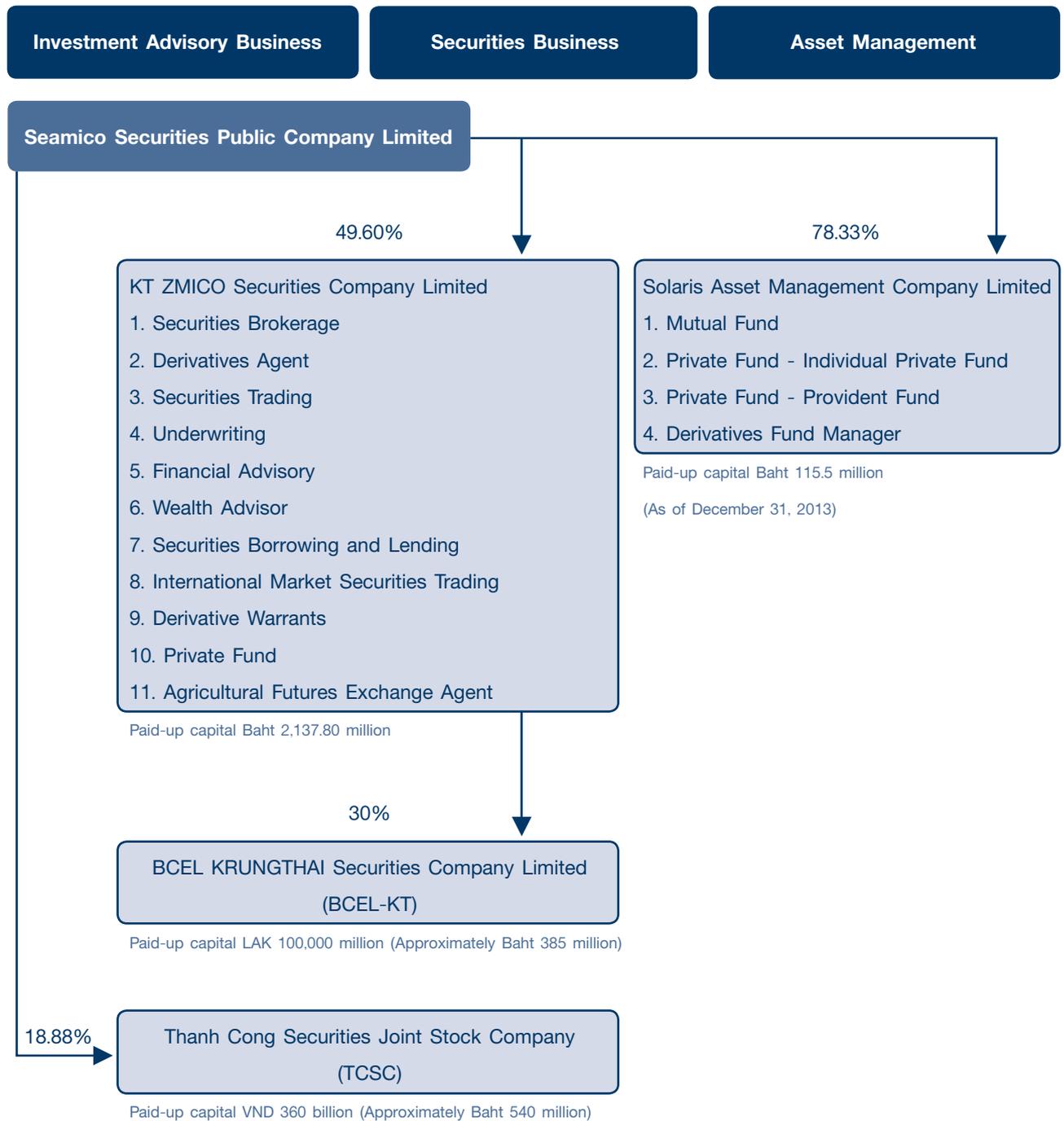
Currently, the major businesses of the Company are related to investment. Securities businesses on local and Indochina have been operated under controlling of associated companies as follows:

- Expand securities business in Vietnam by holding Thanh Cong Securities Joint Stock Company’s shares as 18.88% of outstanding shares.
- Expand securities business in Laos through accompanying KTZMICO with Banque Pour Le Commerce Exterieur Lao Public to establish BCEL KRUNGTHAI (BCEL-KT); 30% of KTZMICO holding.
- Expand asset management business by holding 78.33% of Solaris Asset Management Company as of December 31, 2013.

Business Overview

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

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



NATURE OF BUSINESS

Consolidated Revenue Structure

	2010		2011		2012	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Fees and Services Incomes						
Financial Advisory	0.00	0.00	5.25	3.29	0.00	0.00
Asset Management	7.24	5.53	9.89	6.20	14.12	7.06
Gain (Loss) on Securities Trading	(1.51)	(1.15)	27.04	16.96	6.87	3.43
Interest and Dividend Income	6.17	4.71	8.97	5.62	6.38	3.19
Share of Profit (Loss) in Associate	74.77	57.08	100.69	63.13	163.12	81.50
Gain on Asset Transferred to Associate	43.86	33.48	6.99	4.38	5.91	2.95
Other Income	0.46	0.35	0.67	0.42	3.75	1.87
Total Income	131.00	100.00	159.50	100.00	200.16	100.00

TYPES OF BUSINESS

The Company restructured itself around three main business groups:

1) Investment Advisory Business

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

2) Securities Business

Provide securities business under KTZMICO since May 1, 2009. KTZMICO was granted license by the Ministry of Finance and the Securities and Exchange Commission of Thailand (SEC) to engage in business activities related to the securities industry. As at December 31, 2013, KTZMICO encompasses 19 branches, with 8 branches in Bangkok and 11 branches in upcountry.

The Company has expanded its securities business to Laos through BCEL Krungthai Securities (BCEL-KT). BCEL-KT, a joint venture between BCEL bank and KTZMICO, is one of the two securities companies in Laos.

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

3) Asset Management Business

Solaris Asset Management (“S-Funds”) provides fund management services for clients both public and individual. As end of 31 December 2013, S-Funds have 45 funds under management including fixed income fund (11 funds), balanced fund (1 fund), foreign investment fund (1 fund), taxes saving fund (3 funds) and private fund (29 funds), with total asset under management (AUM) of Baht 4,284 million.

1. Investment Business

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

- Expand business into neighboring countries to capture the surging capital inflows into Indochina. In addition to the Company's investment in Thanh Cong Securities Joint Stock Company (TCSC) in 2009, the company expanded its business to Laos under BCEL-KT, a joint venture between KTZMICO and BCEL. As at December 31, 2010, KTZMICO held 30% of share capital (1 million shares, paid-up 30%, par at 100,000 kip) with initial investment of Baht 33.93 million from paid-up capital of Baht 113.10 million. In November 2011, KTZMICO paid the remaining 70% of paid-up capital, making the total investment Baht 115.52 million. BCEL-KT is one of the two securities companies in Laos.
- Enhance the competitiveness of asset management business through Solaris Asset Management as the asset management business is expected to grow whereas mutual funds will become an alternative source of saving in the future. In September 2011, the Company disposed of 25% stake in Solaris Asset Management to Evolution Capital Public Company Limited. Evolution Capital Plc will support in terms of expanding the customer base to institutional clients group. As at December 31, 2013, Seamico Securities Plc. hold 78.33% from 115.5 million of paid up capital of Solaris Asset Management.

2. Securities Business

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

Securities Brokerage

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

The types of services offered include:

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

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

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

In 2013, KTZMICO and Krung Thai Bank have continually participated in The Stock Exchange of Thailand (SET) campaign “One for All - A simple way to trade online via banks,” which aimed at increasing convenience for internet banking. The campaign was a huge success, enabling KTB-investors to trade via www.ktb.com.

KTZMICO continually provides loan for clients which contribute to the increasing of KTZMICO’s trading volume. During the year 2013, the highest KTZMICO’s outstanding credit balance loan stood at Baht 4.3 billion and KTZMICO’s outstanding credit balance loan stood at Baht 2.9 billion as of December 31, 2013. This business of providing loans to clients has been financed by KTB, a major shareholder.

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

Market Share

Million Baht	2011	2012	2013
SET & MAI Market Turnover	7,191,481	7,914,567	12,330,669
SET & MAI Market Turnover (exclude Proprietary Trading)	6,243,180	6,886,046	10,775,616
KTZMICO’s Trading Volume	523,296	570,353	847,056
KTZMICO’s Market Share (exclude Proprietary Trading)	4.19%	4.14%	3.93%
Rank	11	10	12

Market Turnover for 2013 was Baht 10,775,616 million; trading volume of KTZMICO was Baht 847,056 million, accounting for 3.93% market share.

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

	2011		2012		2013	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Top 10 Securities Trading Clients	76,225	14.57	85,378	14.97	149,851	17.70

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

Clients Proportion	2011	2012	2013
Retail : Institution	85 : 15	86 : 14	86 : 14
Local : Foreign	89 : 11	89 : 11	88 : 12
Cash Account : Credit Balance	82 : 18	83 : 17	86 : 14

Policy on opening new accounts

KTZMICO has established a policy regarding to the opening of new accounts based on our “Know Your Client” principle. This involves providing significant and adequate information required from an applicant in terms of investment objective, investment risk knowledge, experience and investment history. In order to assess whether to approve a credit line, a client’s financial status as well as settlement ability is examined in order to prevent or limit any loss that might occur. KTZMICO have delegated employees with the authority to approve loans subjected to a credit line’s risk level. KTZMICO has also established a procedure to review credit lines on a regular basis to keep track of a client’s trading and settlement history and to ensure that client data is kept up to date.

- Derivatives Agent Business

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

In 2013, trading volume of KTZMICO was 1,779,260 contracts, accounting for 5.34% market share.

	2011	2012	2013
No. of Contracts - TFEX	10,027,116	10,457,927	16,664,126
No. of Contracts - Company	737,162	1,205,627	1,779,260
Market Share	3.68%	5.76%	5.34%
Rank	11	6	5

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

- Securities Borrowing and Lending

Securities Borrowing and Lending (SBL) has been growing in demand with the development of the securities market. KTZMICO provides the service as an alternative investment and also for clients to hedge against market fluctuations. KTZMICO serves as a principal for securities listed in the SET100 Index. Since offering SBL service in 2009, KTZMICO is able to maintain its market share among the Top 5. In 2013, KTZMICO still plans to expand its KTB’s customer base to continually increase its market share.

- Derivative Warrants (DW)

KTZMICO began offering Derivative Warrants (DW) for the first time in December 2010. KTZMICO offered a total of 52 Derivative Warrants for 2013. As of February 28, 2013, there are 17 outstanding Derivative Warrants as the following:

Ticker	Total Issuance (units)	Underlying	Last Trading Date	Exercise Price (Baht per share)	Conversion Ratio (unit of DW per Underlying)
BANP18C1405A	20,000,000	BANPU	2 May 2014	18.696	9.83974
ESSO18C1403A	40,000,000	ESSO	3 Mar 2014	5.50	5.00
IVL18C1403A	20,000,000	IVL	3 Mar 2014	20.00	10.00
TRUE18C1403A	20,000,000	TRUE	3 Mar 2014	6.00	5.00
AAV18C1406A	20,000,000	AAV	2 Jun 2014	5.20	3.20
CPN18C1406A	20,000,000	CPN	2 Jun 2014	45.00	20.00
HEMR18C1406A	20,000,000	HEMRAJ	2 Jun 2014	3.40	1.60
JAS18C1406A	20,000,000	JAS	2 Jun 2014	8.00	4.00
SPAL18C1406A	20,000,000	SPALI	3 Jun 2014	17.00	8.00
STEC18C1406A	40,000,000	STEC	3 Jun 2014	22.00	12.50
TMB18C1408A	20,000,000	TMB	4 Aug 2014	2.70	1.60
VGI18C1406A	20,000,000	VGI	3 Jun 2014	12.50	8.00
AOT18C1407A	20,000,000	AOT	31 Jul 2014	160.00	80.00
BGH18C1407A	20,000,000	BGH	31 Jul 2014	125.00	50.00
CENT18C1407A	20,000,000	CENTEL	31 Jul 2014	28.00	16.00
SCB18C1407A	20,000,000	SCB	31 Jul 2014	150.00	50.00
TTA18C1407A	20,000,000	TTA	31 Jul 2014	16.252	9.5598

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

- Securities Trading

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

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

In 2013, investments in securities were classified into two categories:

- 1) Investments in equity securities including listed securities and unit trust to support securities business expansion, and hedging portfolio.
 - 2) Investments in debt securities which have optimum returns issuance by Government and Corporate with a credit rating of BBB or higher in the short-term period (less than 6 months) as approved by the Executive Committee.
- Underwriting Business

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

Revenue from underwriting business as the following:

	2011	2012	2013
No. of clients	4	9	10
Underwriting Value (Million Baht)	1,512.40	4,274.03	1,866.95
Fee Charged (Million Baht)	4.36	37.61	19.15

- Financial Advisory Business

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

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

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

Revenue from financial advisory services is shown below:

(Million Baht)	2011	2012	2013
Revenue	47.96	173.21	17.00

- Wealth Advisor

KTZMICO established wealth advisory services to serve clients in terms of wealth creation, wealth accumulation, wealth preservation and wealth distribution according to their financial objectives, status and expected return with an acceptable risk. KTZMICO provides one stop service to fulfill clients' financial goals through variety of financial products such as Equities, Fixed Income, Derivatives and Offshore Investments to ensure a diversified portfolio, with either direct investments or mutual funds. In the beginning, KTZMICO was a unit trust selling agent, before being approved by the SEC to be a selling agent for omnibus account. It currently covers 18 Asset Management Companies. At the end of December 2013, Asset under management was Baht 3,431 million. Moreover, KTZMICO continues acted as a participating dealer in ETF Fund.

- Private Fund

In February 2012, KTZMICO was approved by the Securities and Exchange Commission to operate private fund. With the cooperation and supports of KTB, a major shareholder, the business starts operating since the late of year 2012. At the end of December 2013, net asset value of private fund is 135 million.

- International Market Securities Trading

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

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

- Agricultural Futures Agent

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

INDUSTRY OUTLOOK AND COMPETITION

Industry Overview in 2013

The daily market turnover hit a record high at Baht 50 billion in 2013, up 56% from Baht 32 billion in 2012. The figure has now increased for five consecutive years since 2009 when the country's economy

began to pick up after the global economic crisis. The ratio of total market turnover to the average market capitalization in 2013 rose to 0.97x from 0.79x in 2012. It should be noted, however, that the sharp increase in the market's daily turnover for 2013 was seen mostly in the first half of the year when the daily turnover stood at Baht 61 billion; this was notably higher than Baht 39 billion and seen in the latter half of the year. This was due to the fact that the Thai stock market continued to see massive capital outflows throughout the second half of the year owing to the economic slowdown, the political conflict in late 2013 as well as the capital outflows caused by QE tapering. As a result, the SET Index contracted by 6.7% to close at 1,298.71 points. In 2013, the Thai market saw foreign investors net sell by Baht 194 billion.

Market capitalization and total market turnover

	Average market capitalization (Million Baht)	Total market turnover/ Average market capitalization (x)	Total market turnover (Million Baht)	Growth rate (%)
2005	4,736,078	0.86	4,067,181	-20%
2006	5,208,712	0.76	3,983,676	-2%
2007	5,850,375	0.73	4,271,820	7%
2008	5,384,028	0.74	3,981,230	-7%
2009	4,646,432	0.95	4,428,979	11%
2010	6,845,933	1.03	7,033,947	59%
2011	8,361,672	0.86	7,191,481	2%
2012	10,022,982	0.79	7,914,567	10%
2013	12,777,493	0.97	12,330,669	56%

Source : Stock Exchange of Thailand (SET), KT ZMICO

Market Trend in 2014

Based on the economic growth assumption in the base-case scenario (with GDP growth of ~3.5% in 2014), we target the SET Index at 1,500 points for 2014; however, downside risk is that the index could fall to 1,066 points given several factors, including internal factors, i.e., prolonged political tension putting consumption and investment under pressure; and external factors, i.e., fears about a new round of currency crises in emerging countries and QE cutbacks toward the end of the year. Such external factors may cause capital outflows to continue. Hence, the average daily market turnover in 2014 is expected to fall to approximately Baht 30-40 billion vs. Baht 50 billion in 2013. Furthermore, the number of IPOs may also decrease. In 2013 there were 38 securities newly listed to the stock market (28 of which were IPOs), for a total value of Baht 192 billion.

