

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013
“UNAUDITED”**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

As at March 31, 2013 and December 31, 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 INTERIM FINANCIAL STATEMENTS

2.1 The Company prepares its interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Reporting”, and practices generally accepted in Thailand, and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards.

2.2 The consolidated and separate statement of financial position as at December 31, 2012, presented herein for comparison, has been derived from the financial statements for the year then ended which were audited. Additionally, the consolidated and separate statements of comprehensive income, changes in owners’ equity and cash flows for the three-month period ended March 31, 2012, were reviewed by auditor.

The consolidated financial statements for the three-month periods ended March 31, 2013 and 2012 include the accounts of the Company and Solaris Asset Management Co., Ltd., (formerly “Seamico Asset Management Co., Ltd.”) which the Company has a holding of 76.30 % and 75%, respectively in its equity. Significant transactions and balances between the Company and the subsidiary have been eliminated.

Additionally, the consolidated financial statements for the three-month periods ended March 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.

2.3 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2012.

The results of operations for the three-month period ended March 31, 2013 are not necessarily indicative of the operation result anticipated for the full year.

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

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

The Financial Reporting Standard (TFRS)

TFRS 8 Operating Segments

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

- 1) 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 Standard Interpretation (TSI)

TSI 29 Disclosure - Service Concession Arrangements

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 IAS 29
Financial Reporting in Hyperinflationary Economies

TFRI 10 Interim Financial Reporting and Impairment

TFRI 12 Service Concession Arrangements

TFRI 13 Customer Loyalty Programmes

- 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 in the preparation of financial statements of the Company and its subsidiary when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

5. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the annual financial statements for the year ended December 31, 2012.

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 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	90,674,658	266,410,773	72,100,644	247,496,923
<u>Less</u> Cash deposits held for customers*	<u>(14,883,752)</u>	<u>(15,370,023)</u>	<u>(14,883,752)</u>	<u>(15,348,023)</u>
Total cash and cash equivalents	<u>75,790,906</u>	<u>251,040,750</u>	<u>57,216,892</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 March 31, 2013 and December 31, 2012, the Company had deposits at financial institutions and promissory notes held for customers in the consolidated statements of financial position in amounting to Baht 14.88 million and Baht 15.37 million, respectively, and the separate statements of financial position in amounting to Baht 14.88 million and Baht 15.35 million, respectively, which the Company must return to the customers at call.

As at March 31, 2013 and December 31, 2012, the securities business cash customers and credit balance of 647 accounts and 715 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 31) have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 7.05 million and Baht 7.50 million, respectively, and shares with the values of Baht 223.66 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 March 31, 2013 Baht	As at December 31, 2012 Baht
Securities business receivables	2,830,959	-
Other receivables		
Receivables under litigation	263,597,908	263,597,908
Installment receivables	7,091	7,091
Other receivables	406,073	406,073
Total securities business receivables	266,842,031	264,011,072
<u>Less</u> Allowance for doubtful accounts (see Note 8)	<u>(257,265,640)</u>	<u>(259,963,812)</u>
Total	<u>9,576,391</u>	<u>4,047,260</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 March 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 Debt	2,830,959	-	2,830,959	-	-	-
Substandard debts	6,745,432	-	6,745,432	4,047,260	-	4,047,260
Doubtful debts	257,265,640	(257,265,640)	-	259,963,812	(259,963,812)	-
Total	<u>266,842,031</u>	<u>(257,265,640)</u>	<u>9,576,391</u>	<u>264,011,072</u>	<u>(259,963,812)</u>	<u>4,047,260</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2013 Baht	As at December 31, 2012 Baht
Over 3 years	264,011,072	264,011,072
Total	<u>264,011,072</u>	<u>264,011,072</u>

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2013 Baht	As at December 31, 2012 Baht
Beginning balance of the period	259,963,812	261,483,547
Doubtful accounts (reversal)	(2,698,172)	(1,349,087)
Bad debts recovery	-	(170,648)
Ending balance of the period (see Note 7)	<u>257,265,640</u>	<u>259,963,812</u>

