

**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 8<sup>th</sup> 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 reliable 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	54,432,819	-
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	<u>318,443,891</u>	<u>264,011,072</u>
<u>Less</u> Allowance for doubtful accounts (see Note 8)	<u>(259,963,812)</u>	<u>(259,963,812)</u>
Total	<u>58,480,079</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:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>					
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	-	4,047,260
Doubtful debts	259,963,812	-	259,963,812	(259,963,812)	-
Total	<u>318,443,891</u>	<u>58,480,079</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:

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

## 8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

## 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 Baht	2012 Baht	2013 Baht	2012 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		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
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		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
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	Fair value	Allowance for impairment loss	Cost/ Book value	Fair value	Allowance for impairment loss
	Baht	Baht	Baht	Baht	Baht	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	As at	As at	As at	As at	As at	As at	As at	
			invested	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2013	2012	2013	2012	2013	2012	2013	2012	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht			
<b>Associate</b>											
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	As at	As at	As at	As at	As at	As at	As at	
			invested	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	
			2013	2012	2013	2012	2013	2012	2013	2012	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht			
<b>Subsidiary</b>											
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)	-	-	
							20.1	19.2	23.9	19.7	
<b>Associate</b>											
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	
							1,257.6	1,106.7	1,382.8	1,224.9	

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	6,546.3	7,392.7
Total liabilities	(4,134.7)	(5,288.5)
Net assets	2,411.6	2,104.2
For the years ended December 31,		
	2013	2012
	Million Baht	Million Baht
Total revenue	2,078.5	1,774.5
Net income for the period	329.1	203.2
Net other comprehensive income (loss) for the period	(10.3)	11.8
Dividend received from an associated company	154.4	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 December 31, 2012 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2013 Baht
<b>Cost</b>				
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>
<b>Accumulated depreciation</b>				
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>
<b>Total building improvements and equipment - net</b>	<u>1,576,718</u>	<u>290,067</u>	<u>(1)</u>	<u>1,866,784</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2011 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2012 Baht
<b>Cost</b>				
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>
<b>Accumulated depreciation</b>				
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>
<b>Total building improvements and equipment - net</b>	<u>1,149,374</u>	<u>427,344</u>	<u>-</u>	<u>1,576,718</u>

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

SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2012 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2013 Baht
<b>Cost</b>				
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>
<b>Accumulated depreciation</b>				
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>
<b>Total building improvements and equipment - net</b>	<u>288,020</u>	<u>348,139</u>	<u>-</u>	<u>636,159</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2011 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2012 Baht
<b>Cost</b>				
Office equipment	512,823	291,500	-	804,323
Total cost	512,823	291,500	-	804,323
<b>Accumulated depreciation</b>				
Office equipment	(306,775)	(209,528)	-	(516,303)
Total accumulated depreciation	(306,775)	(209,528)	-	(516,303)
<b>Total building improvements and equipment - net</b>	<b>206,048</b>	<b>81,972</b>	<b>-</b>	<b>288,020</b>
<b>Depreciation for the years ended December 31,</b>				
2013			<b>Baht</b>	<u>177,802</u>
2012			<b>Baht</b>	<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 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	2,560,199	18,000	(1,336,226)	-	1,241,973
Total		7,148,692	18,000	(1,336,226)	-	5,830,466

CONSOLIDATED 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						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	3,991,609	-	(1,431,410)	-	2,560,199
Total		8,580,102	-	(1,431,410)	-	7,148,692

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

SEPARATE 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					
Derivatives business	Indefinite*	3,320,548	-	-	3,320,548
Computer software	5 years	16,342	-	(4,913)	11,429
Total		<u>3,336,890</u>	<u>-</u>	<u>(4,913)</u>	<u>3,331,977</u>

**Amortization for the years ended December 31,**

2013	<b>Baht</b>	<u>4,914</u>
2012	<b>Baht</b>	<u>4,913</u>

\* 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		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
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	-	-
	<u>57,471,127</u>	<u>60,452,857</u>	<u>34,357,548</u>	<u>36,156,387</u>
<b>Deferred tax liabilities</b>				
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
	<u>657,993</u>	<u>743,930</u>	<u>657,993</u>	<u>743,930</u>
Deferred tax assets - net	<u>56,813,134</u>	<u>59,708,927</u>	<u>33,699,555</u>	<u>35,412,457</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2013	profit or loss	other comprehensive	2013
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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	160,257,466	160,257,466
Condominium	4,873,120	4,873,120
Golf membership	200,000	200,000
	<u>165,330,586</u>	<u>165,330,586</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale - net	<u>165,188,800</u>	<u>165,188,800</u>