Market statistics

(Million Baht)	2011	2012	2013
SET Index	1,025.32	1,391.93	1,298.71
Market Capitalization	8,485,006	11,964,465	11,674,130
SET	8,407,696	11,831,448	11,496,765
MAI	77,310	133,017	177,365
Total market turnover	7,191,481	7,914,567	12,330,669
SET	7,040,458	7,615,638	11,777,210
MAI	151,023	298,929	553,459
Average daily market turnover	29,473	32,304	50,329
SET	28,854	31,084	48,070
MAI	619	1,220	2,259
Average daily market turnover (excluding brokers' portfolios)	25,587	28,106	43,982
Average daily market turnover of brokers' portfolios	3,886	4,198	6,347
Number of new listed companies (IPOs)	12	18	28
SET	5	8	13
MAI	7	10	15
Internet trading value	1,764,718	2,208,213	3,898,039
Internet trading/ total market turnover (%)	25%	28%	32%
No. of brokerage firms offering internet trading	26	25	27
Total brokerage firms	33	32	33
Investor breakdown by type			
Retail investors	55%	55%	57%
Domestic institutional investors	9%	8%	9%
Brokerage firms' portfolios	13%	13%	13%
Foreign investors	23%	24%	22%
Total	100%	100%	100%

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

Competition in the industry

Overall, 2013 was a good year for the Thai securities industry. Some new players entered the market while many brokerage firms adjusted their strategies to maintain their competitiveness amid fierce competition. There were several M&A deals during the year:

- Several new brokers entered the market in 2013: i) AEC Securities (through acquisition of United Securities from UOB Kay Hian Securities (Thailand)); ii) Asia Wealth Securities (through buying the brokerage license of CIMB-GK from CIMB International (Thailand)); and iii) Apple Wealth Securities (through acquiring the brokerage license of Asia Credit Securities from Finansia Syrus Securities).
- LH Financial Group (LHFG), a holding company who is a major shareholder of LH Bank, acquired a stake of CIMB International (Thailand).

- o UOB Kay Hain Securities (Thailand) (UOBKH) acquired Merchant Partner, merging the securities brokerage operations between the two firms.
- o Asia Plus Securities (ASP) signed a contract with the Jefferies Group to prepare for the planned expansion of the foreign customer base.

Fierce competition in the securities industry, a more sluggish outlook for equity and capital markets compared to 2013 due to weak economic growth and the fragile political situation will lead to fewer mergers and acquisitions among brokers than in 2013 when the market sentiment was extremely favorable. In addition, brokerage firms are likely to adjust their business strategies, especially the cost side, in order to survive and be profitable, e.g., shared back office systems in some brokers to reduce operating costs.

The liberalization of brokerage commission rates has been imposed since 2012 compared to the sliding scale basis that was enforced from January 2010 to December 2011. With the liberalization, price competition has continued to intensify, causing the average commission rate for the sector to remain in a downtrend. However, the pace of the decline has gradually slowed. The sector's average commission rate (excluding brokers' portfolios) decreased slightly to 0.17% in 2013 from 0.18% in 2012. The decrease may be due in part to the increase in the proportion of internet trading to 32% of the total market turnover in 2013 vs. 28% in 2012. For 2014, the average commission rate is expected to remain in a downtrend due to fierce competition as well as the likelihood of continuing increases in the internet trading proportion.

In regard to the market share in 2013, KTZMICO was ranked 12th, accounting for 3.93% vs. 4.14% in 2012. The company's market share in the derivatives market improved remarkably from 3.68% in 2011 to 5.34% in 2013.

Provision of product or services

1. Source of Fund

Most of the Company's source of fund is from shareholders, however, KTZMICO is granted loans of Baht 3,000 million in addition to other lending facilities from KTB, a major shareholder, to support margin loan. Also KTB supports call loan and bank overdraft. Moreover, the Board of Directors' approve to issue bill of exchange at a maximum of Baht 2,000 million. KTZMICO incorporates asset, liability and capital market risk factors in order to appropriately allocate capital in a way that is most beneficial to shareholders.

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

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

3. Net Capital Rule (NCR)

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

For KTZMICO, its policy is to keep its NCR well above Securities and Exchange Commission's requirements. The SEC requires all securities companies to maintain the shareholders' equity at a minimum of Baht 100 million, along with maintaining a minimum net liquid capital of Baht 25 million in addition to the 7% net capital ratio. As at the end of 2013, KTZMICO had Net Liquid Capital of Baht 1,401 million with NCR ratio at 34% and total shareholders' equity of Baht 2,398 million.

3. Asset Management Business

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

1. Mutual Fund

S-Funds was granted a mutual fund management license under the securities and exchange act B.E. 2535 since January 8, 2007 (License No. 0009/2549) for managing all type of mutual funds under supervision of the Securities and Exchange Commission. The company had officially started up this business since May 10, 2007.

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

2. Private Fund: Individual Private Fund

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

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

3. Private Fund: Provident Fund

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

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

4. Derivatives Fund Manager

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

Market and Competition

In 2013, fund management industry in Thailand was one of the highest growth industries with intense competitive environment. As end of December 27, 2013, total asset under management in mutual fund industry recorded at Baht 3.07 trillion, the company had Baht 4,093 million mutual fund assets under management, accounted for 0.13% market share, ranked 18 among total 22 mutual fund management companies.

NO	Mutual Fund Management Companies	AUM (Million Baht)	Market Share
1	Kasikorn Asset Management	709,960	23.08%
2	SCB Asset Management	669,499	21.77%
3	Krung Thai Asset Management	441,912	14.37%
4	BBL Asset Management	317,369	10.32%
5	MFC Asset Management	196,651	6.39%
6	TMB Asset Management	161,126	5.24%
7	Krungsri Asset Management	149,884	4.87%
8	UOB Asset Management (Thailand)	106,453	3.46%
9	Thanachat Fund Management	105,277	3.42%
10	One Asset Management	45,165	1.47%
11	Aberdeen Asset Management (Thailand)	32,909	1.07%
12	Land and Houses Fund Management	29,879	0.97%
13	Phatra Asset Management	24,725	0.80%
14	Tisco Asset Management	23,621	0.77%
15	Finansa Asset Management	20,301	0.66%
16	Asset Plus Fund Management	16,870	0.55%
17	CIMB-Principal Asset Mangement	15,807	0.51%
18	Solaris Asset Management	4,093	0.13%
19	Manulife Asset Management (Thailand)	3,433	0.11%
20	Phillip Asset Management	533	0.02%
21	Maybank Asset Management	481	0.02%
22	Thong Come Asset Management	8	0.00%

Asset management industry has total 22 asset management companies, 12 companies are commercial banks' subsidiary, 7 companies are Securities Company's subsidiary and 3 companies are other financial institution's subsidiary. Notably, bank's subsidiary asset management companies gather 89.58% market share.

S-Funds sees the objections and limit ability to compete with bank's subsidiary competitors; therefore, we attempt to differentiate our business model from other asset management in general by positioning ourselves as fast-response to clients' needs, active fund management style and to be a leader in offering new mutual fund products. In 2013, S-Funds delivered a very successful outcome by offering the high yield fixed income rollover fund for accredited investors (S.E.C. defined) with the name of "Privilege". S-Funds still believes in this product growth potential as we have such a skill to manage this kind of fund.

For the distribution channel front, S-Funds mainly sells our products through selling agents. As end of 2013, S-Funds has 16 selling agents companies such as KTZMICO Securities, Phillip Securities (Thailand), KGI Securities (Thailand), Phatra Securities, Maybank Securities (Thailand), CIMB International Securities (Thailand), AEC Securities, Bualuang Securities, AIRA Securities, Krungsri Securities, Finansia Syrus Securities, ACL Securities, Kiatnakin Securities, Land and Houses Bank, UOB Kayhian Securities (Thailand) and Country Group Securities.

Provision of product or services

As end of 2013, S-Funds has 20 full-time employees including 3 fund managers, 2 marketing officers and other 15 functional employees, all of them are knowledgeable, competence and highly experience people in asset management field.

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

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

RISK FACTORS

Risk from subsidiaries

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

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

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

The Company has realized the impacts of fluctuation in brokerage business and the liberalization of the securities business and brokerage commission fee since 2012 including the liberalization of the ASEAN Economic Community (AEC) in 2015. Therefore, the Company has planned the strategies for expanding customer base, the transaction types and new investments to maintain our competitiveness and to stabilize the company income in the long term are the following:

- The company has expanded its investment banking business to foreign countries. The company was a financial advisor of BCEL-KT Securities Company Limited at Lao PDR and the company will expand the new business to Indochina in 2014.
- Cooperation between the company and KTB, the company has succeeded in expanding customer base and generating income continuously.
- The expansion of financial products by issuing Derivatives Warrants - DW, which were listed on the Stock Exchange since the end of 2010 and arbitrage trading between financial instrument in the SET and TFEX. Including the development of the primary and the secondary bond market has enabled the company to expand income base in new business.
- The company has expanded to provide high net worth clients through transactions Private Fund Management which started business in 2013 from existing customer base of the company and KTB's customer.

2. **Solaris Asset Management Company Limited**

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

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

SHAREHOLDERS

MAJOR SHAREHOLDERS (as at 28th December 2013)

	NAME	NO. OF SHARES HELD	% OF PAID-UP CAPITAL
1	THAI NVDR COMPANY LIMITED	122,140,093	9.340
2	MR. SUTHEP WONGVORAZATHE	100,000,000	7.647
3	QUAM SECURITIES COMPANY LIMITED A/C CLIENT	52,910,193	4.046
4	DBS BANK LTD FOR CLIENT A/C SG1300297900	50,000,000	3.823
5	MR. CHAKRIT SAKULKRIT	44,332,700	3.390
6	MS. SUNSANEE WONGVORAZATHE	41,862,100	3.201
7	ASST. PROF. PIMOL SRIVIKORN	31,373,300	2.399
8	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	31,196,067	2.386
9	KHONBURI CAPITAL CO., LTD.	25,000,000	1.912
10	MISS YIM KING LAM	25,000,000	1.912
	OTHER	783,922,473	59.945
	TOTAL	1,307,736,926	100.000

MAJOR SHAREHOLDER GROUP

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

DIVIDEND POLICY

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

The Board of Directors will determine dividend policy of subsidiaries.

MANAGEMENT STRUCTURE

1. BOARD OF DIRECTORS

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

Directors Authorization and Limitation thereof

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

ATTENDANCE RECORD IN 2013

In 2013, the Board of Directors met 10 times. Details of the attendance are as follows:

	Name	Meeting Attended		
		In person	By conference call	Total
1.	Mr. Suthep Wongvorazathe*	2	-	2/2
2.	Mr. Chaipatr Srivisarvacha	9	-	9/10
3.	Mr. Pinit Puapan	7	-	7/10
4.	Asst. Prof. Pimol Srivikorn**	2	-	2/2
5.	Mr. Robert W. McMillen	8	2	10/10
6.	Mrs. Phornpun Phornprapa	5	-	5/10
7.	Mr. James M. Kelso	7	-	7/10
8.	Mr. Peter J. Emblin	10	-	10/10
9.	Mr. Peter E. Romhild	8	1	9/10
10.	Mr. Jesadavat Priebjivat***	5	-	5/6

Note: * Mr. Suthep Wongvorazathe has been appointed as a director replacing Mr. Kenneth K.H. Lam who had resigned from his directorship on 30th August 2013. The appointment has been approved by resolution of the Board of Directors Meeting No. 9/2013 dated 20th September 2013. Such appointment was approved by the Securities and Exchange Commission on 3rd October 2013 and registered with the registrar, Ministry of Commerce, on 8th October 2013.

** Asst. Prof. Pimol Srivikorn has been appointed as a director replacing Mr. Vuthichai Tumasaroj who had resigned from his directorship on 30th August 2013. The appointment has been approved by resolution of the Board of Directors Meeting No. 9/2013 dated 20th September 2013. Such appointment was approved by the Securities and Exchange Commission on 3rd October 2013 and registered with the registrar, Ministry of Commerce, on 8th October 2013.

*** Mr. Jesadavat Priebjivat has been appointed as a director replacing Mr. Bernard Pouliot who had resigned from his directorship on 7th May 2013. The appointment has been approved by resolution of the Board of Directors Meeting No. 3/2013 dated 10th May 2013. Such appointment was approved by the Securities and Exchange Commission on 23rd May 2013 and registered with the registrar, Ministry of Commerce, on 28th May 2013.

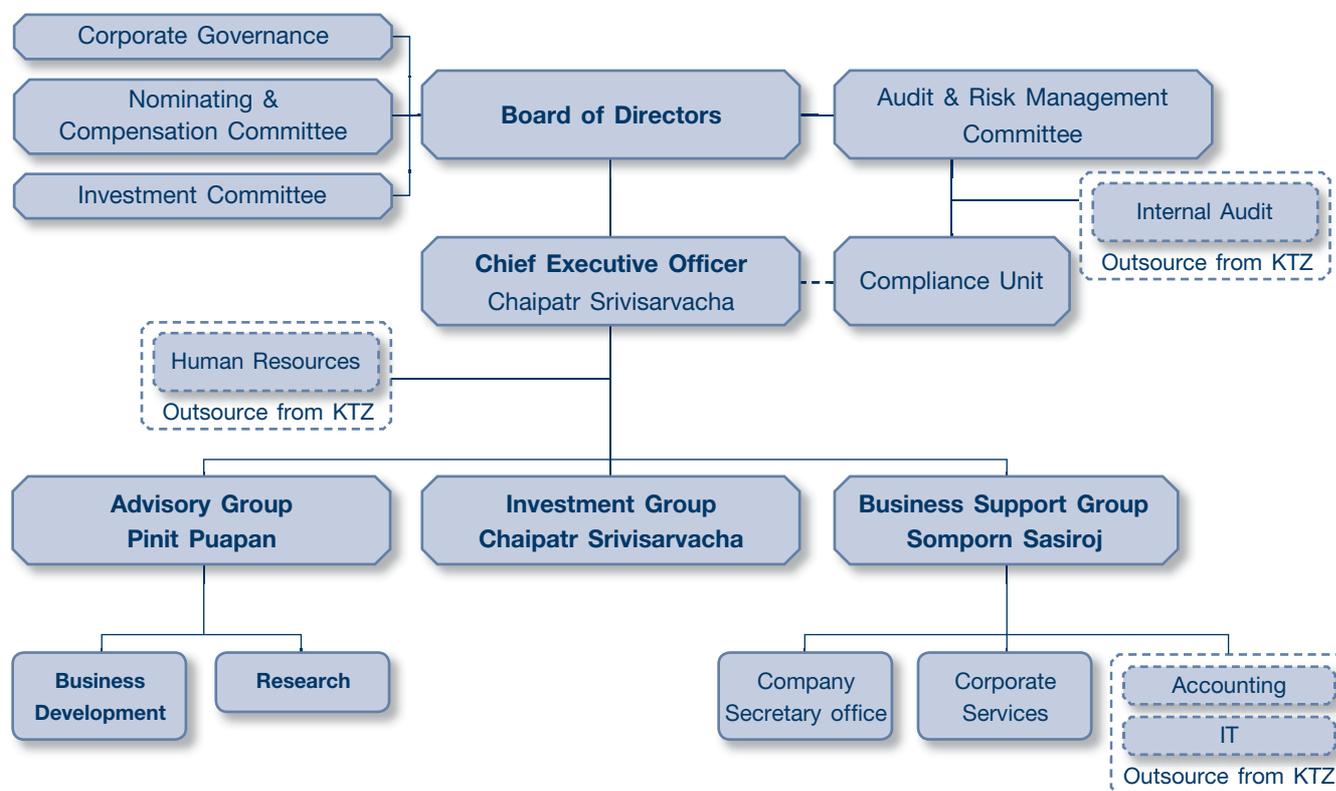
2. MANAGEMENT

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

3. COMPANY SECRETARY

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

ORGANIZATION CHART



DIRECTORS AND MANAGEMENT PROFILES

Name-Surname	Mr. Suthep Wongvorazathe
<u>Position</u>	<ul style="list-style-type: none"> - Authorized Director - Chairman - Chairman of Investment Committee
<u>Age</u>	65 Years
<u>Date of Appointment</u>	20 September 2013
<u>Education</u>	MBA, University of Wisconsin, U.S.A. (1971)
<u>Training</u>	Director Accreditation Program (DAP) (2005)
<u>% of Shareholding</u>	7.65%
Experience	
20 September 2013 - Present	- Chairman, Seamico Securities Plc.
8 November 2013 - Present	- Chairman of investment Committee, Seamico Securities Plc.
Present	- Non-authorized Director, KT ZMICO Securities Co., Ltd.
March 2003 - Present	- Chairman of Audit Committee and Independent Director, Chumporn Palm Oil Industry Plc.
February 2007 - Present	- Chairman, Khonburi Sugar Plc.
October 2012 - Present	- Independent Director, The Bangchak Petroleum Plc.
July 2013 - Present	- Authorized Director, The Mall Group
2011 - Present	- Authorized Director, New Corp Co., Ltd.
2009 - Present	- Authorized Director, Asia Kangnam Co., Ltd.
2010 - 2011	- Chairman of Executive Board, Export-Import Bank of Thailand
2009 - 2011	- Director, The Board of Investment of Thailand
2007 - 2010	- Chairman, Pacific Assets Plc.