9. INVESTMENTS - NET

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at March 31, 2013		As at December 31, 2012	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities – List securities	30,868,343	34,413,134	33,903,490	35,702,367
Debt securities - Government bond	-	-	4,995,508	4,997,379
Debt securities – Bill of exchange	42,000,000	42,221,760	42,000,000	42,075,377
Mutual fund	268,693,210	270,298,722	99,166,620	99,349,872
Total	<u>341,561,553</u>	<u>346,933,616</u>	<u>180,065,618</u>	<u>182,124,995</u>
<u>Add</u> Revaluation adjustments	<u>5,372,063</u>	<u>-</u>	<u>2,059,377</u>	<u>-</u>
Total trading securities - net	<u>346,933,616</u>	<u>346,933,616</u>	<u>182,124,995</u>	<u>182,124,995</u>
<u>General investments</u>				
Ordinary shares	156,517,201	83,955,162	156,517,201	89,042,140
Preference shares	125,000	125,000	125,000	125,000
Total	<u>156,642,201</u>	<u>84,080,162</u>	<u>156,642,201</u>	<u>89,167,140</u>
<u>Less</u> Allowance for impairment	<u>(72,562,039)</u>	<u>-</u>	<u>(67,475,061)</u>	<u>-</u>
Total general investments - net	<u>84,080,162</u>	<u>84,080,162</u>	<u>89,167,140</u>	<u>89,167,140</u>
Total investments – net	<u>431,013,778</u>	<u>431,013,778</u>	<u>271,292,135</u>	<u>271,292,135</u>

9.2 Gain on investments

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Unrealized gain on re-measuring trading investments	3,312,686	40,380	3,312,686	40,380
Gain on sale of trading investments	5,677,266	-	5,677,266	-
Gain on sale of available-for-sale investments	-	107,624	-	107,624
Total	<u>8,989,952</u>	<u>148,004</u>	<u>8,989,952</u>	<u>148,004</u>

9.3 Dividend from investments in equity securities

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		SEPARATE FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Dividend	140,293	-	140,293	-
Total	140,293	-	140,293	-

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

	CONSOLIDATED FINANCIAL STATEMENTS As at March 31,		SEPARATE FINANCIAL STATEMENTS As at March 31,	
	2013 Baht	December 31, 2012 Baht	2013 Baht	December 31, 2012 Baht
Beginning balance of the period	-	11,398,751	-	11,398,751
Changes during the period				
- from deferred tax adjustment	-	2,849,688	-	2,849,688
- from re-measuring of investments	-	8,852,850	-	8,852,850
- from sale of investments	-	(23,101,289)	-	(23,101,289)
Ending balance of the period	-	-	-	-

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

	As at March 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	7,808	852	6,956	7,808	852	6,956
	7,808	852	6,956	7,808	852	6,956

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 invested	Paid-up capital		% of voting right		Cost method		Equity method			
			As at	As at	As at	As at	As at	As at	As at	As at		
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht		
Associate												
KT ZMICO												
Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,279.6	1,205.2		
SEPARATE FINANCIAL STATEMENTS												
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method			
			As at	As at	As at	As at	As at	As at	As at	As at		
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			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	192.0	184.5	76.30	75.34	146.5	139.0	23.1	19.7		
<u>Less</u> Allowance for impairment							(125.4)	(119.8)	-	-		
							21.1	19.2	23.1	19.7		
Associate												
KT ZMICO												
Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,279.6	1,205.2		
Total - net							1,108.6	1,106.7	1,302.7	1,224.9		

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

	As at March 31, 2013 Million Baht	As at December 31, 2012 Million Baht
Total assets	8,040.0	7,392.7
Total liabilities	(5,785.5)	(5,288.5)
Net assets	<u>2,254.5</u>	<u>2,104.2</u>

	For the three-month periods ended March 31,	
	2013 Million Baht	2012 Million Baht
Total revenue	738.0	392.3
Net income for the period	156.4	35.9
Net other comprehensive income for the period	(6.1)	1.7

For the three-month period ended March 31, 2013 and 2012, there is no dividend received from an associated company.

