

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
“UNAUDITED”

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

As at March 31, 2011 and December 31, 2010, 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.

However, the Company continues as a listed securities company which most businesses are related to investment and may have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 The Company prepares its interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Reporting”, and practices generally accepted in Thailand, 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”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. The financial statements for the quarter ended March 31, 2010 and the statement of financial position as at December 31, 2010, presented for comparison, have been reclassified accordingly (see Note 33).
- 2.2 The consolidated and separate statements of financial position as at December 31, 2010, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which have been audited.

The consolidated financial statements for the quarters ended March 31, 2011 and 2010, and for the year ended December 31, 2010 include the accounts of the Company and Seamico Asset Management Co., Ltd., which the Company has a holding of 100% in its equity. Significant transactions and balances between the Company and the subsidiary have been eliminated.

Additionally, the consolidated financial statements for the quarters ended March 31, 2011 and 2010, and for the year ended December 31, 2010 also included interest in an associated company’s equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

- 2.3 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2010.

The results of operations for the quarter ended March 31, 2011 are not necessarily indicative of the operation result anticipated for the full year.

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

3. 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 Financial Reporting Standards (TFRS), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows.

Thai Accounting Standards (TAS)

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Accounting Standard Interpretations (TSI)

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company and its subsidiary anticipates that the Company and its subsidiary will adopt the above Thai Financial Reporting Standards relevant to the Company in the preparation of financial statements of the Company and its subsidiary when they become effective. The Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied. However, the Company and its subsidiary have elected to early adopt TAS 12 "Income Tax".

4. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2011, the Company, its subsidiary and associated company have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of interim financial statements. Such TFRS have no significant impact to the Company, its subsidiary and associated company's financial statements except for the following TFRS.

- 4.1 TAS 1 (Revised 2009) "Presentation of Financial Statements"
TAS 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it affected the reclassification in the consolidated and separate financial statements for the quarter ended March 31, 2010 and the consolidated and separate statements and presentation of financial position as at December 31, 2010, presented for comparison (see Notes 2.1 and 33).
- 4.2 TAS 19 "Employee Benefits"
Since January 1, 2011, the Company, its subsidiary and associated company have adopted TAS 19 "Employee Benefits" for the first time by calculating the post-employment benefits obligation under the Thai Labor Protection Act 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.

The Company, its subsidiary and associated company elected to recognize past service costs with respect to post-employment benefits obligation by adjusting the retained earnings as at January 1, 2011, which is in compliance with the transitional provision of such standard.

Effects of the change in accounting policy to the statements of financial position as at January 1, 2011 are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS Baht	SEPARATE FINANCIAL STATEMENTS Baht
Investment in an associated company - decrease	18,359,248	-
Post-employment benefits obligation - increase	2,222,679	1,827,825
Retained earnings brought forward - decrease	20,581,927	1,827,825

For unused annual leave, the Company and its subsidiary adjusted the effects prospectively and the associated company adjusted the retained earnings as at January 1, 2011 without restatement to the statements of comprehensive income because the effects are not material.

5. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the annual financial statements for the year ended December 31, 2010, except for the change in accounting policy as described in Note 4.

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht	As at March 31, 2011 Baht	As at December 31, 2010 Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	244,476,869	189,121,355	235,353,565	169,513,480
<u>Less</u> Cash deposits held for customers*	<u>(20,051,430)</u>	<u>(22,322,700)</u>	<u>(20,047,393)</u>	<u>(22,284,697)</u>
Total cash and cash equivalents	<u>224,425,439</u>	<u>166,798,655</u>	<u>215,306,172</u>	<u>147,228,783</u>

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

As at March 31, 2011 and December 31, 2010, the Company had deposits at financial institutions and promissory notes in the consolidated statements of financial position in amounting to Baht 20.05 million and Baht 22.32 million, respectively, and the separate statements of financial position in amounting to Baht 20.05 million and Baht 22.28 million, respectively, which the Company must return to the customers at call.

As at March 31, 2011 and December 31, 2010, the deposits for securities trading which were transferred from KT ZMICO Securities Co., Ltd. since October 1, 2009 were remained securities trading of Baht 10.46 million and Baht 12.70 million, respectively (securities cash customer and credit balance of 688 accounts and 735 accounts, respectively) and were remained derivative business trading of Baht 1.26 million and Baht 1.26 million, respectively (derivatives business receivables of 94 accounts and 96 accounts, respectively). However, when customers have opened account agreements for securities trading at KT ZMICO Securities Co., Ltd., cash deposits of these customers account will be returned to KT ZMICO Securities Co., Ltd. (see Note 32).