Name-Surname	Mr. Chaipatr Srivisarvacha
<u>Position</u>	<ul style="list-style-type: none"> - Authorized Director - Chief Executive Officer - Vice Chairman - Member of Investment Committee
<u>Age</u>	54 Years
<u>Date of Appointment</u>	18 April 2007
<u>Education</u>	MBA (Finance), Illinois Benedictine College (1984)
<u>Training</u>	Director Certification Program (DCP) (2003)
<u>% of Shareholding</u>	0%
Experience	
28 May 2007 - Present	- Chief Executive Officer, Vice Chairman, Seamico Securities Plc.
25 June 2007 - 8 November 2013	- Executive Chairman, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee
1 May 2009 - Present	- Executive Chairman and CEO, KT ZMICO Securities Co., Ltd.
29 November 2011 - Present	- Director, Solaris Asset Management Co., Ltd.
August 2009 - Present	- Chairman of the Board and Executive Chairman, Thanh Cong Securities J.S.C.
28 May 2012 - Present	- Governor, The Stock Exchange of Thailand
19 June 2013 - Present	- Member of Audit Committee, The Stock Exchange of Thailand
14 March 2011 - Present	- Independent Director, Precious Shipping Plc.
20 October 2010 - Present	- Director, Global Alliance Partners Ltd.
11 November 2010 - 31 July 2012	- Independent Director, Evolution Capital Plc.
20 June 2012 - 19 June 2013	- Director, Thailand Futures Exchange Plc.
1 January 2013 - 19 June 2013	- Chairman Derivatives Investor Protection Fund Committee, Thailand Futures Exchange Plc.
2003 - 16 May 2013	- Independent Director and Audit Committee Member, Brooker Group Plc.
8 September 2010 - 3 November 2011	- Independent Director and Chairman of Audit Committee, Dhanarak Asset Development Co., Ltd.
31 January 2011 - 3 November 2011	- Chairman, DAD SPV Co., Ltd.
2004 - April 2009	- Independent Director, G Steel Plc.
3 July 2001 - 18 April 2007	- Independent Director and Audit Committee Member, Thanachart Bank Plc.
1999 - 2003	- Independent Director, Pacific Assets Plc.
1999	- Director and Executive Director, Krung Thai Bank Plc.

Name-Surname	Mr. Pinit Puapan
<u>Position</u>	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Investment Committee
<u>Age</u>	47 Years
<u>Date of Appointment</u>	30 January 2009
<u>Education</u>	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School (2006) - MSC, Economics, London School of Economics (1990) - BA, Economics & Political Science, Tufts University (1989) - Certificate, Leader Program, Capital Market Academy (CMA 11) (2010)
<u>Training</u>	<ul style="list-style-type: none"> - Audit Committee Program (2004) - Director Accreditation Program (DAP) (2004)
<u>% of Shareholding</u>	0%
Experience	
2 March 2009 - Present	- Authorized Director, Seamico Securities Plc.
3 July 2007 - Present	- Managing Director, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
28 May 2007 - 8 November 2013	- Member of the Executive Committee, Seamico Securities Plc.
21 May 2007 - 21 October 2008	- Authorized Director, Seamico Securities Plc.
28 October 2008 - Present	- Authorized Director and Managing Director, KT ZMICO Securities Co., Ltd.
28 April 2009 - Present	- Director, Solaris Asset Management Co., Ltd.
August 2009 - Present	- Director, Thanh Cong Securities J.S.C.
2002 - Present	- Director, Thai Dairy Industry Co., Ltd.
2002 - Present	- Independent Director, Charn Issara Development Plc.
2008 - Present	- Director, Ideas 1606 Co., Ltd.
2013 - Present	- Authorized Director, Veyla Cha Am Residences Co., Ltd
Present	- Authorized Director, Talon Holdings Co., Ltd.
2010 - 31 January 2012	- Director, BCEL-KT Securities Co., Ltd.

Name-Surname	Mr. Robert William McMillen
Position	- Director
Age	58 Years
Date of Appointment	7 November 1997
Education	<ul style="list-style-type: none"> - Chartered Accountant, Major - Accounting, Institute of Chartered Accountants in Australia (1983) - Bachelor of Business, Major - Accounting, The New South Wales University of Technology (1982)
Training	- Director Accreditation Program (DAP) (2007)
% of Shareholding	- 0%
Experience	
7 November 2007 - Present	- Director, Seamico Securities Plc.
13 December 2010 - 8 November 2013	- Member of Executive Committee, Seamico Securities Plc.
1 June 2006 - 28 May 2007	- Director and Member of Executive Committee, Seamico Securities Plc.
24 August 2005 - 31 May 2006	- Authorized Director and President, Seamico Securities Plc.
1 June 2000 - 23 August 2005	- Authorized Director and Chief Executive Officer, Seamico Securities Plc.
November 1997 - 31 May 2000	- Authorized Director and Managing Director, Seamico Securities Plc.
1 October 2003 - Present	- Authorized Director and Member of Executive Committee, Brooker Group Plc.
8 August 2003 - 30 September 2003	- Authorized Director and Chairman of Executive Committee, Brooker Group Plc.
1998 - 7 August 2003	- Non-Authorized Director and Member of Executive Committee, Brooker Group Plc.
February 2006 - Present	- Chairman, CEO and Authorized Director, McMillen Advantage Capital Limited
June 2006 - Present	- Chairman, CEO and Authorized Director, MAC Capital Advisors Limited
June 2006 - Present	- Vice Chairman and Authorized Director, MAC Sharaf Securities (U.A.E.) LLC.
August 2004 - Present	- Authorized Director, Quam Asset Management (BVI) Limited
March 2005 - Present	- Authorized Director, Quam Funds (SPC) Limited
January 2007 - Present	- Authorized Director, Quam Funds Plus (SPC) Limited
September 2008 - Present	- Authorized Director, Quam Multi-Strategy Funds (SPC) Limited
August 2010 - Present	- Director, Quam Ventures (BVI) Limited
All of 2011	- Chairman, Global Alliance Partners Limited
August 2010 - Present	- Director and Vice Chairman, Global Alliance Partners Limited
April 2012 - Present	- Director, Mc Slim's Health Products Australia Pty Limited
November 2007 - December 2013	- Chairman, CEO and Authorized Director, MAC Capital Limited
19 December 2012 - 24 April 2013	- Director, L.V. Technology Plc.
2003 - 17 May 2008	- Non-Authorized Director, Burda-Rizzoli (Thailand) Company Limited

Name-Surname	Mrs. Phornpun Phornprapa
Position	- Independent Director - Member of Audit and Risk Management Committee
Age	61 Years
Date of Appointment	18 April 2007
Education	Marry Mount College, U.S.A.
Training	Audit Committee Program (2008)
% of Shareholding	0.01%
Experience	
21 May 2007 - Present	- Independent Director, Seamico Securities Plc.
28 May 2007 - Present	- Audit and Risk Management Committee, Seamico Securities Plc.
1977 - Present	- Director, Siam Motors Co., Ltd.
1979 - Present	- Managing Director, Thaworn Holding Co., Ltd.
1979 - Present	- Managing Director, Thaworn Estate Co., Ltd.
1980 - Present	- Managing Director, Siam Country Club and Resort Co., Ltd.
1981 - Present	- Vice President, Universal Mining Co., Ltd.
1982 - Present	- Vice President, Siam Leasing Co., Ltd.

Name-Surname	Mr. James Michael Kelso
Position	- Independent Director - Chairman of Audit and Risk Management Committee
Age	59 Years
Date of Appointment	28 May 2007
Education	- New York University, Graduate School of Business Administration, Master of Business Administration - Colgate University, Bachelor of Arts (Major History) - Certified Public Accountant (CPA) (RET)
% of Shareholding	0%
Experience	
25 July 2007 - Present	- Independent Director, Seamico Securities Plc. - Chairman of Audit and Risk Management Committee, Seamico Securities Plc.
2003 - Present	- Director, IPG Financial Services Pte. Ltd.
Present	- Director, International Planning Group (Bermuda) Limited
Present	- Director, International Planning Group Insurance Brokers, Ltd.

Name-Surname	Mr. Peter John Emblin
Position	<ul style="list-style-type: none"> - Independent Director - Member of Investment Committee - Member of Nominating and Compensation Committee - Member of Corporate Governance Committee
Age	55 Years
Date of Appointment	26 February 2010
Education	<ul style="list-style-type: none"> - B. Bus., Fellow of the Financial Services Institute of Australasia - Fellow of the Thai Institute of Directors
Training	Director Certification Program (DCP) (2012)
% of Shareholding	0%
Experience	
20 September 2013 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Nominating and Compensation Committee, Seamico Securities Plc. - Member of Corporate Governance Committee, Seamico Securities Plc.
18 March 2010 - 20 September 2013	<ul style="list-style-type: none"> - Director, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> - Member of Investment Committee, Seamico Securities Plc.
11 November 2010 - 8 November 2013	<ul style="list-style-type: none"> - Member of Executive Committee, Seamico Securities Plc.
November 2008 - 31 December 2013	<ul style="list-style-type: none"> - Executive, Thai Strategic Capital Management Co., Ltd.

Name-Surname	Mr. Peter Emil Romhild
Position	<ul style="list-style-type: none"> - Independent Director - Member of Audit and Risk Management Committee - Member of Nominating and Compensation Committee
Age	62 Years
Date of Appointment	27 April 2012
Education	EAC's Internal School, Copenhagen
Training	Director Certification Program (DCP) (2012)
% of Shareholding	0%
Experience	
10 May 2012 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Audit and Risk Management Committee, Seamico Securities Plc. - Member of Nominating and Compensation Committee, Seamico Securities Plc.
10 May 2012 - 20 November 2013	<ul style="list-style-type: none"> - Member of Corporate Governance Committee, Seamico Securities Plc.
April 2012 - Present	<ul style="list-style-type: none"> - Vice Chairman, ECCO (Thailand) Co. Ltd.
October 2013 - Present	<ul style="list-style-type: none"> - Executive Board Director, ECCO Tannery (Thailand) Co., Ltd. - Executive Board Director, PT ECCO Indonesia - Executive Board Director, PT ECCO Tannery Indonesia
January - March 2012	<ul style="list-style-type: none"> - Advisor, Berli Jucker Pcl.
January 2007 - December 2011	<ul style="list-style-type: none"> - Sr. Executive Vice President, Berli Jucker Pcl.
January 2001 - December 2007	<ul style="list-style-type: none"> - Executive Vice President, Berli Jucker Pcl.

Name-Surname	Mr. Jesadavat Priebjrivat
Position	- Independent Director - Member of Corporate Governance Committee
Age	57 Years
Date of Appointment	10 May 2013
Education	- MBA, New York University, U.S.A. (1984) - MEA, George Washington University, U.S.A. (1980)
Training	- Role of the Chairman Program (ROCP) V. 2 (2011) - Corporate Good Governance for the Director & Executives of Enterprise & Public Organization V. 4 (2010) - Director Certification Program (DCP) V. 115 (2009) - Audit Committee Program (ACP) V. 1 (2009) - Change Management for Top Executive Program (GRID Thailand)
% of Shareholding	0%
Experience	
10 May 2013 - Present	- Independent Director, Seamico Securities Plc.
20 September 2013 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
May 2011 - Present	- Chairman of Audit Committee, Trang Seafood Products Plc.
June 2010 - Present	- Chairman, Union Intraco Plc.
May 2008 - Present	- Director and Member of Audit Committee, Sansiri Plc.
June 2010 - 2012	- Chief Financial Officer, CAT Telecom Plc.

Name-Surname	Assistant Professor Pimol Srivikorn
Position	- Director - Member of Investment Committee - Member of Corporate Governance Committee
Age	50 Years
Date of Appointment	20 September 2013
Education	- MBA, University of California at Los Angeles John E. Anderson, U.S.A. (1989)
Training	-
% of Shareholding	2.40%
Experience	
20 September 2013 - Present	- Director, Seamico Securities Plc. - Member of Corporate Governance Committee, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
January 1989 - Present	- Director, President Hotel and Tower Co., Ltd.
March 2007 - Present	- President, Taekwondo Association of Thailand
December 2011 - Present	- License Holder and School Director, Srivikorn School - Srivikorn Business School
January 2012 - Present	- Executive Director, Srivikorn Group Holding Co., Ltd.
January 2013 - Present	- Independent Director and Chairman of Audit Committee, Nok Airlines Plc.
May 1993 - Present	- Chairman, Thailand Carpet Manufacturing Plc.

Name-Surname	Mr. Somporn Sasiroj
Position	<ul style="list-style-type: none"> - Executive Vice President - Company Secretary - Secretary to the Board of Directors - Secretary to Investment Committee
Age	58 Years
Education	<ul style="list-style-type: none"> - MBA, University of Northern Washington, U.S.A. - MBA, Siam University
Training	<ul style="list-style-type: none"> - Directors Certification Program (2014) (DCP 186/2014) - BRP 11/2013 (2013) - CRP 6/2 (2013)
% of Shareholding	0%
Experience	
23 August 2013 - Present	<ul style="list-style-type: none"> - Executive Vice President, Seamico Securities Plc. - Company Secretary, Seamico Securities Plc. - Secretary to the Board of Directors, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> - Secretary to Investment Committee, Seamico Securities Plc.
23 August 2013 - 8 November 2013	<ul style="list-style-type: none"> - Secretary to the Executive Committee, Seamico Securities Plc.
2011 - Present	<ul style="list-style-type: none"> - Authorized Director, Solaris Asset Management Co., Ltd.
2007 - Present	<ul style="list-style-type: none"> - Executive Vice President, KT ZMICO Securities Co., Ltd.

Name-Surname	Mrs. Banchit Chittanusart
Position	Executive Director - Finance, Account and Treasury Department (According to Service Agreement between Seamico Securities Plc. and KT ZMICO Securities Co., Ltd.)
Age	52 Years
Education	<ul style="list-style-type: none"> - Master Degree of Accounting, Thammasat University (1990)
% of Shareholding	0.00001%
Experience	
April 2009 - Present	<ul style="list-style-type: none"> - Executive Director - Financial Control and Treasury Department, KT ZMICO Securities Co., Ltd.
October 2008 - March 2009	<ul style="list-style-type: none"> - Director, KTB Securities Co., Ltd.
April 2004 - September 2008	<ul style="list-style-type: none"> - Executive Vice President - Finance, Account and Treasury Department, Seamico Securities Plc.
February 1998 - March 2004	<ul style="list-style-type: none"> - Senior Director of Finance and Accounting Department, Government Pension Fund

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANY'S DIRECTORS

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

Director	Position
1. Mrs. Siripen Sitasuwan	Chairman, Independent Director
2. Mr. Pinit Puapan	Authorized Director
3. Mr. Lertsak Polanun	Authorized Director
4. Mr. Somporn Sasiroj	Authorized Director
5. Mr. Chaipatr Srivisarvacha	Director
6. Mr. Pichai Yimjaipoonsup	Director
7. Mr. Arthur Huges Napolitano	Director
8. Mr. Praves Suttirat	Independent Director

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

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

4. REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2013

1. Monetary Remuneration

Directors

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus*
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> Authorized Director Chairman Chairman of Investment Committee 	85,333	-
2. Mr. Chaipatr Srivisarvacha**	<ul style="list-style-type: none"> Authorized Director Chief Executive Officer Vice Chairman Member of Investment Committee 	-	-
3. Mr. Pinit Puapan**	<ul style="list-style-type: none"> Authorized Director Managing Director Member of Investment Committee 	-	-
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> Directors Member of Corporate Governance Committee 	65,333	-
5. Mr. Robert W. McMillen	<ul style="list-style-type: none"> Director 	370,000	250,000
6. Mrs. Phornpun Phornprapa	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee 	300,000	250,000
7. Mr. James M. Kelso	<ul style="list-style-type: none"> Independent Director Chairman of Audit and Risk Management Committee 	345,000	250,000
8. Mr. Peter J. Emblin	<ul style="list-style-type: none"> Independent Director Member of Investment Committee Member of Nominating and Compensation Committee Member of Corporate Governance Committee 	380,000	250,000
9. Mr. Peter E. Romhild	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee Member of Nominating and Compensation Committee 	390,000	250,000
10. Mr. Jesadavat Priebjrivat	<ul style="list-style-type: none"> Independent Director Member of Corporate Governance Committee 	182,667	-
Resigned Directors		571,333	750,000
Total		2,689,666	2,000,000

Note * Bonus of 2012 performance paid in 2013

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

Directors (Authorized) and Management

Type of Remuneration	Remuneration (Baht)
Salary and Bonus	5,041,500

2. Other Remuneration

For 2013, the Company contributed Baht 303,905 for the management to the Company's provident fund.

CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE 2013

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

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). In 2013, the Company has rated at “Very Good Grade” from the survey of good governance that was assessed by IOD continuously for 6 years since 2008.

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

1. Rights of Shareholders

The rights to obtain information

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

Voting rights

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

The rights to express opinions and ask questions

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

The rights to be treated equally

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

2. Equitable Treatment of Shareholders

The Company arranges meetings of shareholders by supporting sufficient information and the shareholders have opportunities to express their opinions and ask questions. In 2013, the Company has website to request the shareholders to propose additional agenda items and nominate qualified

directors before AGM meeting. The Company also provides a proxy form for shareholders who can not attend meetings to appoint an independent director as a grantee.