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

#### 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:

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

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>For the years ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>Shares</b>	<b>Shares</b>
Beginning balance of ordinary shares	1,022,619,448	902,619,448
<u>Add</u> Weighted average additional ordinary shares issued during the period	99,737,088	118,688,525
Weighted average number of ordinary shares as at December 31,	<u>1,122,356,536</u>	<u>1,021,307,973</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	121,556	125,525	100,652	89,960
Publication and marketing expenses	645,565	1,039,333	69,122	51,440
Traveling expenses	1,363,750	1,533,418	1,323,214	1,397,784
SET fee	2,190,772	2,912,687	2,190,772	2,912,687
Stationery and office supply	794,550	776,533	639,870	300,209
Others	4,585,382	4,511,371	3,093,939	1,751,496
Total	<u>9,701,575</u>	<u>10,898,867</u>	<u>7,417,569</u>	<u>6,503,576</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	-	-	16,442,093	21,399,729
Total	<u>(5,704,987)</u>	<u>(3,768,491)</u>	<u>10,737,106</u>	<u>17,631,238</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)	<u>(3,088,624)</u>	<u>(5,411,440)</u>	<u>(1,905,733)</u>	<u>(4,013,590)</u>
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	133,490,776	97,196,256	120,131,044	56,627,848
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	32,916,945	21,681,373	31,427,889	13,958,166
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)	1,381,209	(4,622,665)	1,381,209
Write off deferred tax of loss carry forward which is expired	<u>(1,006,077)</u>	-	<u>(1,006,077)</u>	-
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	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
<b>Subsidiary</b>				
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	-
<b>Associate</b>				
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
<b>Related companies</b>				
<b>Under common directors</b>				
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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	2013	2012	2013	2012	
	Baht	Baht	Baht	Baht	
<b>Solaris Asset Management Co., Ltd.</b>					
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 August 5, 2013 to 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
<b>Associate</b>					
<b>KT ZMICO Securities Co., Ltd.</b>					
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)
<b>Related companies</b>					
<b>Under common directors</b>					
<b>Quam Limited</b>					
Other expenses	-	192,757	-	192,757	At actual amount of expenses
<b>Quam Securities Company Limited</b>					
Consulting fee	3,351,396	92,754	3,351,396	92,754	At the rate determined under the contract
<b>Related with subsidiary and associate</b>					
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 16<sup>th</sup> 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.

	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	-

(Unit: Million Baht)

### 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
<b>Assets by segment</b>					
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**

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

(Unit: Million Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2012

**Outstanding balances of net financial instruments**

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

(Unit: Million Baht)

**SEPARATE FINANCIAL STATEMENTS**  
As at December, 2013

**Outstanding balances of net financial instruments**

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

(Unit: Million Baht)

**SEPARATE FINANCIAL STATEMENTS**  
As at December 31, 2012

**Outstanding balances of net financial instruments**

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

### 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
<b>Financial assets</b>										
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	-	-
<b>Total</b>	<b>220</b>	<b>-</b>	<b>624</b>	<b>-</b>	<b>15</b>	<b>264</b>	<b>143</b>	<b>1,266</b>		
<b>Financial liabilities</b>										
Securities business payable	-	-	-	-	-	-	54	54	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>54</b>		

(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
<b>Financial assets</b>										
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	-	-
<b>Total</b>	<b>21</b>	<b>-</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>239</b>	<b>786</b>		

(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			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
<b>Financial assets</b>										
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	-	-
<b>Total</b>	<b>205</b>	<b>-</b>	<b>621</b>	<b>-</b>	<b>15</b>	<b>264</b>	<b>143</b>	<b>1,248</b>		
<b>Financial liabilities</b>										
Securities business payable	-	-	-	-	-	-	54	54	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>54</b>		

(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			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
<b>Financial assets</b>										
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	-	-
<b>Total</b>	<b>18</b>	<b>-</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>238</b>	<b>767</b>		

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)
<b>Financial assets</b>			
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)
<b>Financial assets</b>			
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)
<b>Financial assets</b>			
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)
<b>Financial assets</b>			
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		
<b>Unrealized gain on transfer of business to an associated company</b>		
<b>For the years ended December 31,</b>		
	<b>2013</b>	<b>2012</b>
	<b>Million Baht</b>	<b>Million Baht</b>
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	150.18	156.10

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.