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

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. During the three-month period ended March 31, 2013, the subsidiary increased its share capital by Baht 7.5 million from the capital injection from the Company.

As at March 31, 2013 and December 31, 2012, the paid-up share capital of the subsidiary is Baht 192.0 million and Baht 184.5 million, respectively, consisting of 19,200,000 ordinary shares and 18,450,000 ordinary shares, respectively, of Baht 10 each. As at March 31, 2013, the subsidiary's shares are held by the Company and Evolution Capital Public Company Limited 76.30% and 23.70%, 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. DEFERRED TAX ASSETS - NET

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2013 Baht	As at December 31, 2012 Baht	As at March 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	33,519,195	33,519,195	33,519,195	33,519,195
Cumulative tax loss	244,361	1,006,077	244,361	1,006,077
Other assets	28,357	28,357	28,357	28,357
Unrealized gain on transfer of business to an associated company	23,981,150	24,296,470	-	-
	<u>59,375,821</u>	<u>60,452,857</u>	<u>35,394,671</u>	<u>36,156,387</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,074,412	411,875	1,074,412	411,875
Amortization of derivative license	357,055	332,055	357,055	332,055
	<u>1,431,467</u>	<u>743,930</u>	<u>1,431,467</u>	<u>743,930</u>
Deferred tax assets - net	<u>57,944,354</u>	<u>59,708,927</u>	<u>33,963,204</u>	<u>35,412,457</u>

The movements of deferred income tax are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at January 1, 2013 Baht	Items as recognized in profit or loss (see Note 26) Baht	Items as recognized in other comprehensive income Baht	As at March 31, 2013 Baht
Deferred tax assets				
Allowance for doubtful accounts	1,602,758	-	-	1,602,758
Allowance for impairment of Investments	33,519,195	-	-	33,519,195
Cumulative tax loss	1,006,077	(761,716)	-	244,361
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	24,296,470	(315,320)	-	23,981,150
	<u>60,452,857</u>	<u>(1,077,036)</u>	<u>-</u>	<u>59,375,821</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	662,537	-	1,074,412
Amortization of derivative license	332,055	25,000	-	357,055
	<u>743,930</u>	<u>687,537</u>	<u>-</u>	<u>1,431,467</u>
Deferred tax assets - net	<u>59,708,927</u>	<u>(1,764,573)</u>	<u>-</u>	<u>57,944,354</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2012	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 31, 2012
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	-	-	1,641,387
Allowance for impairment of investments	36,410,009	(386,633)	-	36,023,376
Unrealized loss on re-measuring trading investments	421,360	-	(421,360)	-
Unrealized loss on re-measuring available-for-sale investments	-	-	323,605	323,605
Cumulative tax loss	1,156,988	-	-	1,156,988
Other assets	28,357	-	-	28,357
Unrealized gain on transfer of business to an associated company	25,694,320	(337,475)	-	25,356,845
	<u>65,352,421</u>	<u>(724,108)</u>	<u>(97,755)</u>	<u>64,530,558</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	9,288	-	9,288
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	1,234,966	4,084,654
Amortization of derivative license	232,054	25,001	-	257,055
	<u>3,081,742</u>	<u>34,289</u>	<u>1,234,966</u>	<u>4,350,997</u>
Deferred tax assets - net	<u>62,270,679</u>	<u>(758,397)</u>	<u>(1,332,721)</u>	<u>60,179,561</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2013	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 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	-	-	33,519,195
Cumulative tax loss	1,006,077	(761,716)	-	244,361
Other assets	28,357	-	-	28,357
	<u>36,156,387</u>	<u>(761,716)</u>	<u>-</u>	<u>35,394,671</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	411,875	662,537	-	1,074,412
Amortization of derivative license	332,055	25,000	-	357,055
	<u>743,930</u>	<u>687,537</u>	<u>-</u>	<u>1,431,467</u>
Deferred tax assets - net	<u>35,412,457</u>	<u>(1,449,253)</u>	<u>-</u>	<u>33,963,204</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2012	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 31, 2012
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	1,641,387	-	-	1,641,387
Allowance for impairment of investments	36,410,009	(386,633)	-	36,023,376
Unrealized loss on re-measuring trading investments	421,360	-	(421,360)	-
Unrealized loss on re-measuring available-for-sale investments	-	-	323,605	323,605
Cumulative tax loss	1,156,988	-	-	1,156,988
Other assets	28,357	-	-	28,357
	<u>39,658,101</u>	<u>(386,633)</u>	<u>(97,755)</u>	<u>39,173,713</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	-	9,288	-	9,288
Unrealized gain on re-measuring available-for-sale investments	2,849,688	-	1,234,966	4,084,654
Amortization of derivative license	232,054	25,001	-	257,055
	<u>3,081,742</u>	<u>34,289</u>	<u>1,234,966</u>	<u>4,350,997</u>
Deferred tax assets – net	<u><u>36,576,359</u></u>	<u><u>(420,922)</u></u>	<u><u>(1,332,721)</u></u>	<u><u>34,822,716</u></u>