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

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

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

3. Roles of Stakeholders

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

3.1 Shareholders

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

3.2 Clients

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

3.3 Employees

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

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

3.4 Governance office, Government, Public Corporate

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

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

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

3.5 Society, Community, Environment

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

3.6 Creditors, Suppliers, Competitors

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

4. **Disclosure and Transparency**

Disclosure policy

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

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

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

Directors and Management's Securities Holding

The Change in directors and management's securities holding

Director / Management	No. of Shares Held		Change Increase / (Decrease)
	31 Dec. 12	31 Dec. 13	
Mr. Suthep Wongvorazathe	0	100,000,000	100,000,000
Mr. Chaipatr Srivisarvacha	0	0	0
Mr. Pinit Puapan	0	0	0
Asst. Prof. Pimol Srivikorn	0	31,373,300	31,373,300
Mr. Robert W. McMillen	0	0	0
Mrs. Phornpun Phornprapa	182,100	182,100	0
Mr. James M. Kelso	0	0	0
Mr. Peter J. Emblin	0	0	0
Mr. Peter E. Romhild	0	0	0
Mr. Jesadavat Priebjrivat	0	0	0
Mr. Somporn Sasiroj	0	0	0
Mrs. Banchit Chittanusart	101	101	0

Directors' reporting

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

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

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

Remuneration of directors and management

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

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

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

Board of Directors meetings

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

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

The attendance record of Directors for 2013 as shown in "ATTENDANCE RECORD IN 2013"

Investor relations

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

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

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

Seamico Securities Public Company Limited
18th Floor, Liberty Square Building,
287 Silom Road, Bangrak, Bangkok 10500
Telephone: (66-2) 624-6399 Fax: (66-2) 624-6398
www.seamico.com

5. Board Responsibilities

Leadership and vision

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

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

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

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

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

Conflict of interest

The Company guards against conflicts of interest, as follows:

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

Code of ethics

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

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

- The balance of power for non-executive directors

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

The Composition of the Board of Directors

Executive Directors	2 persons
Non-Executive Directors	8 persons

Consisting of:

Independent Directors	5 persons
Outside Directors	3 persons

- The Appointment of Audit and Risk Management Committee

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

- Aggregation or segregation of positions

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

- Committees

Various committees have been established, such as:

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

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

- Control system and internal audit

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

In relation to operational controls

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

In relation to internal audits

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

In relation to risk management

The Company established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to obtain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system in order to be efficient. This was accomplished by co-ordination with executives in all business functions to identify, measure and assess risks as well as review and monitor the results of risk identification and report the related risk information to the Risk Management and Audit & Risk Management

committees. There will be a revision of the policies, procedures and measures in regard to risk management every two years. The Compliance and Internal Audit department monitors and audits all business activities for strict adherence to the Company's risk management policy and reports discrepancies in practices to the Audit and Risk Management Committee.

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

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1. Philosophy of Work of the Company

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

2. Policies Concerning the Board of Directors

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

3. Structure of Board of Directors

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

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

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

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

4. Duties and responsibilities of the Board of Directors

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

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

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

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

5. Work Performance of the Board of Directors

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

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

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

6. Duties and Responsibilities of the Management

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

7. Policy on the Conflict of Interest

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

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

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

8. Policy on the Internal Control and Risk Management System

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

9. Policy on the Accounting and Financial Transactions

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

10. Policy on the Trading of Securities

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

11. Policy on the Social Responsibility

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

2. SUB-COMMITTEE

1. Investment Committee

Name	Position	Meeting Attended in 2013
1. Mr. Suthep Wongvorazathe	Chairman	1/1
2. Mr. Chaipatr Srivisarvacha	Director	1/1
3. Mr. Pinit Puapan	Director	1/1
4. Assistant Professor Pimol Srivikorn	Director	1/1
5. Mr. Peter J. Emblin	Director	1/1
Mr. Somporn Sasiroj	Secretary	

Scope of Duties and Responsibilities of the Investment Committee

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

2. Audit and Risk Management Committee

Name	Position	Meeting Attended in 2013
1. Mr. James M. Kelso (CPA)	Chairman	3/4
2. Mrs. Phornpun Phornprapa (ACP)	Director	2/4
3. Mr. Peter E. Romhild (DCP)	Director	4/4
Mrs. Aree Termwatanapakdee	Secretary	

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

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

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

3. Nominating and Compensation Committee

Name	Position	Meeting Attended in 2013
1. Mr. Suthep Wongvorazathe*	Chairman	
2. Mr. Peter E. Romhild	Director	2/2
3. Mr. Peter J. Emblin	Director	1/1

* Mr. Suthep Wongvorazathe has been appointed as Chairman of Nominating and Compensation Committee in 2014.

Scope of Duties and Responsibilities of the Nominating and Compensation Committee

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

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

4. **Corporate Governance Committee**

Name	Position
1. Assistant Professor Pimol Srivikorn	Director
2. Mr. Peter J. Emblin	Director
3. Mr. Jesadavat Priebjrivat	Director

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

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

3. **DIRECTOR SELECTION**

1. **Independent Director**

Selection of Independent Director

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

Definition of Independent Director of the Company

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

1. Holding shares not more than 1% of shares with voting rights of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)
Not being an employee, staff member or advisor who receives a regular salary from the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)
3. Not being a relative or by a legal register, a father, mother, spouse, brother, sister or child including the spouse of such child, with director, management, major shareholder, controlling person of the company or the person who is going to be proposed as the management or the controller of the company or subsidiary company.

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

2. **Director Selection**

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

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

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

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

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

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

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

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

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

4. SUBSIDIARIES AND ASSOCIATES COMPANY SUPERVISION

The Company holds shares in subsidiary and associated companies as follows

- 1) KT Seamico Securities ("Associated Companies") has major shareholders and percent of shareholding as follows;

Name	Percent of Shareholding (%)
1. Krungthai Bank Plc.	50.40
2. Seamico Securities Plc.	49.60

- 2) Solaris Asset Management ("Subsidiary Companies") has major shareholders and percent of shareholding as follows

Name	Percent of Shareholding (%)
1. Seamico Securities Plc.	78.33
2. Evolution Capital Plc.	21.67

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

The Company determines the power and duty of the director and the management who legally authorized to act on behalf of the Company in subsidiary or associated companies in controlling or participating in such consideration of the important policy relating to the business operation. The Company assigns the proxy performs duties in the position of director or each of member of sub-committee or the top management. The company will comply with the effective internal control system by determining operating procedures ,delegation of approval to prevent the directors or the management who is engaged in any act which may cause damage to subsidiary and associated companies.

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

The Company has determined suitable internal control system of subsidiaries companies and machanisms to supervise its such as

1. In Shareholder meeting , the Company on behalf of the major shareholders has the right to vote in important agenda such as increase or reductions of capital ,Dissolution of subsidiary company etc.
2. In management term,the Company determines the representative which is assigned to be the director or the management of subsidiaries companies has duties to report result of operation including problem,threat in Board of Directors ' meeting at least every quarter or in case of emergency, the Company will have a meeting for acknowledgement and approve or rectify that problem.

The Company enters into an agreement with Krungthai Bank Plc.to manage KTZMICO,the associated company.The main idea of this agreement is The Company transferred its operating assets and major staff to KTZMICO to support the higher competition from liberalization of the securities business.The Company has temporarily ceased its operation on securities and derivative business to act in accordance with the agreement between the Company and KTB and both parties can grant their representatives to be directors and the management.

In 2013, the Board of directors has the role to supervise the operations of the Company in accordance with law and regulations.The Company don't fails to comply with the law.

5. SUPERVISION ON USING INSIDE INFORMATION

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

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

1. In reference to the Company's organization, each department is clearly divided according to its particular function. Also, a securities entry system is applied by departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:
 - 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
 - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities from the end of accounting period until the next day after the announcement of financial statements to the public. Also, they have to report changes in securities holding during Company Board meetings or disclose and certify that there is no conflict of interest when they consider the transaction so as to promote transparency and fairness.
 - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.
 - 2.4 In order to monitor the Company, management and all officers subscribe to securities in which the Company is the underwriter during the specified period to promote fairness.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, those persons are not allowed to trade securities in predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

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

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

6. AUDITOR'S REMUNERATION

1. Audit fee

The Company and its subsidiaries (Solaris Asset Management Co., Ltd.) paid audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for the year 2013 of Baht 600,000 and 300,000 respectively.

2. Non-audit fee

-None-

7. OTHER CORPORATE GOVERNANCE

The Company as a securities company has complied with the law and regulation and good corporate governance which improve the standard of the securities company in the other topics as follows

- 1) The Company applies for Compliance Club membership, the club of, Association of Securities Company. The objective of this club is to promote the coordination of the compliance officer to share the information, knowledge, Rule, Regulation, Seminar between the members and to increase understanding in their works and to build up good relationship between the member and Regulators.
- 2) The Company arranges the Compliance officer to take the compliance seminar course which is complied with the SEC's regulation and take refresher course every 2 years after first appointment.

CORPORATE SOCIAL RESPONSIBILITY

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

In 2013, The Company and KT ZMICO Securities Co., Ltd., had approach to development and contributes to major development with variety aspects through different organization who are serving with particular areas in which details of activities are as following

✧ Economy & Business

Sustaining economic development gives people the tools they need to help themselves, while also strengthening society. The company actively promotes balanced economic development through business training, education and the sharing of knowledge : Project BOND ACADEMY 2013.



✧ Education

Fostering a new generation of bright and ethical people is the best investment for the future, so learning and development has always been one of the key initiatives project : Project through various FOUNDATIONS



✧ Charities & Disaster Relief

In recognition of the diverse nature of our society, the company supports a wide range of beneficial projects through giving assistance to various charity organizations and support to disaster relief efforts, both local and global : Project PHILIPPINE's Disaster



✧ Environment

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



Name of Organizations and Foundations that The Company associated with to activate Corporate Social Responsibilities

1. Phra Dabos Foundation providing donation of THB 700,000
2. The Education for Development Foundation
3. Chalerm-Phrakiat School 84 years
4. Foundation for Children

INTERNAL CONTROL AND RISK MANAGEMENT

For 2013, the Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, and the Company's external auditor including concerning management officers to review the quarterly and annual financial statements for 2013 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. In addition, the Chairman of the Company's Audit & Risk Management Committee acted as an advisor to the Audit and Compliance Committee of KT ZMICO.

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

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

RELATED PARTIES AND CONNECTED TRANSACTIONS

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approvals of related party transactions were in compliance with rule and regulations of The SEC. As at 31 December 2013, the Company did not change policies or increase in related parties contracts.

1. Purchase / Sale of goods and/or services

Connected Party / Relationship	Description	Value (Baht Million)		Price / Fee	Notes
		2011	2012		
1) Quam Limited Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Other payable	-	0.02	-	Mr. Bernard Pouliot resigned from director of the Company effective May 7, 2013. Mr. Kenneth Kin Hing Lam resigned from director of the Company effective August 30, 2013.
	- Office rental expense	0.57	-	-	
	- Other expenses	-	0.19	-	
2) Quam Securities Company Limited A company under Quam Group Related by way of common Director, Mr. Bernard Pouliot and Mr. Kenneth Kin Hing Lam	- Accrued research advisory services	-	0.09	-	Mr. Bernard Pouliot resigned from director of the Company effective May 7, 2013. Mr. Kenneth Kin Hing Lam resigned from director of the Company effective August 30, 2013.
	- Research advisory expense	-	0.09	3.35	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
3) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary)	- Accrued private fund management fee	-	0.07	0.04		The Company has holding of 78.33 Per cent in their equity
	- Other payable	-	-	0.10		
	- Private Fund management fee	-	0.10	0.56	- At the rate of 0.2 per cent of net asset value of the fund as under the contract	
	- Compliance service fee	-	-	0.03	- At the rate determined under the contract Of Baht 10,000 per month from August 5, 2013 to November 5, 2013.	
	- Office rental expense	-	-	0.73	- At the rate determined under the contract April - July 2013 of Baht 105,315 per month and Baht 62,025 per month since August 2013.	
	- Service income	-	-	2.08	- At the rate determined under contract Of Baht 521,000 per month (April - July 2013)	
4) KT Zmico Securities Co.,Ltd. (Seamico's current associate) Related by way of common Director, Mr.Chaipatr Srivisanvacha and Mr.Pinit Puapan	- Other payable	0.47	0.22	0.61	- Actual expense incurred	The Company has holding of 49.60 Per cent in their equity
	- Outsourcing fee	1.80	1.80	3.25	- At the rate of Baht 150,000 per month, since August 2013 at rate of Baht 440,000 per month.	
	- Office rental expense	0.59	0.59	0.15	- At the rate of Baht 49,503 per month (January - March 2013)	
	- Advisory fee income	-	5.25	-	- At the rate determined under the contract at 15 per cent of revenue	
	- Research service income	-	-	2.80	- At the rate determined under the contract	

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
5) Thanh Cong Securities J.S.C. Related by way of common Director, Mr.Chaipatr Srivisaracha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Other receivable	-	0.16	-	- At the rate agreed by the contract	The Company has holding of 18.88 per cent in their equity.
6) Related with subsidiary and associate Solaris Asset Management Co.,Ltd. and KT Zmico Securities Co.,Ltd.	- Office rental income - Selling agent fee expenses - Service fee expenses	0.22 0.62 0.84	0.02 0.88 3.54	- 0.59 1.11	- At the rate agreed by the contract of Baht 18,000 per month - At the rate agreed by the contract - At the rate agreed by the contract January - October 2011 Baht 25,000 per month, since November 2011 Baht 295,000 per month and since April 2013 onwards fee has reduced to Baht 25,000 per month.	The agreement was terminated from February 2012 onwards.

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
1) Solaris Asset Management Co.,Ltd (Seamico's current subsidiary)	- Investment in common shares	15.59	19.19	20.14	- Investment portion 75 per cent in year 2011, portion 75.34 per cent in year 2012 And portion 78.33 per cent in year 2013	
	- Increase investment in common shares	21.00	25.00	17.40	- 2013: 0.75 million shares at the 10 Baht per share, 1.8 million shares at the 5.5 Baht per share 2012: 2.5 million shares at the 10 Baht per share 2011: 2.1 million shares at the 10 Baht per share	
	- Investment value in mutual fund at year end	54.90	-	100.72	- At NAV of the fund	
	- Withdrawal mutual fund managed by subsidiary	-	40.65	-	- At NAV of the fund	
	- Withdrawal private fund managed by subsidiary	-	-	293.69	- Value of investment	
	- Investment in mutual fund managed by subsidiary	-	6.00	10.00	- Value of investment	
	- Investment in private fund managed by subsidiary	-	380.99	-	- At investment cost	
	- Investment value in private fund at year end	-	384.43	9 6.31	- At NAV of the fund	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
2) KT Zmico Securities Co.,Ltd. (Seamico's current associate) Related by way of common director Mr.Chaipatr Srivisarvacha and Mr.Pinit Puapan	<ul style="list-style-type: none"> - Investment in common shares - Receivable from transfer business - Income from transfer of business 	1,087.50 70.00 70.00	1,087.50 - -	1,237.50 - -	<ul style="list-style-type: none"> - Investment portion at 49.60 per cent - At the Pro-rated EBITDA 	
3) Thanh Cong Securities J.S.C. Related by way of common Director, Mr.Chaipatr Srivisarvacha, Mr.Pinit Puapan, and Mrs.Duangrat Watanapongchat	- Investment in common shares	84.78	88.55	94.26	- Total 6,796,500 shares at price VND 11,500 per share	The Company has holding of 18.88 per cent in their equity.
4) Evolution Capital Plc. Related by way of common Director, Mr.Chaipatr Srivisarvacha	- Disposal of partial in subsidiary (Solaris Asset Management Co., Ltd.)	7.68	-	-	- Total 3.7 million shares at the price Baht 2.076 per share	Mr.Chaipatr Srivisarvacha resigned from director of Evolution capital Plc. effective July 31, 2012.

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
	- No transaction -					

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2011	2012	2013		
	- No transaction -					

Audit Committee's opinion with regard to related parties and connected transaction as of December 31, 2013

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

Policy and Related Parties and Connected Transactions in the Future

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall operating results in the year ended December 31, 2013

Seamico Securities Public Company Limited (“The Company”) and its subsidiary made a net profit of Baht 130 million for the year ended December 31, 2013 compared with the net profit of Baht 92 million recorded last year. The operating results increased from last year due to an increased in main sources of income for the year 2013 which is realized share of profit of associated company KT ZMICO Securities Company Limited (“KT ZMICO”) under equity method. KT ZMICO generated the better operating result due to an increased in trading volume of securities and derivatives business. The Company and its subsidiary’s main income for the year 2013 are realized share of profit of associated company under equity method of Baht 163 million, gain on securities of Baht 7 million and realized gain on transfer of assets and its business to associated company of Baht 6 million. During the period, the Company incurred total operating expenses of Baht 67 million, with some expenses from personnel expenses and directors and managements’ remuneration. The Company and its subsidiary recorded taxable expense of Baht 3 million, a decreasing in taxable expense is a result of the decreasing in tax rate from 23 per cent to 20 per cent. With the reason mentioned, the Company generated a net profit of Baht 130 million in 2013.

In 2013, KT ZMICO had a market share of 3.93 per cent in the equity market (SET & MAI) and was ranked 12 among securities companies. For Derivatives market, KT ZMICO achieved 5.34 percent market share and was ranked 5.

Major Impact in 2013

After transferring the securities business, Since May 2009, the Company’s operating results depend largely on the operating results of KT ZMICO Securities Co., Ltd. The main income source in the Company’s financial statement is from share of profit of associated company under equity method which is in equivalent to 49.60 per cent of issued and paid-up share capital of such associated company. Moreover, other sources of income include gain on trading securities, interest and dividend income from investments in debt and equity securities for cash management in order to provide the Company with liquidity for day-to-day operations and fee and service income from private fund and mutual fund management of subsidiary (Solaris Asset Management Co., Ltd.).

The Securities Industry and the Thai Market

In 2013, the SET trading volume rose from that of year 2012.

- The SET Index decreased 7 per cent from 1,391.93 points at the end of 2012 to 1,298.71 points at the end of 2013.
- The combined market capitalisation of the SET and MAI decreased from Baht 11,964 billion at the end of 2012 to Baht 11,674 billion at the end of 2013, or a decrease of 2 per cent.
- The overall average daily trading volume of the market increased from Baht 32.30 billion in 2012 to Baht 50.33 billion in 2013, or an increase of 56 per cent.