7. SECURITIES BUSINESS RECEIVABLES - NET

As at March 31, 2011 and December 31, 2010, the Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht
Other receivables		
Receivables under litigation	263,768,556	130,901,691
Instalment receivables	7,091	7,091
Other receivables	406,141	156,106,704
Total securities business receivables	<u>264,181,788</u>	<u>287,015,486</u>
<u>Less</u> Allowance for doubtful accounts (see Note 8)	<u>(262,832,634)</u>	<u>(285,666,332)</u>
Total	<u>1,349,154</u>	<u>1,349,154</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at March 31, 2011			As at December 31, 2010		
	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	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
Substandard debts	1,349,154	-	1,349,154	1,349,154	-	1,349,154
Doubtful debts	262,832,634	(262,832,634)	-	285,666,332	(285,666,332)	-
Total	<u>264,181,788</u>	<u>(262,832,634)</u>	<u>1,349,154</u>	<u>287,015,486</u>	<u>(285,666,332)</u>	<u>1,349,154</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht
Over 1 year to 3 years	256,655,536	279,509,432
Over 3 years	7,526,252	7,506,054
Total	264,181,788	287,015,486

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht
Beginning balance of the period	285,666,332	286,481,115
Doubtful accounts	-	5,991,010
Bad debts recovery	(7,879,120)	(6,805,793)
Bad debts	(14,954,578)	-
Ending balance of the period (see Note 7)	262,832,634	285,666,332

9. INVESTMENTS - NET

9.1 As at March 31, 2011 and December 31, 2010, the Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at March 31, 2011		As at December 31, 2010	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - Listed securities	6,375,368	4,213,604	6,375,368	4,726,566
<u>Less</u> Revaluation adjustments	(2,161,764)	-	(1,648,802)	-
Total trading securities - net	4,213,604	4,213,604	4,726,566	4,726,566
<u>Available-for-sale securities</u>				
Equity securities - Unit trust	40,650,105	53,618,598	40,650,105	51,385,567
<u>Add</u> Revaluation adjustments	12,968,493	-	10,735,462	-
Total available-for-sale securities - net	53,618,598	53,618,598	51,385,567	51,385,567
<u>General investments</u>				
Ordinary shares	178,298,668	74,979,321	178,298,668	81,028,144
Preference shares	125,000	125,000	125,000	125,000
Total	178,423,668	75,104,321	178,423,668	81,153,144
<u>Less</u> Allowance for loss on impairment	(103,319,347)	-	(97,270,524)	-
Total general investments - net	75,104,321	75,104,321	81,153,144	81,153,144
Total investments - net	132,936,523	132,936,523	137,265,277	137,265,277

On October 29, 2009, the Board of Directors Meeting No. 7/2009 approved to sell all investment in Thanh Cong Securities Company J.S.C. (“TCSC”), a securities company in Vietnam, which is classified as general investment, to KT ZMICO Securities Company Limited, an associated company at the price of Baht 161.24 million (cost of Baht 156.02 million). Later, on May 12, 2010, the Board of Directors Meeting No. 3/2010 newly approved to sell such investment at the price of Baht 147.66 million and authorized the management discretionary proceeding for the completion of the sale of investment. Subsequently, the Company has changed the selling plan, therefore, on February 28, 2011, the Company entered into an agreement with MAC Capital Limited for the latter to identify potential purchasers of investment in TCSC, provide the Company with preliminary offers from the purchasers and also assist and co-ordinate with the Company and the purchasers to complete the sale (see Note 29.5).

As at March 31, 2011, the Company has not sold such investment. However, as at March 31, 2011 and December 31, 2010, the Company recorded an allowance for loss on impairment for such investment in the amount of Baht 81.53 million and Baht 75.48 million, respectively.