On October 11, 2011, the Cabinet announced the change in the corporate income tax rate to be reduced from 30% to 23% for accounting period ending December 31, 2012 or after, and to 20% for accounting period ending December 31, 2013 onwards. Therefore, the Company has adjusted deferred tax assets and liabilities by adjusting deferred income tax expense (see Note 26) and other comprehensive income.

12. ASSETS CLASSIFIED AS HELD FOR SALE - NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2013	As at December 31, 2012
	Baht	Baht
Land	160,257,466	160,257,466
Condominium	4,873,120	4,873,120
Golf membership	200,000	200,000
	<u>165,330,586</u>	<u>165,330,586</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale – net	<u><u>165,188,800</u></u>	<u><u>165,188,800</u></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.

13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2013 Baht	December 31, 2012 Baht	March 31, 2013 Baht	December 31, 2012 Baht
Accrued interest income	186,768	250,100	122,619	242,920
Prepaid insurance	416,689	109,712	16,872	106,194
Prepaid repair and maintenance	869,827	147,138	-	-
Other deposits	540,977	557,002	194,627	194,627
Fund management fee and service income receivables	783,013	787,725	-	-
Corporate income tax claim receivable	863,483	773,414	180,445	170,605
Value-added-tax receivable	3,837,194	3,717,698	-	-
Others	3,176,566	792,507	2,003,001	634,913
Total	<u>10,674,517</u>	<u>7,135,296</u>	<u>2,517,564</u>	<u>1,349,259</u>

14. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2013 Baht	December 31, 2012 Baht	March 31, 2013 Baht	December 31, 2012 Baht
Post-employment benefits obligation	1,701,235	1,594,435	811,747	766,691
Unused paid vacation leave	506,183	399,820	214,816	169,256
	<u>2,207,418</u>	<u>1,994,255</u>	<u>1,026,563</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, which are considered as unfunded defined benefit plans.

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Current service cost	90,855	102,811	37,389	52,221
Interest cost	15,945	19,047	7,667	13,034
	<u>106,800</u>	<u>121,858</u>	<u>45,056</u>	<u>65,255</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods		For the three-month periods	
	ended March 31,		ended March 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	90,855	102,811	37,389	52,221
Interest cost	15,945	19,047	7,667	13,034
Ending balance of post-employment benefits obligation	<u>1,701,235</u>	<u>2,824,267</u>	<u>811,747</u>	<u>2,166,334</u>

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

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
(% p.a.)**

Financial assumptions

Discount rate	4.0
Employee turnover rate	10.0 - 20.0 subject to the range of age of employee
Expected rate of salary increase	5.0 - 7.0

15. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Withholding tax payable	562,311	287,923	413,299	168,574
Value-added-tax payable	188,695	202,294	188,695	189,536
Others payable	6,185,006	8,581,636	5,714,182	8,050,941
Amounts of capital reduction not redeemed by shareholders	1,041,377	1,041,377	1,041,377	1,041,377
Others	5,573,692	5,607,936	5,217,026	5,256,275
Total	<u>13,551,081</u>	<u>15,721,166</u>	<u>12,574,579</u>	<u>14,706,703</u>

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

Weighted average number of ordinary shares as at March 31, 2013 and 2012 are calculated as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended	
	March 31,	
	2013	2012
	Shares	Shares
Beginning balance of ordinary shares held by outside parties	1,022,619,448	902,619,448
<u>Add</u> Weighted average additional ordinary stocks during the period	-	114,725,275
Weighted average number of ordinary shares held by outside parties as at March 31,	<u>1,022,619,448</u>	<u>1,017,344,723</u>

As at March 31, 2013 and December 31, 2012, net asset value per share, which was determined by dividing equity attributable to owners of the parent by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date as follows:

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

17. CAPITAL MANAGEMENT

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

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH"). However, as at March 31, 2013 and 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 Notes 1 and 31).

18. 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.

19. 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 March 31, 2013 and December 31, 2012, the Company has statutory reserve at the rate of 21 percent of authorized share capital.

20. FEE AND SERVICE INCOME

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2013 Baht	2012 Baht
Private fund management, mutual fund management and provident fund management	<u>2,453,998</u>	<u>2,331,450</u>
Total	<u><u>2,453,998</u></u>	<u><u>2,331,450</u></u>

21. FEE AND SERVICE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		SEPARATE FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Fees for private fund, mutual fund and derivative licenses	123,288	124,317	-	-
Others	<u>981,919</u>	<u>1,033,125</u>	<u>222,051</u>	<u>-</u>
Total	<u><u>1,105,207</u></u>	<u><u>1,157,442</u></u>	<u><u>222,051</u></u>	<u><u>-</u></u>

22. DIRECTORS AND MANAGERMENTS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 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.

23. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Entertainment expenses	9,740	59,839	9,740	27,951
Publication and marketing expenses	132,600	445,786	-	15,136
Traveling expenses	307,148	549,217	276,718	509,956
SET fee	441,403	1,092,362	441,403	1,092,362
Stationery and office supply	49,387	49,310	16,050	-
Others	540,905	786,426	199,184	271,642
Total	<u>1,481,183</u>	<u>2,982,940</u>	<u>943,095</u>	<u>1,917,047</u>

24. 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 three-month periods ended March 31, 2013 and 2012, the Company has contributed Baht 0.09 million and Baht 0.13 million, respectively, to the fund and the subsidiary has contributed Baht 0.11 million and Baht 0.10 million, respectively, to the fund.

25. IMPAIRMENT LOSS FROM SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	March 31,		March 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	5,086,977	(1,680,941)	5,086,977	(1,680,941)
Impairment loss from investment in subsidiary	-	-	5,629,248	4,782,614
Total	<u>5,086,977</u>	<u>(1,680,941)</u>	<u>10,716,225</u>	<u>3,101,673</u>

26. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Income tax - expense (see Note 11)	(1,764,573)	(758,397)	(1,449,253)	(420,922)
Total	<u>(1,764,573)</u>	<u>(758,397)</u>	<u>(1,449,253)</u>	<u>(420,922)</u>