- The overall average daily trading volume for derivatives contract of the derivatives market increased from Baht 43,823 contracts in 2012 to Baht 68,017 contracts in 2013, or an increase of 55 per cent.

Customer Base Expansion

- The customer base of KT ZMICO Securities Co., Ltd. increased by 28.76 per cent from 2012 from increment of KTB's customer base by 57.30 per cent from the prior year. In addition, KT ZMICO Securities Co., Ltd. continuously serviced the securities business in Indochina continues.
- In 2013, Solaris Asset Management Co.,Ltd., the subsidiary, launched 4 mutual funds, with approved fund size of Baht 1,664 million. As at the end of 2013, there were 45 mutual funds and private funds under management with total net asset value of Baht 4,284 million.

Corporate and Investment Activities

- The Company has an investment in KT ZMICO's ordinary shares at Baht 1,237.5 million, therefore, the Company holds 49.60 per cent interest in KT ZMICO.
- The Company has an investment in Thanh Cong Securities J.S.C. ("TCSC"), a securities company in Vietnam at Baht 156 million, therefore, the Company holds 18.88 per cent interest in TCSC same as the previous year.

In 2013, Thanh Cong Securities J.S.C. generated the better operating result. The Company reversed an allowance for impairment for such investment in the amount of Baht 6 million. Therefore, as at December 31, 2013, the Company recorded an allowance for impairment for such investment in the amount of Baht 61.76 million. The book value of investment is Baht 94.26 million.

- On October 17, 2012, the Company entered into an agreement with Soloris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for one year. Contract, which will be expired on 17 October 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund. As at December 31, 2013, the fund has net asset value at Baht 96 million.

Local and International Awards and Recognitions

- The Company won an "Excellent" rating for the AGM 2013 assessed by the Thai Investors Association.
- The Company earned a "Very Good" rating for the Corporate Governance 2013 assessed by the Thai Institute of Director (IOD).

Financial Position

- As at December 31, 2013, shareholders' equity was Baht 2,374 million which increased from Baht 1,785 million as at December 31, 2012. This was due to the fact that the Company generated net profit attribute to the owners of the parent in 2013 of Baht 134 million, share capital increased by Baht 523

million, share of actuarial losses on defined benefit plans of an associated company increased by Baht 6 million and decreased from dividend payment of Baht 61 million.

- The Company was approved to temporary discontinue its Securities trading business and Derivatives trading business from the Office of the Securities and Exchange Commission (SEC), effective from May 1, 2009 to December 31, 2011. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivatives business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011 and until December 31, 2013 as the letter issued by the Stock Exchange of Thailand No. Bor Sor Chor. 17/2555 dated June 8, 2012. Therefore, the Company is not required to maintain its net liquid capital as define by the SEC.

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital at least Baht 0.1 million according to the Notification of the Office of the Securities and Exchange Commission. As at December 31, 2013, the Company has able to maintain its net liquid capital more than the condition.

- The Company remains free of external debts.

2. Operating Results

During 2013, the Company and its subsidiary recorded the total income of Baht 200 million, an increase of 25 per cent from the previous year.

(Million Baht)

	2012		2013	
	Amount	%	Amount	%
Fee and service income	15.13	9.49	14.12	7.06
Gains on trading in securities	27.04	16.95	6.87	3.43
Interest and dividend income	8.97	5.62	6.38	3.19
Share profit of associated company by equity method	100.69	63.13	163.12	81.50
Gain on transfer of assets and its business to associated company	6.99	4.38	5.92	2.96
Other income	0.67	0.42	3.75	1.87
Total income	159.49	100.00	200.16	100.00

(1) **Income**

1.1) **Fee and Service Income**

The Company and its subsidiary earned Baht 14 million of fee and service income in 2013 which came from fee and service income from private funds and mutual funds management. Fee and service income decreased by Baht 1 million from the previous year This resulted from fee and service income from private funds and mutual funds management of subsidiary increased by Baht 4 million. However, financial advisory fee of the Company decreased by Baht 5 million.

1.2) Gain on Trading in Securities

During 2013, the Company's realized gain on securities trading of Baht 7 million which resulted from;

- Gain on equity securities trading Baht 4 million
- Gain on debt securities trading Baht 3 million

1.3) Interest and dividend income

In 2013, the Company had interest income of Baht 6 million from deposits at bank and financial institutions, investment in debt and dividend income from securities.

1.4) Share of profit of associated company

In 2013, the Company recognized share of profit of associated company (KT ZMICO) under equity method of Baht 163 million.

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

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

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

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

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

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

During 2013, KT ZMICO sold part of transferred assets to the third parties, therefore, the Company recorded “Unrealized gain on transfer of asset to the associated company” as gain on transfer assets and business to associated company in consolidated financial statement of Baht 6 million.

At 2013, the total unrealized gain on transfer of assets to the associated company was Baht 150 million which is summarized in the table below.

(Million Baht)

	Gain on transfer of asset		Unrealized gain on transfer of asset (liabilities)
	Separated (income)	Consolidated (income)	
Recorded as at transferred date (May 2, 2009)	185	94	91
In 2009 - 2012			
Increased gain on transfer of business to KT ZMICO	200	100	100
KT ZMICO sold the transferred assets to the third party	-	35	(35)
In 2013			
KT ZMICO sold the transferred assets to the third party	-	6	(6)
Balance as at 2013			150

(2) Securities Business Expenses

In 2013, The Company had total expenses of Baht 67 million, an increase of Baht 4 million or 7 per cent from previous year.

(Million Baht)

	2012		2013	
	Amount	%	Amount	%
Fees and services expenses	5.12	8.22	6.31	9.46
Bad debts and doubtful debts	(1.52)	(2.44)	-	-
Operating expenses	62.47	100.27	66.06	99.09
Impairment loss on securities (reversal)	(3.77)	(6.05)	(5.70)	(8.55)
Total expenses	62.30	100.00	66.67	100.00

2.1) Fee and Service Expenses

In 2013, Fees and Service expenses were Baht 6 million which mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.2) Bad debts and doubtful debts

During 2012, the company reversed Bad debt and doubtful accounts of Baht 1.5 million due to collateral value has increased. The collateral value for 2013 unalterable from 2012, therefore it does not affect the amount of doubtful accounts.

(3) Operating Expenses

Major portion of operating expenses were personnel expenses, consulting expenses which accounted for 45 per cent and 17 per cent of total operating expenses, respectively. Total expenses increased by Baht 4 million or 16 per cent from previous year which was resulted from personnel expense increase by Baht 6 million due to the fact that the number of employee in the Company and subsidiary company increased from last year.

(4) Profit Margin

The net profit margin increased from 62 per cent at the end of 2012 to 67 per cent at the end of 2013. This resulted from share of profit of associate increased by Baht 62 million, other income increased by Baht 3 million, gains on trading in securities decreased by Baht 20 million and personnel expense increased by Baht 6 million. Income tax expense decreased by Baht 2 million due to a decrease in corporate income tax rate from 23 per cent in 2012 to 20 per cent in 2013.

(5) Return on Equity

Return on equity was 6.57 per cent in 2013 which increased from 5.64 per cent in 2012.

3. Operating Results Compared with Budget

-Not Applicable-

Financial Position**1. Assets****1.1 Combination of Assets**

As at December 31, 2013, the Company and its subsidiary had total assets of Baht 2,606 million, 39 per cent of which was current assets and 61 percent was non-current assets.

Major changes to assets were as follows:

- Cash and Cash Equivalent

Cash and cash equivalents as at December 31, 2013 were Baht 538 million, an increase of Baht 287 million, or 114 per cent from year 2012 (See details in 2.1 Cash Flow).

- Investment in Securities

As at December 31, 2013, the Company reversed allowance for loss on impairment for ordinary shares of Thanh Cong Securities J.S.C. ("TCSC") of Baht 5 million which affected the book value of TCSC increased to Baht 94 million from the original cost was Baht 156 million.

Additional, the Company entered into an agreement with Solaris Asset Management Co., Ltd., which is subsidiary company, to manage the Company's private fund. Total net asset value as at December 31, 2013 is Baht 96 million. The total remaining amount is investment for cash and liquidity management of the Company by invested in debt securities - bill of exchange by Baht 119 million, invested in corporate bond by Baht 15 million and invested in mutual fund managed by Solaris Asset Management Co., Ltd. by Baht 100 million.

- Investment in subsidiary company

In January 2013, the Company increased its investment in Solaris Asset Management Co., Ltd., the subsidiary, in the amount of Baht 7.5 million. Subsequently, in April 2013, the subsidiary company registered the decrease of authorized and paid-up share capital from Baht 192 million to Baht 105.6 million and the par value of share from Baht 10 per share to Baht 5.5 per share for decrease of retained deficit.

In July 2013, the Company increased its investment in subsidiary by Baht 9.9 million. As at December 31, 2013, the paid-up share capital of the subsidiary is Baht 115.5 million consisting of 21,000,000 ordinary shares of Baht 5.5. As at December 31, 2013, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 78.33% and 21.67%, respectively.

- Investment in associate company

As at December 31, 2013, the Company hold an interest in investment in KT ZMICO securities Co., Ltd., the associate company, at 49.60%. Investment by Cost method is Baht 1,237.5 million and Investment by equity method is Baht 1,358.9 million.

- Securities Business Receivables

Securities business receivables as at December 31, 2013 were Baht 58 million consisted of securities business receivables for proprietary trading at Baht 54 million and Securities Business receivables under litigation at Baht 264 million with deducted allowance for doubtful account at Baht 260 million. However, The Company has already reserved full amount of provision for doubtful accounts per the SEC guideline.

- Building improvements and equipment - net

Building improvement and equipment - net as at December 31, 2013 increased by Baht 0.3 million or 18 per cent from year 2012 because of an increased in building improvement of subsidiary and purchased additional office equipment of Baht 0.9 million and depreciation of Baht 0.6 million.

- Assets classified as held for sale - net

In September 2009, the Company received the land with total area of 26 Rai and 93 square wah at Amphur Talang , Phuket from debtor in bill of exchange that had matured but unable to be redeemed by the issuer to settle its debt amounting to Baht 157 million. The land was appraised at Baht 220 million by an independent appraisal and the remaining amount of Baht 8 million was the land and condominium in settlement of debtors. At present, the Company is in process to find the potential buyers.

1.2 Quality of Assets

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

- Investment

As at December 31, 2013, the Company had total investments of Baht 410 million (original cost Baht 472 million), or 16 per cent of total assets. Investments comprised as follows.

(Million Baht)

Classification	Cost/ Amortised cost	Fair value
<u>Trading securities</u>		
Equity securities - Listed securities	28.72	28.30
Debt securities - Government bond	47.98	47.97
Debt securities - Corporate bond	15.32	15.18
Debt securities - Bill of exchange	118.68	118.91
Mutual fund	95.02	95.71
Total	305.72	306.07
<u>Add Revaluation adjustments</u>	0.35	-
Total Trading securities - net	306.07	306.07
<u>Available-for-sale securities</u>		
Mutual fund	10.00	9.04
<u>Less Revaluation adjustments</u>	(0.96)	-
Total Available-for-sale securities - net	9.04	9.04
<u>General investments</u>		
Ordinary shares	156.51	94.74
Preferred shares	0.13	0.13
Total	156.64	94.87
<u>Less Allowance for loss on impairment</u>	(61.77)	-
Total General investments - net	94.87	94.87
Total investments - net	409.98	409.98

The proportions of investment as at December 31, 2013 are as follows;

Investment in listed securities	7 per cent
Investment in government bond and bill of exchange	44 per cent
Investment in unit trust	26 per cent
Investment in general investment	23 per cent

- Securities Business Receivables and Accrued Interest Receivables

The Company had total securities receivables and accrued interest receivables as at December 31, 2013 of Baht 318 million which is securities business receivables for proprietary trading by Baht 54 million and the remaining amount of Baht 264 million is Securities Business receivables under litigation with allowance for doubtful debt of Baht 260 million, or 81.76 per cent of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

As at December 31, 2013, receivables of Baht 264 million were in the legal proceeding (The amount of Baht 254 million arose from margin accounts at the end of year 2008 and the amount of Baht 10 million were old cases of legal proceeding that the company has won legal judgement but still are in process of following for debt payment.)

2. Liquidity

2.1 Cash Flow

Cash and cash equivalents as at December 31, 2013 totalled Baht 538 million or an increase from December 31, 2012 by Baht 287 million. The summary of cash-in flow and cash-out flow from various activities are shown in the following table.

Activities	Million Baht
Cash used in Operating Activities	(169)
Cash used in Investing Activities	(5)
Cash provided by Financing Activities	461
Net increase in Cash and Cash Equivalent	287

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

- Operating Activities

During 2013, cash from operating activities decreased by Baht 169 million which came from the following transactions.

Cash decreased from

- Investment in trading securities increased by Baht 126 million.
- Securities business receivables and other asset increased by Baht 55 million
- Accrued expenses and other liabilities decreased by Baht 3 million.
- Operating activities by Baht 39 million.

Cash increased from

- Securities business payables increased by Baht 54 million.

- Investing Activities

During 2013, cash from investing activities decreased by Baht 5 million.

Cash decreased from

- Cash paid for purchase investment by Baht 10 million.
- Cash paid for investment in associated by Baht 150 million.
- Cash paid for acquisition of equipment and intangible assets by Baht 1 million.

Cash increased from

- Cash received from disposal of equipment of Baht 0.4 million.
- Proceeds from interest and dividend from investments in securities of Baht 1 million.
- Dividend from an associated company (KT ZMICO) of Baht 154 million.

- **Financing Activities**

During 2013, cash from financing activities increased by Baht 461 million.

Cash increased from

- Cash received from share capital increased of Baht 523 million.

Cash decreased from

- Dividend payment of Baht 61 million.

2.2 Significant Liquidity Ratios

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

	<u>Dec 31, 2012</u>	<u>Dec 31, 2013</u>
Liquid Assets to Total Assets Ratio (%)	22	33
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

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

3. Investment Expenses

Investment

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

4. Sources of Capital

4.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2013 and 2012 were 0.10 times.

4.2 Shareholders' equity

As at December 31, 2013, shareholders' equity totalled Baht 2,374 million, an increase of Baht 589 million, or 33 per cent from December 31, 2012. The shareholders' equity increased from an increase of the Company's authorized capital by Baht 523 million. In addition, the Company generated net profit attributed to owners of parent in 2013 of Baht 134 million, revaluation surplus in available-for-sale securities decreased by Baht 7 million and decreased from dividend payment of Baht 61 million.

4.3 Liabilities

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

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

SEAMICO SECURITIES PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Seamico Securities Public Company Limited and its subsidiary, and the separate financial statements of Seamico Securities Public Company Limited which comprise the consolidated and separate statements of financial position as at December 31, 2013, and the related consolidated and separate statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

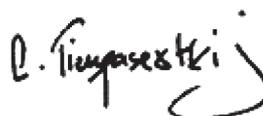
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูช โทมัทสู ไชยยศ สอบบัญชี

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial positions of Seamico Securities Public Company Limited and its subsidiary and of Seamico Securities Public Company Limited as at December 31, 2013, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



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

BANGKOK
February 27, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
ASSETS					
Cash and cash equivalents	6	538,011,791	251,040,750	520,355,686	232,148,900
Securities business receivables - net	7	58,480,079	4,047,260	58,480,079	4,047,260
Investments - net	9.1	409,977,492	271,292,135	409,977,492	271,292,135
Investments in subsidiary and associated companies - net	10	1,358,857,228	1,205,204,756	1,257,648,990	1,106,691,233
Building improvements and equipment - net	11	1,866,784	1,576,718	636,159	288,020
Intangible assets - net	12	5,830,466	7,148,692	3,327,063	3,331,977
Deferred tax assets - net	13	56,813,134	59,708,927	33,699,555	35,412,457
Assets classified as held for sale - net	14	165,188,800	165,188,800	165,188,800	165,188,800
Other assets	15	10,973,612	7,135,296	3,627,467	1,349,259
TOTAL ASSETS		2,605,999,386	1,972,343,334	2,452,941,291	1,819,750,041

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Securities business payable - net		54,238,462	-	54,238,462	-
Accrued expenses		7,239,407	8,032,545	5,617,128	5,788,412
Unrealized gain on transfer of business to an associated company	34	150,182,894	156,097,351	-	-
Employment benefits obligation	16	4,645,917	1,994,255	3,802,265	935,947
Other liabilities	17	13,489,532	15,721,166	12,936,394	14,706,703
Total liabilities		<u>229,796,212</u>	<u>181,845,317</u>	<u>76,594,249</u>	<u>21,431,062</u>
OWNERS' EQUITY					
Share capital	18				
Authorized share capital					
1,883,929,172 ordinary shares of Baht 0.50 each		<u>941,964,586</u>		<u>941,964,586</u>	
1,022,687,231 ordinary shares of Baht 0.50 each			<u>511,343,616</u>		<u>511,343,616</u>
Issued and paid-up share capital					
1,307,736,926 ordinary shares of Baht 0.50 each, fully paid		653,868,463	-	653,868,463	-
1,022,619,448 ordinary shares of Baht 0.50 each, fully paid		-	511,309,724	-	511,309,724
Premium on share capital	21	1,496,406,747	1,116,138,100	1,496,406,747	1,116,138,100