9.2 Gain (loss) on investments

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Unrealized loss on re-measuring trading investments	(512,962)	(745,953)	(512,962)	(745,953)
Gain on sale of trading investments	74,009	2,528,245	74,009	2,528,245
Total	<u>(438,953)</u>	<u>1,782,292</u>	<u>(438,953)</u>	<u>1,782,292</u>

9.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Interest income	-	1,105,689	-	1,105,689
Dividend	-	117,735	81,659,592	41,593,785
Total	<u>-</u>	<u>1,223,424</u>	<u>81,659,592</u>	<u>42,699,474</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht	As at March 31, 2011 Baht	As at December 31, 2010 Baht
Beginning balance of the period	7,514,824	2,171,750	7,514,824	2,171,750
Changes during the period				
- from deferred tax adjustment	(669,910)	(2,496,721)	(669,910)	(2,496,721)
- from re-measuring of investments	2,233,031	7,837,462	2,233,031	7,837,462
- from sale of investments	-	2,333	-	2,333
Ending balance of the period	<u>9,077,945</u>	<u>7,514,824</u>	<u>9,077,945</u>	<u>7,514,824</u>

9.5 As at March 31, 2011 and December 31, 2010, the Company has general investments in companies that have financial position and performance problems as follows:

	As at March 31, 2011			As at December 31, 2010		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	<u>21,789,274</u>	<u>930</u>	<u>21,788,344</u>	<u>21,789,274</u>	<u>869</u>	<u>21,788,405</u>
	21,789,274	930	21,788,344	21,789,274	869	21,788,405

10. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

As at March 31, 2011 and December 31, 2010, the Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

Company name	Type of business	Type of shares invested	CONSOLIDATED FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at March 31, 2011 Million Baht	As at December 31, 2010 Million Baht	As at March 31, 2011 %	As at December 31, 2010 %	As at March 31, 2011 Million Baht	As at December 31, 2010 Million Baht	As at March 31, 2011 Million Baht	As at December 31, 2010 Million Baht
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,122.4	1,185.1
Balance before adjusted										
Effect of change in accounting policy of an associated company (see Note 4)							-	-	(18.4)	-
Balance after adjusted							<u>1,087.5</u>	<u>1,087.5</u>	<u>1,104.0</u>	<u>1,185.1</u>

SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2011	2010	2011	2010	2011	2010	2011	2010
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Seamico Asset Management Co., Ltd.	Mutual, private and provident fund management	Ordinary share	130	130	100	100	130.0	130.0	22.5	31.0
<u>Less</u> Allowance for impairment							(107.5)	(99.0)	-	-
							22.5	31.0	22.5	31.0
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,838	49.54	49.54	1,087.5	1,087.5	1,122.4	1,185.1
Balance before adjusted										
Effect of change in accounting policy of an associated company (see Note 4)							-	-	(18.4)	-
Balance after adjusted							1,087.5	1,087.5	1,104.0	1,185.1
Total – net							1,110.0	1,118.5	1,126.5	1,216.1

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

	As at March 31, 2011 Million Baht	As at December 31, 2010 Million Baht
Total assets	5,724.66	4,470.91
Total liabilities	3,824.73	2,407.34
Net assets	<u>1,899.93</u>	<u>2,063.57</u>
	For the quarter ended March 31, 2011 Million Baht	For the quarter ended March 31, 2010 Million Baht
Total revenue	379.50	260.99
Net income for the period	32.69	0.67
Share of profit of an associated company accounted for under equity method	16.20	0.33
Dividend received from an associated company	81.66	41.48

During the year 2008, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. as a joint venture vehicle. According to such plan, the Company invested in KT ZMICO Securities Co., Ltd.'s ordinary shares so that KT ZMICO Securities Co., Ltd. has become the Company's associate. As at March 31, 2011 and December 31, 2010, the Company has 49.54% of voting rights in KT ZMICO Securities Co., Ltd.