Reconciliation of income tax expenses 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 three-month periods ended March 31,		For the three-month periods ended March 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Income (loss) before tax	76,093,491	9,906,683	(3,228,015)	(7,966,666)
Tax rate	<u>20%</u>	<u>23%</u>	<u>20%</u>	<u>23%</u>
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	(15,218,698)	(2,278,537)	645,603	1,832,333
Effect of the change in income tax rate from 23% to 20%	-	54,371	-	3,750
Tax effect of the non-deductible income and expense	15,548,948	3,723,809	(33)	1,035
Effect of the temporary difference not recognized as deferred tax assets	(2,161,368)	(1,131,148)	(2,161,368)	(1,131,148)
Loss carried forward not recognized as deferred tax assets	<u>66,545</u>	<u>(1,126,892)</u>	<u>66,545</u>	<u>(1,126,892)</u>
Income tax - expense (see Note 11)	<u>(1,764,573)</u>	<u>(758,397)</u>	<u>(1,449,253)</u>	<u>(420,922)</u>

27. 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 March 31, 2013 and December 31, 2012 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Subsidiary				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 10)	-	-	21,057,135	19,186,383
Investment in private fund managed by subsidiary company	386,265,774	384,427,848	386,265,774	384,427,848
Accrued private fund management fee expenses	-	-	69,979	69,365
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,279,646,111	1,205,204,756	1,087,504,850	1,087,504,850
Other payables	218,035	223,572	218,035	223,572
Related companies				
Under common directors				
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares - net (see Note 9.1)	83,465,560	88,552,538	83,465,560	88,552,538
Other receivable	79,753	161,389	79,753	161,389
Quam Limited				
Accrued expenses	-	16,865	-	16,865
Quam Securities Company Limited				
Accrued advisory services	-	92,754	-	92,754
Prepaid advisory services	1,059,020	-	1,059,020	-

Significant transactions with related parties for the three-month periods ended March 31, 2013 and 2012 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the three-month periods ended		For the three-month periods ended		
	March 31,		March 31,		
	2013	2012	2013	2012	
	Baht	Baht	Baht	Baht	
Subsidiary					
Solaris Asset Management Co., Ltd.					
Withdrawal mutual fund managed by subsidiary	-	2,892,377	-	2,892,377	Same as amount of investment
Withdrawal private fund managed by subsidiary	7,500,000	-	7,500,000	-	Same as amount of investment
Investment in mutual fund managed by subsidiary	-	6,000,000	-	6,000,000	0.60 million units at Baht 10 per unit
Investment in ordinary shares of subsidiary	-	-	7,500,000	15,000,000	1.5 million shares at Baht 10 per share
Management fee private fund expense	-	-	201,871	-	At the rate determined under the agreement : 0.2% per year of value of net asset
Associate					
KT ZMICO Securities Co., Ltd.					
Service expenses	450,000	450,000	450,000	450,000	At the rate determined under the contract of Baht 150,000 per month (see Note 28.1)
Rental expenses	148,509	148,509	148,509	148,509	At the rate determined under the contract of Baht 49,503 per month (see Note 28.2)
Related companies					
Under common directors					
Quam Securities Company Limited					
Consulting fee	376,726	-	376,726	-	At the rate determined under the contract
Related with subsidiary and associate					
Rental income	-	18,000	-	18,000	At the rate determined under the agreement : Bath 18,000 per month the agreement was terminated from Feb. 2012 onwards.
Selling agent fee expense	120,243	174,155	120,243	174,155	At the rate determined under the agreement.
Service fee expenses	885,000	885,000	885,000	885,000	At the rate determined under the agreement of Baht 295,000 per month

For the three-month periods ended March 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 three-month periods		For the three-month periods	
	ended March 31,		ended March 31,	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Short-term employee benefits	1,716,360	1,994,575	962,350	1,463,275
Post-employment benefits	77,300	94,824	41,482	61,988
Total	<u>1,793,660</u>	<u>2,089,399</u>	<u>1,003,832</u>	<u>1,525,263</u>

28. COMMITMENTS

Transactions with related parties

- 28.1 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.
- 28.2 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 April 30, 2013.
- 28.3 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.
- 28.4 The Company received the employees transferred from the subsidiary according to the Employee transfer Agreements dated on March 28, 2013 effective date since April 1, 2013.