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
LIABILITIES AND OWNERS' EQUITY					
(CONTINUED)					
Other components of equity		3,722,089	3,793,326	(771,327)	-
Retained earnings					
Appropriated					
Statutory reserve	22	108,383,352	108,383,352	108,383,352	108,383,352
Unappropriated		110,960,723	44,105,341	118,459,807	62,487,803
Difference arising on disposal of partial interest in subsidiary	10	1,003,468	1,003,468	-	-
Total equity attributable to owners of the parent		2,374,344,842	1,784,733,311	2,376,347,042	1,798,318,979
Non-controlling interests		1,858,332	5,764,706	-	-
Total owners' equity		2,376,203,174	1,790,498,017	2,376,347,042	1,798,318,979
TOTAL LIABILITIES AND OWNERS' EQUITY		2,605,999,386	1,972,343,334	2,452,941,291	1,819,750,041

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
REVENUES					
Fee and service income	23	14,123,962	15,133,998	-	5,245,946
Gain on investments	9.2	6,868,395	27,044,018	6,868,395	27,044,018
Share of profit of associated company accounted for under equity method		163,120,024	100,687,456	-	-
Interest and dividend income		6,377,155	8,969,261	160,240,125	69,017,628
Gain on transfer of business to an associated company	34	5,914,457	6,989,250	-	-
Other income		3,752,188	671,336	5,202,561	653,335
Total revenues		<u>200,156,181</u>	<u>159,495,319</u>	<u>172,311,081</u>	<u>101,960,927</u>
EXPENSES					
Fee and service expenses	24	6,311,688	5,119,936	617,226	115,052
Operating expenses					
Personnel expenses		29,676,236	23,685,649	15,388,915	9,296,890
Premises and equipment expenses		7,847,910	8,691,029	2,674,141	1,974,913
Directors' remuneration	25	5,629,666	5,470,000	4,689,666	4,675,000
Consulting fee		11,393,294	11,642,254	9,873,181	6,644,344
Communication and information expenses		1,810,023	2,079,554	782,233	11,801
Other expenses	26	9,701,575	10,898,867	7,417,569	6,503,576
Bad debts and doubtful accounts (reversal)		-	(1,519,735)	-	(1,519,735)
Impairment loss on securities (reversal)	28	(5,704,987)	(3,768,491)	10,737,106	17,631,238
Total expenses		<u>66,665,405</u>	<u>62,299,063</u>	<u>52,180,037</u>	<u>45,333,079</u>
INCOME BEFORE INCOME TAX		<u>133,490,776</u>	<u>97,196,256</u>	<u>120,131,044</u>	<u>56,627,848</u>
INCOME TAX - EXPENSES	29	(3,088,624)	(5,411,440)	(1,905,733)	(4,013,590)
NET INCOME		<u>130,402,152</u>	<u>91,784,816</u>	<u>118,225,311</u>	<u>52,614,258</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
OTHER COMPREHENSIVE INCOME (LOSS)					
Gain (loss) on re-measuring available-for-sale investments	9.4	(964,158)	8,852,850	(964,158)	8,852,850
Reclassification adjustments relating to available-for-sale investments disposed of in the period	9.4	-	(23,101,289)	-	(23,101,289)
Actuarial losses on defined benefit plans		(312,508)	-	(915,043)	-
Share of other comprehensive income of an associated company		700,090	5,861,745	-	-
Share of actuarial losses on defined benefit plans of an associated company		(5,802,372)	-	-	-
Income tax relating to components of other comprehensive income	9.4	192,831	2,849,688	192,831	2,849,688
TOTAL OTHER COMPREHENSIVE LOSS - NET		(6,186,117)	(5,537,006)	(1,686,370)	(11,398,751)
TOTAL COMPREHENSIVE INCOME		124,216,035	86,247,810	116,538,941	41,215,507
NET PROFIT ATTRIBUTABLE TO:					
Owners of the parent		134,439,095	98,715,481	118,225,311	52,614,258
Non-controlling interests		(4,036,943)	(6,930,665)		
		<u>130,402,152</u>	<u>91,784,816</u>		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				<u>116,538,941</u>	<u>41,215,507</u>
Owners of the parent		128,122,409	93,178,475	116,538,941	41,215,507
Non-controlling interests		(3,906,374)	(6,930,665)		
		<u>124,216,035</u>	<u>86,247,810</u>		
EARNINGS PER SHARE OF OWNERS OF THE PARENT					
BASIC EARNINGS PER SHARE	BAHT	0.120	0.097	0.105	0.052
WEIGHTED AVERAGE					
NUMBER OF ORDINARY SHARES	18 SHARES	1,122,356,536	1,021,307,973	1,122,356,536	1,021,307,973

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

		CONSOLIDATED FINANCIAL STATEMENTS										BAHT	
Notes	Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Surplus on re-measuring available-for-sale investments	Other components of equity	Share of other comprehensive income (loss) of an associated company	Appropriated retained earnings	Statutory reserve	Unappropriated retained earnings (deficit)	Difference arising on disposal of partial interest in subsidiary	Total equity attributable to owners of the parent	Non-controlling interests	Total owners' equity
	Balance as at January 1, 2012	451,309,724	60,000,000	1,116,138,100	11,398,751	(2,068,419)	108,383,352	108,383,352	(3,496,338)	1,003,468	1,742,668,638	5,195,371	1,747,864,009
	Total comprehensive income	-	-	-	(11,398,751)	5,861,745	-	98,715,481	-	-	93,178,475	(6,930,665)	86,247,810
	Share capital increased/share subscription received in advance	60,000,000	(60,000,000)	-	-	-	-	-	-	-	-	-	-
	Non-controlling interests increased	-	-	-	-	-	-	-	-	-	-	7,500,000	7,500,000
	Dividend	-	-	-	-	-	-	(51,113,802)	-	-	(51,113,802)	-	(51,113,802)
	Ending balance as at December 31, 2012	<u>511,309,724</u>	<u>-</u>	<u>1,116,138,100</u>	<u>-</u>	<u>3,793,326</u>	<u>108,383,352</u>	<u>108,383,352</u>	<u>44,105,341</u>	<u>1,003,468</u>	<u>1,784,733,311</u>	<u>5,764,706</u>	<u>1,790,498,017</u>
	Balance as at January 1, 2013	511,309,724	-	1,116,138,100	-	3,793,326	108,383,352	108,383,352	44,105,341	1,003,468	1,784,733,311	5,764,706	1,790,498,017
	Total comprehensive income	-	-	-	(771,327)	700,090	-	128,193,646	128,193,646	-	128,122,409	(3,906,374)	124,216,035
	Share capital increased	142,558,739	-	380,268,647	-	-	-	-	-	-	522,827,386	-	522,827,386
	Dividend	-	-	-	-	-	-	(61,338,264)	(61,338,264)	-	(61,338,264)	-	(61,338,264)
	Ending balance as at December 31, 2013	<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>(771,327)</u>	<u>4,493,416</u>	<u>108,383,352</u>	<u>108,383,352</u>	<u>110,960,723</u>	<u>1,003,468</u>	<u>2,374,344,842</u>	<u>1,858,332</u>	<u>2,376,203,174</u>

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN OWNERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

Notes	SEPARATE FINANCIAL STATEMENTS							Total owners' equity
	Issued and paid-up share capital	Share subscription received in advance	Premium on share capital	Other components of equity Surplus (deficit) on re-measuring available-for-sale investments	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings		
	451,309,724	60,000,000	1,116,138,100	11,398,751	108,383,352	60,987,347	1,808,217,274	
	-	-	-	(11,398,751)	-	52,614,258	41,215,507	
Balance as at January 1, 2012								
Total comprehensive income								
Share capital increased/share subscription received in advance	60,000,000	(60,000,000)	-	-	-	-	-	
Dividend	-	-	-	-	-	(51,113,802)	(51,113,802)	
Ending balance as at December 31, 2012	<u>511,309,724</u>	<u>-</u>	<u>1,116,138,100</u>	<u>-</u>	<u>108,383,352</u>	<u>62,487,803</u>	<u>1,798,318,979</u>	
	511,309,724	-	1,116,138,100	-	108,383,352	62,487,803	1,798,318,979	
Total comprehensive income	-	-	-	(771,327)	-	117,310,268	116,538,941	
Share capital increased	142,558,739	-	380,268,647	-	-	-	522,827,386	
Dividend	-	-	-	-	-	(61,338,264)	(61,338,264)	
Ending balance as at December 31, 2013	<u>653,868,463</u>	<u>-</u>	<u>1,496,406,747</u>	<u>(771,327)</u>	<u>108,383,352</u>	<u>118,459,807</u>	<u>2,376,347,042</u>	

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

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		133,490,776	97,196,256	120,131,044	56,627,848
Adjustments					
Depreciation and amortization		1,961,121	2,371,322	182,716	214,441
Loss on disposal of office equipment		(405,026)	-	-	-
Bad debt and doubtful accounts (reversal)		-	(1,349,087)	-	(1,349,087)
Bad debts recovery		-	(170,648)	-	(170,648)
Unrealized (gain) loss on re-measuring trading investments		1,706,692	(2,059,377)	1,706,692	(2,059,377)
Gain on sale of available-for-sale investments		-	(23,101,289)	-	(23,101,289)
Impairment loss from equity securities reversal		(5,704,987)	(3,768,490)	(5,704,987)	(3,768,490)
Impairment loss from investment in subsidiary		-	-	16,442,093	21,399,729
Share of profit of an associated company accounted for under equity method		(163,120,024)	(100,687,456)	-	-
Gain on transfer of business to an associated company		(5,914,457)	(6,989,250)	-	-
Interest and dividend income		(6,377,155)	(8,969,261)	(160,240,125)	(69,017,628)
Employee benefit expenses		2,339,154	445,596	1,951,275	167,323
Cash received from interest		3,089,253	8,706,836	2,595,441	8,037,456
Cash paid for employee benefits		-	(1,595,407)	-	(1,595,407)
Cash paid for income tax		(514,785)	(457,591)	(128,658)	(168,836)
Loss from operating before changes in operating assets and liabilities		(39,449,438)	(40,427,846)	(23,064,509)	(14,783,965)
(Increase) decrease in operating assets					
Investments in trading securities		(125,651,220)	(180,065,618)	(125,651,220)	(180,065,618)
Securities business receivables		(54,432,819)	170,715	(54,432,819)	170,715
Other assets		(1,037,995)	168,221	127,648	(58,402)
Increase (decrease) in operating liabilities					
Securities business payable		54,238,462	-	54,238,462	-
Accrued expenses		(793,138)	2,685,685	(171,284)	2,018,617
Other liabilities		(2,262,120)	(2,155,905)	(1,770,309)	(2,095,818)
Net cash from operating activities		(169,388,268)	(219,624,748)	(150,724,031)	(194,814,471)

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase of investments		(10,000,000)	-	(10,000,000)	-
Proceeds from disposal of investments		-	66,741,222	-	66,741,222
Cash paid for purchase of investment in subsidiary		-	-	(17,400,000)	(25,000,000)
Cash paid for purchase of investment in associated		(149,999,850)	-	(149,999,850)	-
Cash paid for acquisition of equipment		(914,963)	(1,367,256)	(525,941)	(291,500)
Proceeds from disposal of equipment		435,514	-	-	-
Cash paid for acquisition of intangible assets		(18,000)	-	-	-
Proceeds from interest and dividend					
from investments in securities		1,002,366	29,312	1,002,366	29,312
Cash received from dividend of an associated company		154,365,120	60,692,940	154,365,120	60,692,940
Proceeds from transfer of business to					
an associated company	34	-	70,000,000	-	70,000,000
Net cash from investing activities		<u>-5,129,813</u>	<u>196,096,218</u>	<u>(22,558,305)</u>	<u>172,171,974</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from non-controlling interest for increase					
in share capital of subsidiary		-	7,500,000	-	-
Cash paid for excess share subscription	18	-	(31,914,453)	-	(31,914,453)
Cash received from share capital increased		522,827,386	-	522,827,386	-
Cash paid for dividend		(61,338,264)	(51,113,802)	(61,338,264)	(51,113,802)
Net cash from financing activities		<u>461,489,122</u>	<u>(75,528,255)</u>	<u>461,489,122</u>	<u>(83,028,255)</u>
Net increase (decrease) in cash and cash equivalents		286,971,041	(99,056,785)	288,206,786	(105,670,752)
Cash and cash equivalents as at January 1,		251,040,750	350,097,535	232,148,900	337,819,652
Cash and cash equivalents as at December 31,	6	<u><u>538,011,791</u></u>	<u><u>251,040,750</u></u>	<u><u>520,355,686</u></u>	<u><u>232,148,900</u></u>
Non-cash items					
Decrease in surplus on re-measuring					
available-for-sale investments (net of tax)		(771,327)	(11,398,751)	(771,327)	(11,398,751)

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

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

As at December 31, 2013 and 2012, the Company has one head office.

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

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

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company prepares its financial statements in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2009) “Presentation of Financial Statements”, and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.
- 2.2 The consolidated financial statements for the years ended December 31, 2013 and 2012 include the accounts of the Company and Solaris Asset Management Co., Ltd., which the Company has a holding of 78.33% and 75.34%, respectively in its equity. Significant transactions and balances between the Company and the subsidiary have been eliminated.

Additionally, the consolidated financial statements for the years ended December 31, 2013 and 2012 also included interest in an associated company’s equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2013, the Company and its subsidiary has adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation of interim financial statements as follows:

Thai Accounting Standards (TAS)

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standard (TFRS)

TFRS 8 Operating Segments

The Company and its subsidiary have adopted Thai Financial Reporting Standards that mentioned above, which no significant impact to the financial statements of the Company and its subsidiary.

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

The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (TFRS), Thai Accounting Standard Interpretations (“TSI”) and Thai Financial Reporting Interpretations (“TFRI”) as follows:

- 1) TAS, TSI and TFRI which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards:

Thai Accounting Standards (TAS)

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

Thai Financial Reporting Standards (TFRS)

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

Thai Accounting Standard Interpretations (TSI)

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

Thai Financial Reporting Interpretations (TFRI)

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

- 2) TFRS which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards:

Thai Financial Reporting Standard (TFRS)
TFRS 4 Insurance Contracts

The management of the Company and its subsidiary anticipates that the Company and its subsidiary will adopt the above Thai Financial Reporting Standards relevant to the Company and its subsidiary in the preparation of financial statements of the Company and its subsidiary when they become effective. The management of the Company and its subsidiary is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

5. SIGNIFICANT ACCOUNTING POLICIES

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

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

5.1 Revenue and expense recognition

Brokerage fees

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

Fees and service income

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

Interest on margin loans

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

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

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

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

Gain (loss) on trading in securities and derivatives

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

Interest and dividend on investments in securities

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

Expenses

Expenses are recognized on an accrual basis.

5.2 Interest on borrowing

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

5.3 Recognition and amortization of customer deposits

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

5.4 Cash and cash equivalents

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

5.5 Investments in debt and equity securities

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

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

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

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

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

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

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

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

5.6 Investments in subsidiary and associated companies

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

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

5.7 Receivable and payable from/to Clearing House

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

5.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

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

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

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

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

5.9 Building improvement and equipment

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

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

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

Impairment

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

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

5.10 Assets classified as held for sale

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

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

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

5.11 Intangible assets

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

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

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

5.12 Securities and derivatives business payables

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

5.13 Long-term lease

5.13.1 Operating lease

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

5.13.2 Finance lease

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

5.14 Employee benefits

5.14.1 Provident fund

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

5.14.2 Post-employment benefits

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

5.14.3 Unused paid vacation leave

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

5.15 Provisions

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

5.16 Income tax

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

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

5.17 Earnings (loss) per share

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

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

5.18 Foreign currency translation

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

5.19 Risk management and prevention

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

5.20 Related parties

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

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

5.21 Use of management judgments

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

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	557,105,908	266,410,773	535,066,025	247,496,923
<u>Less</u> Cash deposits held for customers*	<u>(19,094,117)</u>	<u>(15,370,023)</u>	<u>(14,710,339)</u>	<u>(15,348,023)</u>
Total cash and cash equivalents	<u>538,011,791</u>	<u>251,040,750</u>	<u>520,355,686</u>	<u>232,148,900</u>

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

As at December 31, 2013 and 2012, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 19.09 million and Baht 15.37 million, respectively, and the separate statements of financial position in amounting to Baht 14.71 million and Baht 15.35 million, respectively, which the Company must return to the customers at call.