11. DEFERRED INCOME TAX - NET

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	2,466,581	2,466,581	2,466,581
Allowance for impairment of investments	62,711,850	62,711,869	62,711,850	62,711,869
Unrealized loss on re-measuring trading investments	692,497	494,640	692,497	494,640
Cumulative tax loss	1,509,115	7,346,845	1,509,115	7,346,845
Other assets	42,536	42,536	42,536	42,536
Unrealized gain on transfer of business to an associated company	41,084,084	41,084,084	-	-
	<u>108,506,663</u>	<u>114,146,555</u>	<u>67,422,579</u>	<u>73,062,471</u>
Deferred tax liabilities				
Unrealized gain on re-measuring available-for-sale investments	3,890,548	3,220,638	3,890,548	3,220,638
Amortization of derivative license	235,582	198,082	235,582	198,082
	<u>4,126,130</u>	<u>3,418,720</u>	<u>4,126,130</u>	<u>3,418,720</u>
Deferred tax assets – net	<u>104,380,533</u>	<u>110,727,835</u>	<u>63,296,449</u>	<u>69,643,751</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, 2011	recognized in	recognized in other	March 31, 2011
		profit or loss	comprehensive	
		(see Note 26)	income	
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	-	-	2,466,581
Allowance for impairment of investments	62,711,869	(19)	-	62,711,850
Unrealized loss on re-measuring trading investments	494,640	197,857	-	692,497
Cumulative tax loss	7,346,845	(5,837,730)	-	1,509,115
Other assets	42,536	-	-	42,536
Unrealized gain on transfer of business to an associated company	41,084,084	-	-	41,084,084
	<u>114,146,555</u>	<u>(5,639,892)</u>	<u>-</u>	<u>108,506,663</u>
Deferred tax liabilities				
Unrealized gain on re-measuring available-for-sale investments	3,220,638	-	669,910	3,890,548
Amortization of derivative license	198,082	37,500	-	235,582
	<u>3,418,720</u>	<u>37,500</u>	<u>669,910</u>	<u>4,126,130</u>
Deferred tax assets – net	<u>110,727,835</u>	<u>(5,677,392)</u>	<u>(669,910)</u>	<u>104,380,533</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2010	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 31, 2010
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	-	-	2,264,432
Allowance for impairment of investments	28,350,906	634,858	-	28,985,764
Amortization of underwriting license	732,877	(616,438)	-	116,439
Reserve for retention bonus	8,491,060	6,511,880	-	15,002,940
Unrealized loss on re-measuring investments				
- Trading	391,894	(213,761)	-	178,133
- Available-for-sale	583	-	(583)	-
Cumulative tax loss	7,251,115	1,237,407	-	8,488,522
Other assets	35,446	-	-	35,446
Unrealized gain on transfer of business to an associated company	27,843,201	(553,637)	-	27,289,564
	<u>75,361,514</u>	<u>7,000,309</u>	<u>(583)</u>	<u>82,361,240</u>
Deferred tax liabilities				
Unrealized gain on re-measuring investments				
- Trading	715,874	(400,248)	-	315,626
- Available-for-sale	724,500	-	392,521	1,117,021
Amortization of derivative license	40,069	31,249	-	71,318
	<u>1,480,443</u>	<u>(368,999)</u>	<u>392,521</u>	<u>1,503,965</u>
Deferred tax assets – net	<u>73,881,071</u>	<u>7,369,308</u>	<u>(393,104)</u>	<u>80,857,275</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2011	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 31, 2011
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	-	-	2,466,581
Allowance for impairment of investments	62,711,869	(19)	-	62,711,850
Unrealized loss on re-measuring trading investments	494,640	197,857	-	692,497
Cumulative tax loss	7,346,845	(5,837,730)	-	1,509,115
Other assets	42,536	-	-	42,536
	<u>73,062,471</u>	<u>(5,639,892)</u>	<u>-</u>	<u>67,422,579</u>
Deferred tax liabilities				
Unrealized gain on re-measuring available-for-sale investments	3,220,638	-	669,910	3,890,548
Amortization of derivative license	198,082	37,500	-	235,582
	<u>3,418,720</u>	<u>37,500</u>	<u>669,910</u>	<u>4,126,130</u>
Deferred tax assets – net	<u>69,643,751</u>	<u>(5,677,392)</u>	<u>(669,910)</u>	<u>63,296,449</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2010	Items as recognized in profit or loss (see Note 26)	Items as recognized in other comprehensive income	As at March 31, 2010
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	-	-	2,264,432
Allowance for impairment of investments	28,350,906	634,858	-	28,985,764
Amortization of underwriting license	732,877	(616,438)	-	116,439
Reserve for retention bonus	8,491,060	6,511,880	-	15,002,940
Unrealized loss on re-measuring investments				
- Trading	391,894	(213,761)	-	178,133
- Available-for-sale	583	-	(583)	-
Cumulative tax loss	7,251,115	1,237,407	-	8,488,522
Other assets	35,446	-	-	35,446
	<u>47,518,313</u>	<u>7,553,946</u>	<u>(583)</u>	<u>55,071,676</u>
Deferred tax liabilities				
Unrealized gain on re-measuring investments				
- Trading	715,874	(400,248)	-	315,626
- Available-for-sale	724,500	-	392,521	1,117,021
Amortization of derivative license	40,069	31,249	-	71,318
	<u>1,480,443</u>	<u>(368,999)</u>	<u>392,521</u>	<u>1,503,965</u>
Deferred tax assets – net	<u>46,037,870</u>	<u>7,922,945</u>	<u>(393,104)</u>	<u>53,567,711</u>