Transactions with other business parties

28.5 As at March 31, 2013 and December 31, 2012, the Subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building, equipment and vehicle.

	CONSOLIDATED FINANCIAL STATEMENTS	
	As at March 31, 2013 Million Baht	As at December 31, 2012 Million Baht
Within 1 year	1.9	2.0
Over 1 year to 5 years	3.6	3.6
Total	5.5	5.6

29. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

The Company's operations consist of securities brokering, derivatives agent, financial advisory and underwriting services. The results of operations of these activities are measured as a single segment. In addition, these activities are carried on in Thailand. As a result, revenues, operating profits, assets and liabilities as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

Other segment information

Revenue from major services

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month period ended March 31,		For the three-month period ended March 31,	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Securities business	77,484,237	17,780,179	-	-
Asset management	2,453,998	2,331,450	-	-
Investing and other	9,130,245	148,004	9,130,245	148,004
	89,068,480	20,259,633	9,130,245	148,004

30. RISK MANAGEMENT

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 March 31, 2013 and 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).

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

Subsidiary

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

As at March 31, 2013 and December 31, 2012, the subsidiary’s financial statements showed owners’ equity amounting of Baht 27.60 million and Baht 25.46 million, respectively, which is less than the specified warning level. The subsidiary has reported to the Office of the Securities and Exchange Commission (“SEC”) already on April 17, 2013, regarding the progress of the plan to recover its owners’ equity to the level not lower than Baht 30 million. On April 12, 2013, the general shareholders’ meeting No. 1/2013 of subsidiary has acknowledged and assigned the Board of Director to propose the plan to increase the subsidiary’s share capital to the shareholders’ meeting again.

Additionally, the Company has given a letter of undertaking dated January 31, 2013 to the subsidiary to confirm that it will continue providing the financial support to the subsidiary for the next 12 months from the date of such letter to enable the subsidiary to maintain capital adequacy under the requirement of the Office of the Securities and Exchange Commission.

31. 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 three-month periods ended March 31, 2013 and 2012 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
Unrealized gain on transfer of business to an associated company		
For the three-month periods ended March 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	(1.58)	(1.69)
Ending balance of the period	154.52	161.40

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).

32. EVENTS AFTER THE REPORTING PERIOD

- 32.1 On May 2, 2013, the Company was granted by the Office of the Securities and Exchange Commission to re-operate its investment advisory services as the letter No. SEC. BorThor. 994/2556 starting from May 2, 2013.
- 32.2 On May 10, 2013, the ordinary shareholders' meeting No. 1/2013 of the Company 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. The dividend will be paid on May 22, 2013.
- 32.3 On May 10, 2013, the Board of Directors meeting 3/2013 of the Company has passed a resolution to propose to the shareholders' meeting for the following agendas;
- 1) To consider and approval 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.
 - 2) To consider and approval an increase of the Company's authorized capital from Baht 511,309,724 to Baht 766,964,586 by issuance of 511,309,724 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.
 - 3) To consider and approval of allocation of 511,309,724 new ordinary shares of the Company to the existing shareholders through right offering.

In addition, the Board of Directors meeting of the Company has also passed a resolution to additionally invest in the ordinary shares of Solaris Asset Management Co., Ltd., its subsidiary, in the amount of Baht 10 million. Cash will be paid when the subsidiary call for the payment from the shareholders.

- 32.4 On February 18, 2013, the extraordinary shareholders' meeting No. 1/2013 of the subsidiary has passed a resolution to approve the decreasing the subsidiary's authorized and paid-up capital from Baht 192,000,000 to Baht 105,600,000 and the par value of share from Baht 10 per share to Baht 5.50 per share for decrease of retained deficit of the subsidiary. Additionally, the meeting had a resolution to approve the amendment of the subsidiary's Memorandum of Association to reflect the decrease of the subsidiary's authorized and paid up capital. Consequently, the subsidiary 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.

33. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the audit committee and authorized director of the Company on May 10, 2013.