As at December 31, 2013 and 2012, the securities business cash customers of 565 accounts and 715 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 34) have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 6.88 million and Baht 7.50 million, respectively, and shares with the values of Baht 131.12 million and Baht 209.80 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

7. SECURITIES BUSINESS RECEIVABLES - NET

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2013	2012
	Baht	Baht
Securities business receivables	54,432,81	-
Other receivables		
Receivables under litigation	263,597,90	263,597,90
Installment receivables	7,09	7,09
Other receivables	<u>406,07</u>	<u>406,07</u>
Total securities business receivables	318,443,89	264,011,07
<u>Less</u> Allowance for doubtful accounts (see Note 8)	<u>(259,963,812)</u>	<u>(259,963,812)</u>
Total	<u>58,480,07</u>	<u>4,047,26</u>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
As at December 31, 2013			As at December 31, 2012		
Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	54,432,819	-	54,432,819	-	-
Substandard debts	4,047,260	-	4,047,260	-	4,047,260
Doubtful debts	259,963,812	(259,963,812)	-	259,963,812	(259,963,812)
Total	318,443,891	(259,963,812)	58,480,079	264,011,072	(259,963,812)

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Over 3 years	264,011,07	264,011,07
Total	264,011,07	264,011,07

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Beginning balance of the period	259,963,81	261,483,54
Doubtful accounts (reversal)	-	(1,349,087)
Bad debts recovery	-	(170,648)
Ending balance of the period (see Note 7)	259,963,81	259,963,81

9. INVESTMENTS - NET

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2013		As at December 31, 2012	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities – List securities	28,716,807	28,298,907	33,903,490	35,702,367
Debt securities - Government bond	47,979,545	47,973,685	4,995,508	4,997,379
Debt securities - Corporate bond	15,324,888	15,175,881	-	-
Debt securities - Bill of exchange	118,679,844	118,914,104	42,000,000	42,075,377
Mutual fund	95,015,754	95,706,946	99,166,620	99,349,872
Total	305,716,838	306,069,523	180,065,618	182,124,995
<u>Add</u> Revaluation adjustments	352,685	-	2,059,377	-
Total trading securities - net	306,069,523	306,069,523	182,124,995	182,124,995
<u>Available-for-sale securities</u>				
Mutual fund	10,000,000	9,035,842	-	-
<u>Add</u> Revaluation adjustments	(964,158)	-	-	-
Total available-for-sale securities - net	9,035,842	9,035,842	-	-
<u>General investments</u>				
Ordinary shares	156,517,201	94,747,127	156,517,201	89,042,140
Preference shares	125,000	125,000	125,000	125,000
Total	156,642,201	94,872,127	156,642,201	89,167,140
<u>Less</u> Allowance for impairment	(61,770,074)	-	(67,475,061)	-
Total general investments - net	94,872,127	94,872,127	89,167,140	89,167,140
Total investments - net	409,977,492	409,977,492	271,292,135	271,292,135

9.2 Gain (loss) on investments

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on re-measuring trading investments	(1,706,692)	2,059,377	(1,706,692)	2,059,377
Gain on sale of trading investments	8,575,087	1,883,352	8,575,087	1,883,352
Gain on sale of available-for-sale investments	-	23,101,289	-	23,101,289
Total	6,868,395	27,044,018	6,868,395	27,044,018

9.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Interest income	454,209	-	454,209	-
Dividend	621,205	44,312	154,986,325	60,737,252
Total	<u>1,075,414</u>	<u>44,312</u>	<u>155,440,534</u>	<u>60,737,252</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance of the period	-	11,398,751	-	11,398,751
Changes during the period				
- from deferred tax adjustment	192,831	2,849,688	192,831	2,849,688
- from re-measuring of investments	(964,158)	8,852,850	(964,158)	8,852,850
- from sale of investments	-	(23,101,289)	-	(23,101,289)
Ending balance of the period	<u>(771,327)</u>	<u>-</u>	<u>(771,327)</u>	<u>-</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2013			As at December 31, 2012		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	<u>7,808</u>	<u>866</u>	<u>6,942</u>	<u>7,808</u>	<u>852</u>	<u>6,956</u>
	<u>7,808</u>	<u>866</u>	<u>6,942</u>	<u>7,808</u>	<u>852</u>	<u>6,956</u>

10. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

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

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
			invested							
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,138	1,838	49.60	49.54	1,237.5	1,087.5	1,358.9	1,205.2
SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012	As at December 31, 2013	As at December 31, 2012
			invested							
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary share	115.5	184.5	78.33	75.34	156.4	139.0	23.9	19.7
<u>Less</u> Allowance for impairment							(136.3)	(119.8)	-	-
							<u>20.1</u>	<u>19.2</u>	<u>23.9</u>	<u>19.7</u>
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,138	1,838	49.60	49.54	1,237.5	1,087.5	1,358.9	1,205.2
							<u>1,257.6</u>	<u>1,106.7</u>	<u>1,382.8</u>	<u>1,224.9</u>

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

	As at December 31,	
	2013	2012
	Million Baht	Million Baht
Total assets	6,546.	7,392.
Total liabilities	(4,134.7)	(5,288.5)
Net assets	<u>2,411.</u>	<u>2,104.</u>
For the years ended December 31,		
	2013	2012
	Million Baht	Million Baht
Total revenue	2,078.	1,774.
Net income for the period	329.	203.
Net other comprehensive income (loss) for the period	(10.3)	11.8
Dividend received from an associated company	154.	60.7

On September 6, 2011, the Company disposed of 25% of investment in Solaris Asset Management Co., Ltd., the subsidiary, to Evolution Capital Public Company Limited. The Company has already received the consideration for such investment of Baht 7.68 million with difference arising on disposal of Baht 1 million.

During the year ended December 31, 2012, the subsidiary increased its share capital by Baht 32.5 million from the capital injection from the Company and Evolution Capital Public Company Limited in the amount of Baht 25 million and Baht 7.5 million, respectively.

On October 16, 2012, the extraordinary shareholders' meeting of the subsidiary company has passed a special resolution to increase its share capital of Baht 10,000,000, from Baht 182,000,000 to Baht 192,000,000 by issuing additional 1,000,000 ordinary shares with the par value of Baht 10 per share and will be sold to the existing shareholders at the par value, in order to be used as working capital and expand its business. In addition, such meeting passed a resolution to call for the first payment at Baht 10 per share of 250,000 shares, totally Baht 2,500,000. The subsidiary company already received cash for such increased share capital and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on October 19, 2012.

On December 18, 2012, the Board of Directors' meeting of the subsidiary company has passed a resolution to call for the remaining payment from shareholders at Baht 10 per share of 750,000 shares, totally Baht 7,500,000. The subsidiary company already received cash of such increased share capital on January 15, 2013 and registered the capital increased with the Registrar of Partnerships and Companies on January 22, 2013.

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

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

As at December 31, 2013 and 2012, the paid-up share capital of the subsidiary is Baht 115.5 million and Baht 184.5 million, respectively, consisting of 21,000,000 ordinary shares and 18,450,000 ordinary shares, respectively, of Baht 5.5 and Baht 10 each, respectively. As at December 31, 2013, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 78.33% and 21.67%, respectively (As at December 31, 2012, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 75.34% and 24.66%, respectively).

11. BUILDING IMPROVEMENTS AND EQUIPMENT - NET

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

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

Depreciation for the years ended December 31,			
2013		Baht	<u>624,896</u>
2012		Baht	<u>939,912</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2012			2013
	Baht	Baht	Baht	Baht
Cost				
Building improvement	-	187,439	-	187,439
Office equipment	804,323	338,502	-	1,142,825
Total cost	<u>804,323</u>	<u>525,941</u>	<u>-</u>	<u>1,330,264</u>
Accumulated depreciation				
Building improvement	-	(20,639)	-	(20,639)
Office equipment	(516,303)	(157,163)	-	(673,466)
Total accumulated depreciation	<u>(516,303)</u>	<u>(177,802)</u>	<u>-</u>	<u>(694,105)</u>
Total building improvements and equipment - net	<u>288,020</u>	<u>348,139</u>	<u>-</u>	<u>636,159</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	December 31,			December 31,
	2011	Baht	Baht	2012
	Baht	Baht	Baht	Baht
Cost				
Office equipment	512,823	291,500	-	804,323
Total cost	512,823	291,500	-	804,323
Accumulated depreciation				
Office equipment	(306,775)	(209,528)	-	(516,303)
Total accumulated depreciation	(306,775)	(209,528)	-	(516,303)
Total building improvements and equipment - net	206,048	81,972	-	288,020
Depreciation for the years ended December 31,				
2013			Baht	<u>177,802</u>
2012			Baht	<u>209,528</u>

As at December 31, 2013 and 2012, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9.0 million and Baht 9.2 million, respectively.

For the separate financial statements as at December 31, 2013 and 2012 the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounted to Baht 0.4 and Baht 0.3 million, respectively.

12. INTANGIBLE ASSETS - NET

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

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2012						
	Useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	3,991,609	-	(1,431,410)	-	2,560,199
Total		<u>8,580,102</u>	<u>-</u>	<u>(1,431,410)</u>	<u>-</u>	<u>7,148,692</u>

Amortization for the years ended December 31,

2013		<u>1,336,226</u>
2012		<u>1,431,410</u>

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2013

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

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2012

	Useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	16,342	-	(4,913)	-	11,429
Total		3,336,890	-	(4,913)	-	3,331,977

Amortization for the years ended December 31,

2013	Baht	4,914
2012	Baht	4,913

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

As at December 31, 2013 and 2012, in the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 1.05 million and Baht 0.53 million, respectively. For the separate financial statements, there is no computer software items which have been fully amortized but are still in use.

13. DEFERRED INCOME TAX - NET

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013 Baht	As at December 31, 2012 Baht	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	1,602,758	1,602,758	1,602,758
Allowance for impairment of investments	32,378,201	33,519,195	32,378,201	33,519,195
Unrealized loss on re-measuring trading investments	155,401	-	155,401	-
Unrealized loss on re-measuring available-for-sale investments	192,831	-	192,831	-
Cumulative tax loss	-	1,006,077	-	1,006,077
Other assets	28,357	28,357	28,357	28,357
Unrealized gain on transfer of business to an associated company	23,113,579	24,296,470	-	-
	57,471,127	60,452,857	34,357,548	36,156,387
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	225,938	411,875	225,938	411,875
Amortization of derivative license	432,055	332,055	432,055	332,055
	657,993	743,930	657,993	743,930
Deferred tax assets - net	56,813,134	59,708,927	33,699,555	35,412,457

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2013	profit or loss	other comprehensive	2013
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	-	-	1,602,758
Allowance for impairment of investments	33,519,195	(1,140,994)	-	32,378,201
Unrealized loss on re-measuring trading investments	-	155,401	-	155,401
Unrealized gain on re-measuring available investments	-	-	192,831	192,831
Cumulative tax loss	1,006,077	(1,006,077)	-	-
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	24,296,470	(1,182,891)	-	23,113,579
	<u>60,452,857</u>	<u>(3,174,561)</u>	<u>192,831</u>	<u>57,471,127</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	(185,937)	-	225,938
Amortization of derivative license	332,055	100,000	-	432,055
	<u>743,930</u>	<u>(85,937)</u>	<u>-</u>	<u>657,993</u>
Deferred tax assets – net	<u>59,708,927</u>	<u>(3,088,624)</u>	<u>192,831</u>	<u>56,813,134</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2012	profit or loss	other comprehensive	2012
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	(38,629)	-	1,602,758
Allowance for impairment of investments	36,410,009	(2,890,814)	-	33,519,195
Unrealized loss on re-measuring trading investments	421,360	(421,360)	-	-
Cumulative tax loss	1,156,988	(150,911)	-	1,006,077
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	25,694,320	(1,397,850)	-	24,296,470
	<u>65,352,421</u>	<u>(4,899,564)</u>	<u>-</u>	<u>60,452,857</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	411,875	-	411,875
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	(2,849,688)	-
Amortization of derivative license	232,054	100,001	-	332,055
	<u>3,081,742</u>	<u>511,876</u>	<u>(2,849,688)</u>	<u>743,930</u>
Deferred tax assets - net	<u>62,270,679</u>	<u>(5,411,440)</u>	<u>2,849,688</u>	<u>59,708,927</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2013	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2013
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	-	-	1,602,758
Allowance for impairment of investments	33,519,195	(1,140,994)	-	32,378,201
Unrealized loss on re-measuring trading investments				
trading investments	-	155,401	-	155,401
available investments	-	-	192,831	192,831
Cumulative tax loss	1,006,077	(1,006,077)	-	-
Other assets	28,357	-	-	28,357
	<u>36,156,387</u>	<u>(1,991,670)</u>	<u>192,831</u>	<u>34,357,548</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	(185,937)	-	225,938
Amortization of derivative license	332,055	100,000	-	432,055
	<u>743,930</u>	<u>(85,937)</u>	<u>-</u>	<u>657,993</u>
Deferred tax assets - net	<u>35,412,457</u>	<u>(1,905,733)</u>	<u>192,831</u>	<u>33,699,555</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2012	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2012
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	(38,629)	-	1,602,758
Allowance for impairment of investments	36,410,009	(2,890,814)	-	33,519,195
Unrealized loss on re-measuring trading investments	421,360	(421,360)	-	-
Cumulative tax loss	1,156,988	(150,911)	-	1,006,077
Other assets	28,357	-	-	28,357
	<u>39,658,101</u>	<u>(3,501,714)</u>	<u>-</u>	<u>36,156,387</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	411,875	-	411,875
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	(2,849,688)	-
Amortization of derivative license	232,054	100,001	-	332,055
	<u>3,081,742</u>	<u>511,876</u>	<u>(2,849,688)</u>	<u>743,930</u>
Deferred tax assets - net	<u>36,576,359</u>	<u>(4,013,590)</u>	<u>2,849,688</u>	<u>35,412,457</u>

On October 11, 2011, the Cabinet announced the change in the corporate income tax rate and the Royal Decree No. 530 dated December 21, 2011 was announced to reduce corporate income tax rate from 30% to 23% for accounting period ending December 31, 2012 and to 20% for accounting period ending December 31, 2013 and 2014.

14. ASSETS CLASSIFIED AS HELD FOR SALE - NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Land	160,257,46	160,257,46
Condominium	4,873,12	4,873,12
Golf membership	200,00	200,00
	<u>165,330,58</u>	<u>165,330,58</u>
<u>Less</u> Allowance for impairment	<u>(141,78€)</u>	<u>(141,78€)</u>
Total assets classified as held for sale - net	<u>165,188,80</u>	<u>165,188,80</u>

The Company received the land, condominium and golf membership in settlement of debtors in bill of exchange that had matured but unable to be redeemed by the issuer and margin loans accounts. At present, the Company is in process to find the potential buyers.

15. OTHER ASSETS

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013 Baht	As at December 31, 2012 Baht	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Accrued interest income	2,520,635	250,100	2,505,118	242,920
Prepaid insurance	641,797	109,712	106,194	106,194
Prepaid repair and maintenance	143,468	147,138	-	-
Other deposits	540,977	557,002	194,627	194,627
Fund management fee and service income receivables	1,386,357	787,725	-	-
Corporate income tax claim receivable	972,377	773,414	297,494	170,605
Value-added-tax receivable	3,932,317	3,717,698	-	-
Others	835,684	792,507	524,034	634,913
Total	<u>10,973,612</u>	<u>7,135,296</u>	<u>3,627,467</u>	<u>1,349,259</u>

16. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013 Baht	As at December 31, 2012 Baht	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Post-employment benefits obligation	4,049,657	1,594,435	3,577,473	766,691
Unused paid vacation leave	596,260	399,820	224,792	169,256
	<u>4,645,917</u>	<u>1,994,255</u>	<u>3,802,265</u>	<u>935,947</u>

Post-employment benefits obligation

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Current service cost	363,419	411,245	149,554	208,884
Interest cost	63,778	76,188	30,668	52,135
Past service cost	1,715,517	-	1,715,517	-
	<u>2,142,714</u>	<u>487,433</u>	<u>1,895,739</u>	<u>261,019</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	1,594,435	2,702,409	766,691	2,101,079
Current service cost	363,419	411,245	149,554	208,884
Interest cost	63,778	76,188	30,668	52,135
Past service cost	1,715,517	-	1,715,517	-
Actuarial losses on defined benefit plans	312,508	-	915,043	-
Benefits paid	-	(1,595,407)	-	(1,595,407)
Ending balance of post-employment benefits obligation	<u>4,049,657</u>	<u>1,594,435</u>	<u>3,577,473</u>	<u>766,691</u>

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at December 31, 2013 and 2012 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013	As at December 31, 2012
	% per annum	% per annum
Financial assumptions		
Discount rate	4.1	4.0
	8.0 - 20.0	10.0 - 20.0
Employee turnover rate	subject to the range of age of employee	subject to the range of age of employee
Expected rate of salary increase	5.0 - 7.0	5.0 - 7.0

The Company has the experience adjustments on plan liabilities in the consolidated financial statement and separate financial statement for the year ended December 31, 2013 amounting to Baht 0.10 million and Baht 0.67 million, respectively.

17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Withholding tax payable	421,753	287,923	272,637	168,574
Value-added-tax payable	280,910	202,294	280,910	189,536
Others payable	6,092,888	8,581,636	5,636,916	8,050,941
Amounts of capital reduction not redeemed by shareholders	1,041,377	1,041,377	1,041,377	1,041,377
Others	5,652,604	5,607,936	5,704,554	5,256,275
Total	<u>13,489,532</u>	<u>15,721,166</u>	<u>12,936,394</u>	<u>14,706,703</u>

18. SHARE CAPITAL

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

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

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

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

- (1) From stock dividend payment of 79,932,217 shares with a par value of Baht 0.50 per share, totalling Baht 39,966,109. The Company has already registered such increase of its share capital and amended the Company's Memorandum of Association with the Ministry of Commerce on December 30, 2011.
- (2) From the sale of newly issued ordinary shares to the existing shareholders of the Company of 120,000,000 shares with a par value of Baht 0.50 per share, totalling Baht 60,000,000. The Company has already registered such increase of its share capital with the Ministry of Commerce on January 5, 2012.