12. ASSETS CLASSIFIED AS HELD FOR SALE – NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2011 Baht	As at December 31, 2010 Baht
	Land	161,263,466
Condominium	4,873,120	-
Golf membership	200,000	200,000
	<u>166,336,586</u>	<u>160,457,466</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale – net	<u>166,194,800</u>	<u>160,315,680</u>

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

13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2011 Baht	December 31, 2010 Baht	March 31, 2011 Baht	December 31, 2010 Baht
Accrued interest income	42,675	11,975	32,849	-
Prepaid insurance	617,990	256,037	158,537	252,408
Prepaid repair and maintenance	798,969	70,130	-	-
Other deposits	835,202	835,202	472,827	472,827
Fund management fee and service income receivables	758,178	567,898	-	-
Accrued income from associated company on transfer of business (see Note 32)	-	71,819,196	-	71,819,196
Corporate income tax claim receivable	841,331	781,909	319,700	318,157
Value-added-tax receivable	2,871,634	2,691,235	-	-
Receivable on sale of debt instrument	54,282,431	-	54,282,431	-
Others	2,328,089	1,980,581	885,980	867,715
Total	63,376,499	79,014,163	56,152,324	73,730,303

14. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following :

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2011 Baht	December 31, 2010 Baht	March 31, 2011 Baht	December 31, 2010 Baht
Post-employment benefits obligation	2,342,611	-	1,896,138	-
Unused paid vacation leave	784,118	-	265,843	-
	3,126,729	-	2,161,981	-

Post-employment benefits obligation

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

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended March 31,		For the quarters ended March 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Current service cost	97,706	-	50,035	-
Interest cost	22,226	-	18,278	-
	119,932	-	68,313	-

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	-	-	-	-
Add Adjustment due to change in accounting policy (see Note 4)	2,222,679	-	1,827,825	-
Beginning balance of post-employment benefits obligation – as adjusted	2,222,679	-	1,827,825	-
Current service cost	97,706	-	50,035	-
Interest cost	22,226	-	18,278	-
Ending balance of post-employment benefits obligation	2,342,611	-	1,896,138	-

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at March 31, 2011 are as follows.

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% p.a.)	
Financial assumptions		
Discount rate	4.0	
Employee turnover rate	10.0 - 20.0	
	subject to the range of age of employee	
Expected rate of salary increase	5.0 - 7.0	

For the first-time adoption of TAS 19 “Employee Benefits”, the Company and its subsidiary elected to recognize past service costs by adjusting the retained earnings as at January 1, 2011.

15. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Withholding tax payable	437,249	19,344,305	252,368	19,159,682
Value-added-tax payable	201,406	188,695	189,220	188,695
Others payable	6,345,888	7,791,990	5,837,217	7,050,810
Amounts of capital reduction not redeemed by shareholders (see Note 16)	1,167,941	5,344,026	1,167,941	5,344,026
Others	4,797,449	4,644,149	4,763,186	4,593,952
Total	12,949,933	37,313,165	12,209,932	36,337,165

16. SHARE CAPITAL

On April 21, 2010, the ordinary shareholders' meeting 2010 has passed the following resolutions:

- (1) Approved of decreasing the Company's authorized share capital from Baht 1,083,833,521 to Baht 833,895,131 and cancelling the issuance of 249,938,390 new ordinary shares which were reserved for the exercise of the shareholder's warrants, the Directors and employees' warrants III, and the ESOP warrants offering the Company's employees due to the warrants were expired.
- (2) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with the decrease of capital. The authorized share capital of Baht 1,083,833,521 was decreased to Baht 833,895,131 equivalent to 833,895,131 shares at a par value of Baht 1 each.

The Company registered the decrease of authorized share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on April 30, 2010.

On August 30, 2010, the Extraordinary General Meeting of Shareholders No. 1/2010 has passed the following resolutions:

- (1) Approved the reduction of authorized and issued and paid-up share capital of the Company from Baht 833,895,131 to Baht 416,947,565 by reducing the par value of the Company's shares from Baht 1 per share to Baht 0.50 per share to return capital to the Company's shareholders.
- (2) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with the reduction of authorized and paid-up share capital by reducing the par value of the Company's shares.