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

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

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

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

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

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,	
	2013	2012
	Shares	Shares
Beginning balance of ordinary shares	1,022,619,44	902,619,44
<u>Add</u> Weighted average additional ordinary shares issued during the period	<u>99,737,08</u>	<u>118,688,52</u>
Weighted average number of ordinary shares as at December 31,	<u>1,122,356,53</u>	<u>1,021,307,97</u>

Net asset value

As at December 31, 2013 and 2012, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares at the end of reporting date, is as follow:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2013 Baht	As at December 31, 2012 Baht	As at December 31, 2013 Baht	As at December 31, 2012 Baht
Net asset value (per share)	1.82	1.75	1.82	1.76

19. DIVIDEND

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

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

20. CAPITAL MANAGEMENT

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

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH"). As at December 31, 2012, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital at least Baht 0.1 million according to the Notification of the Office of the Securities and Exchange Commission.

As at December 31, 2013, the Company has able to maintain its net liquid capital more than the condition.

21. PREMIUM ON SHARE CAPITAL

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

22. STATUTORY RESERVE

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

As at December 31, 2013 and 2012, the Company has statutory reserve at the rate of 11.51 percent and 21.20 percent of authorized share capital.

23. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
2013	2012	2013	2012	
Baht	Baht	Baht	Baht	
Financial advisory fee	-	5,245,946	-	5,245,946
Private fund management, mutual fund management and provident fund management	14,123,962	9,888,052	-	-
Total	<u>14,123,962</u>	<u>15,133,998</u>	<u>-</u>	<u>5,245,946</u>

24. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
2013	2012	2013	2012	
Baht	Baht	Baht	Baht	
Fees for private fund, mutual fund and derivative licenses	500,000	500,000	-	-
Others	5,811,688	4,619,936	617,226	115,052
Total	<u>6,311,688</u>	<u>5,119,936</u>	<u>617,226</u>	<u>115,052</u>

25. DIRECTORS' REMUNERATION

Directors' represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2013 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on May 10, 2013 and April 12, 2013, respectively. Directors' remuneration for the year 2012 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 27, 2012 and April 24, 2012, respectively.

26. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Entertainment expenses	121,55	125,52	100,65	89,96
Publication and marketing expenses	645,56	1,039,33	69,12	51,44
Traveling expenses	1,363,75	1,533,41	1,323,21	1,397,78
SET fee	2,190,77	2,912,68	2,190,77	2,912,68
Stationery and office supply	794,55	776,53	639,87	300,20
Others	4,585,38	4,511,37	3,093,93	1,751,49
Total	<u>9,701,57</u>	<u>10,898,86</u>	<u>7,417,56</u>	<u>6,503,57</u>

27. PROVIDENT FUND

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

For the years ended December 31, 2013 and 2012, the Company has contributed Baht 0.5 million to the fund and the subsidiary has contributed Baht 0.4 million to the fund.

28. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Impairment loss from equity securities reversal	(5,704,987)	(3,768,491)	(5,704,987)	(3,768,491)
Impairment loss on investment in subsidiary	-	-	16,442,09	21,399,72
Total	<u>(5,704,987)</u>	<u>(3,768,491)</u>	<u>10,737,10</u>	<u>17,631,23</u>

29. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Income tax - expenses (see Note 13)	(3,088,624)	(5,411,440)	(1,905,733)	(4,013,590)
Total	<u>(3,088,624)</u>	<u>(5,411,440)</u>	<u>(1,905,733)</u>	<u>(4,013,590)</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Income before tax	133,490,77	97,196,25	120,131,04	56,627,84
Tax rate	20%	23%	20%	23%
The result of the account profit multiplied by the income tax rate - expenses	(26,698,156)	(22,355,139)	(24,026,209)	(13,024,405)
Effect of the change in income tax rate from 23% to 20%	-	(1,882,701)	-	(2,092,378)
Tax effect of the non-deductible income and expense	32,916,94	21,681,37	31,427,88	13,958,16
Effect of the temporary difference not recognized as deferred tax assets	(3,678,671)	(4,236,182)	(3,678,671)	(4,236,182)
Effect of loss carried forward not recognized as deferred tax assets	(4,622,665)	1,381,20	(4,622,665)	1,381,20
Write off deferred tax of loss carry forward which is expired	(1,006,077)	-	(1,006,077)	-
Income tax - expenses (see Note 13)	<u>(3,088,624)</u>	<u>(5,411,440)</u>	<u>(1,905,733)</u>	<u>(4,013,590)</u>

30. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at December 31, 2013 and 2012 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Subsidiary				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 10)	-	-	20,144,290	19,186,383
Investment in mutual fund managed by subsidiary (see Note 9.1)	100,717,285	-	100,717,285	-
Investment in private fund managed by subsidiary company	96,314,342	384,427,848	96,314,342	384,427,848
Accrued private fund management fee expenses	-	-	43,616	69,365
Other payables	-	-	96,479	-
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,358,857,228	1,205,204,756	1,237,504,700	1,087,504,850
Other payables	606,748	223,572	606,748	223,572
Related companies				
Under common directors				
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares - net (see Note 9.1)	94,257,511	88,552,538	94,257,511	88,552,538
Other receivable	-	161,389	-	161,389
Quam Limited				
Accrued expenses	-	16,865	-	16,865
Quam Securities Company Limited				
Accrued advisory services	-	92,754	-	92,754

Significant transactions with related parties for the years ended December 31, 2013 and 2012 are as follows:

Subsidiary	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2013	2012	2013	2012	
	Baht	Baht	Baht	Baht	
Solaris Asset Management Co., Ltd.					
Investment in ordinary shares	-	-	17,400,000	25,000,000	2013 : 0.75 million shares at 10 Baht per shares and 1.8 million shares at 5.5 per share 2012 : 2.5 million shares at 10 Baht per share
Withdrawal mutual fund managed by subsidiary	-	40,650,105	-	40,650,105	Investment value
Withdrawal private fund manage by subsidiary	293,688,848	-	293,688,848	-	Investment value
Investment in private fund managed by subsidiary	-	380,992,963	-	380,992,963	Investment value
Investment in mutual fund managed by subsidiary	10,000,000	6,000,000	10,000,000	6,000,000	2013 : 0.99 million units at Baht 10.1 2012 : 0.60 million units at Baht 10.0
Service income	-	-	2,084,000	-	At the rate determined under the contract of Baht 521,000 per month (see Note 31.5)
Rental expense	-	-	731,385	-	At the rate determined under the contract April - July 2013 of Baht 105,315 per month and Baht 62,025 per month since August 2013 (see Note 31.6)
Compliance service expense	-	-	30,000	-	At the rate determined under the contract of Baht 10,000 per month from August5, 2013to 5 November 2013
Management fee of private fund	-	-	563,663	104,538	At the rate determined under the contract 0.2% of net asset value per year
Associate					
KT ZMICO Securities Co., Ltd.					
Financial advisory	-	5,245,946	-	5,245,946	At the rate determined under the contract at 15% of revenue
Research paper	2,800,800	-	2,800,800	-	At the rate determined under the contract (see Note 31.7 and Note 31.8)
Service expenses	3,250,000	1,800,000	3,250,000	1,800,000	At the rate determined under the contract (see Note 31.1)
Rental expenses	148,509	594,036	148,509	594,036	At the rate determined under the contract (see Note 31.2)
Related companies					
Under common directors					
Quam Limited					
Other expenses	-	192,757	-	192,757	At actual amount of expenses
Quam Securities Company Limited					
Consulting fee	3,351,396	92,754	3,351,396	92,754	At the rate determined under the contract
Related with subsidiary and associate					
Rental income	-	18,000	-	18,000	At the rate determined under the contract Baht 18,000 per month and cancelled since February 2012
Selling agent fee expense	592,861	881,888	592,861	881,888	At the rate determined under the contract
Service fee expenses	1,110,000	3,540,000	1,110,000	3,540,000	At the rate determined under the contract of Baht 295,000 per month and Baht 25,000 per month Since April 2013.

For the years ended December 31, 2013 and 2012, compensations paid to key management personnel under TAS 24 (Revised 2009) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Short-term employee benefits	6,108,640	7,876,345	3,349,400	4,772,975
Post-employment benefits	309,200	379,296	165,929	247,952
Total	<u>6,417,840</u>	<u>8,255,641</u>	<u>3,515,329</u>	<u>5,020,927</u>

31. COMMITMENTS

Transactions with related parties

- 31.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, Operating, Information technology including information system development and technical support, Compliance, Human Resource management, General Support and General management. The term of agreement is one year and will be automatically extended one year by payment in amount of Baht 150,000 per month unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time. On August 1, 2013, the Company entered into agreement with KT Seamico Securities Company Limited for providing management service of operating and corporate secretary. The term of agreement is one year .The term of agreement is from August 1, 2013 to July 31, 2014. The Company will pay a monthly fee of Baht 290,000.
- 31.2 On May 1, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for rental office at 16th Floor (No. 1601), Liberty Square, for operating business in amount of Baht 49,503 per month. The term of agreement is from May 1, 2009 to January 31, 2010 and the Company has continued the agreement to March 31, 2013. However, the Company already cancels such agreement.
- 31.3 On October 17, 2012, the Company entered into an agreement with Solaris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company’s fund for one year. Contract, which will be expired on 17 October 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund.
- 31.4 The Company received the employees transferred from Solaris Asset Management Co., Ltd. which is subsidiary company according to the Employee Transfer Agreements dated March 28, 2013 effective date since April 1, 2013. However, since August 1, 2013 the Company transferred the employees to the subsidiary company according to the Employee Transfer Agreements dated July 31, 2013.

- 31.5 On April 1, 2013, the Company entered into the agreement with Solaris Asset Management Co., Ltd. which is subsidiary company for management service of Compliance, Fund Administration, Fund Operation, Information Technology, Investment, Product Development and Business Administration. The agreement is effective from April 1, 2013 onwards at Baht 521,000 per month unless either party notifies another party for the cancellation. However, on July 1, 2013 the Company cancelled the Management Service Agreement resulting the end of services on July 31, 2013.
- 31.6 On April 1, 2013, the Company entered into the agreement with Solaris Asset Management Co., Ltd. which is subsidiary company for providing rental office at 8th Floor (No. 801A, 807), Liberty Square, in the amount of Baht 105,315 per month. The term of agreement is from April 1, 2013 to January 31, 2016. However, on August 1, 2013 the Company has amended the agreement to reduce the space and the rental fee, the rental fee amounting to Baht 62,025 per month that effective since August 1, 2013 to January 31, 2016.
- 31.7 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2-year and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 31.8 On April 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for management service and investment banking analysis of offshore. The term of agreement is 3 months and will be expired on June 30, 2013. The Company agreed to receive a fee with total amount of Baht 800,800.

Transactions with other business parties

- 31.9 As at December 31, 2013 and 2012, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

(Unit: Million Baht)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
Within 1 year	1.9	2.0	0.4	-
Over 1 year to 5 years	1.7	3.6	0.2	-
Total	3.6	5.6	0.6	-

32. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the years ended December 31, 2013 and 2012 are as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	For the years ended December 31, 2012				Consolidated Financial Statement
	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	
Revenue from external customers	100,688	9,888	36,058	-	146,634
Inter - segment revenues	-	-	-	-	-
Total revenues	100,688	9,888	36,058	-	146,634
Segment income (loss)	100,688	(28,478)	36,058	-	108,268
Unallocated income and expenses :					
Interest and dividend incomes					8,969
Gain on transfer of business to the associated company					6,989
Other income					671
Servicing and administrative expenses					(27,701)
Income tax - expense					(5,411)
Net profit					91,785

Assets classified by segment of the Company as at December 31, 2013 and 2012 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Unallocated assets	Consolidated Financial statement
Assets by segment					
As at December 31, 2013	1,417,338	22,613	409,977	756,071	2,605,999
As at December 31, 2012	1,209,252	22,491	271,292	469,308	1,972,343

33. RISK MANAGEMENT

33.1 Liquidity risk

The Company

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

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

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

However, as at December 31, 2013, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses.

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

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital at least Baht 0.1 million according to the Notification of the Office of the Securities and Exchange Commission No. SorNor. 20/2545 Regarding “The Notification of Adequacy, Condition, Calculation Method and Reporting of Investment Advisory Company’s Collateral or Liquidated Assets Adequacy”.

However, as at December 31, 2013, the Company has able to maintain its net liquid capital more than the condition.

Subsidiary

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

As at December 31, 2013 and 2012, the subsidiary’s financial statements showed owners’ equity amounting of Baht 25.72 million and Baht 25.46 million, respectively, which is less than the specified warning level. On January 29, 2014, the extraordinary shareholders’ meeting of the subsidiary has passed a special resolution to increase its share capital of Baht 9.9 million and assign the Board of Directors of the Company to call for the capital payment from shareholders later (see Note 35). The subsidiary has reported to the Office of the Securities and Exchange Commission (“SEC”) already on January 31, 2014, regarding the progress of the plan to recover its owners’ equity to the level not lower than Baht 30 million.

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

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2013 and 2012 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

Outstanding balances of net financial instruments

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

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	35	215	-	-	1	-	251
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	133	-	-	138	-	271
Total	35	348	-	-	139	264	786

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December, 2013

Outstanding balances of net financial instruments

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

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2012

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	31	200	-	-	1	-	232
Securities business receivables	-	-	-	-	-	264	264
Investments - net	-	133	-	-	138	-	271
Total	31	333	-	-	139	264	767

33.2 Significant financial instruments risk

As at December 31, 2013 and 2012, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

33.2.1 Interest rate risk

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

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS										
As at December 31, 2013										
Outstanding balances of net financial instruments										
Repricing or maturity dates										
	Floating interest rate	At call	Within			Non-performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	220	-	303	-	-	-	15	538	0.40 - 2.25	2.40 - 2.95
Securities business receivables	-	-	54	-	-	264	-	318	-	-
Investments - net	-	-	267	-	15	-	128	410	-	-
Total	<u>220</u>	<u>-</u>	<u>624</u>	<u>-</u>	<u>15</u>	<u>264</u>	<u>143</u>	<u>1,266</u>		
Financial liabilities										
Securities business payable	-	-	-	-	-	-	54	54	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS										
As at December 31, 2012										
Outstanding balances of net financial instruments										
Repricing or maturity dates										
	Floating interest rate	At call	Within			Non-performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	21	-	215	-	-	-	15	251	0.60 - 2.50	2.61 - 3.00
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	47	-	-	-	224	271	-	-
Total	<u>21</u>	<u>-</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>264</u>	<u>239</u>	<u>786</u>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2013
Outstanding balances of net financial instruments
Repricing or maturity dates

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

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2012
Outstanding balances of net financial instruments
Repricing or maturity dates

	Floating interest rate	At call	Within			Over performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	18	-	200	-	-	-	14	232	0.60 - 2.50	2.61 - 2.80
Securities business receivables	-	-	-	-	-	264	-	264	-	-
Investments - net	-	-	47	-	-	-	224	271	-	-
Total	18	-	247	-	-	264	238	767		

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

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

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

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

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

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

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

33.2.2 Credit risk

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

33.2.3 Foreign exchange risk

As at December 31, 2013 and 2012, the Company and its subsidiary do not have any material financial instruments in foreign currency.

33.2.4 Market situation risk

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

33.2.5 Fair value

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

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

As at December 31, 2013 and 2012, the fair values of financial assets and financial liabilities are not significantly different from their book values.

34. TRANSFER OF BUSINESS

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

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

The Company recognized such gain on transfer of business to an associated company as income in the consolidated financial statements according to the shareholding percentage of the third parties in the associated company. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize such “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculates depreciation or sells such transferred assets to the third parties. The movements of unrealized gain on transfer of business to an associated company in the consolidated financial statements for the years ended December 31, 2013 and 2012 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
Unrealized gain on transfer of business to an associated company		
For the years ended December 31,		
	2013	2012
	Million Baht	Million Baht
Beginning balance of the period	156.10	163.09
<u>Less</u> Recognize additional gain on transfer of business to the associated company because the associated company calculated depreciation and sold part of transferred assets to the third parties	(5.92)	(6.99)
Ending balance of the period	<u>150.18</u>	<u>156.10</u>

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

35. EVENT AFTER THE REPORTING PERIOD

On January 29, 2014, the extraordinary shareholders' the subsidiary company meeting has passed a special resolution to increase its share capital of Baht 9,900,000, from Baht 115,500,000 to Baht 125,400,000 by issuing additional 1,800,000 ordinary shares with the par value of Baht 5.5 per share and will be sold to the existing shareholders, in order to be used as working capital its business and assign the Board of Directors of the subsidiary company to call for the capital payment from shareholders later.

On February 27, 2014 the board of directors' meeting has passed a resolution to approve the Company entered into the agreement with Evolution Capital Public Company Limited. to purchase shares in Solaris Asset Management Co., Ltd. , the subsidiary, totally 4,550,000 shares at Baht 1.48317 per share, total amount Baht 6,748,423.50. With the condition that within the period of 2 years from the payment date, if the Company can sell all of its shares in Solaris Asset Management Co., Ltd. to the third party at the higher purchase price per share after the deduction of any applicable taxes and necessary and reasonable expenses (if any) than the price per share received from Evolution Capital Public Company Limited. The Company will pay the difference arising on shares of 4,550,000 shares to Evolution Capital Public Company Limited. On the same date, the Company entered into the share purchase agreement with Evolution Capital Public Company Limited. The payment for those purchase shares shall be made on February 28, 2014.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 27, 2014.

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