In addition, the Company reduced the value of treasury stock as at December 31, 2010 of 20,295,000 shares with the rate of Baht 0.50 per share, totalling Baht 10,147,500 to comply with the reduction of authorized and paid-up share capital mentioned above. The Company also transferred the appropriation of treasury stock to unappropriated retained earnings in the amount of Baht 10,147,500.

The Company registered the decrease of authorized and paid-up share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on December 22, 2010.

As at March 31, 2011 and December 31, 2010, there were the amounts of capital reduction paid to shareholders but not redeemed by the shareholders of Baht 1,167,941 and Baht 5,344,026, respectively, presented as a part of other liabilities in the statement of financial position.

Net asset value

As at March 31, 2011 and December 31, 2010, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, was Baht 2.13 per share and Baht 2.05 per share, respectively.

17. TREASURY STOCK

17.1 Movements of treasury stocks during the quarters ended March 31, 2011 and 2010 are as follows.

	For the quarter ended March 31, 2011			Ending balance
	Beginning balance	Additional repurchase	Resale (at cost)	
Numbers of shares (shares)	20,295,000	-	-	20,295,000
Amounts (Baht)	31,824,872	-	-	31,824,872

	For the quarter ended March 31, 2010			Ending balance
	Beginning balance	Additional repurchase	Resale (at cost)	
Numbers of shares (shares)	9,087,100	-	-	9,087,100
Amounts (Baht)	20,059,923	-	-	20,059,923

17.2 Movements of premium on treasury shares during the quarters ended March 31, 2011 and 2010 are as follows.

	For the quarter ended March 31, 2011			Ending balance
	Beginning balance Baht	Increase Baht	Decrease Baht	
Premium on treasury shares – ordinary shares	15,518,880	-	-	15,518,880

	For the quarter ended March 31, 2010			Ending balance
	Beginning balance Baht	Increase Baht	Decrease Baht	
Premium on treasury shares – ordinary shares	15,518,880	-	-	15,518,880

18. DIVIDEND

On April 28, 2011, the ordinary shareholders' meeting of the year 2011 passed the resolution to approve not to pay dividend in respect of the operating result for the year ended December 31, 2010.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 passed the resolution to approve not to pay dividend in respect of the operating result for the year ended December 31, 2009.

19. CAPITAL MANAGEMENT

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

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH"). However, as at March 31, 2011 and December 31, 2010, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Notes 1 and 31).

20. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Financial advisory fees	-	3,439,990	-	3,439,990
Private fund management and mutual fund management	2,043,030	2,122,194	-	-
Total	<u>2,043,030</u>	<u>5,562,184</u>	<u>-</u>	<u>3,439,990</u>

21. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	123,288	123,288	-	-
Others	1,050,329	1,485,970	-	563,917
Total	<u>1,173,617</u>	<u>1,609,258</u>	<u>-</u>	<u>563,917</u>

22. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2011 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 28, 2011 and April 26, 2011, respectively. Directors' remuneration for the year 2010 was approved by the ordinary shareholders' meetings of the Company and its subsidiary held on April 21, 2010 and April 29, 2010, respectively.

23. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Entertainment expenses	133,724	81,909	88,354	42,761
Publication and marketing expenses	292,181	224,150	84,081	21,500
Traveling expenses	287,076	315,953	250,848	280,561
SET Fee	480,047	294,074	480,047	294,074
Stationery and office supply	91,234	119,175	2,568	13,588
Taxes and duties	10,784	59,478	336	45,321
Others	1,096,531	1,464,448	734,202	1,056,223
Total	<u>2,391,577</u>	<u>2,559,187</u>	<u>1,640,436</u>	<u>1,754,028</u>

24. PROVIDENT FUND

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

For the quarters ended March 31, 2011 and 2010, the Company has contributed Baht 0.13 million and Baht 0.08 million, respectively, to the fund and the subsidiary has contributed Baht 0.14 million and Baht 0.06 million, respectively, to the fund.

25. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	6,048,823	(3,509,907)	6,048,823	(3,509,907)
Impairment loss on investment in subsidiary	-	-	8,542,371	6,049,340
Total	<u>6,048,823</u>	<u>(3,509,907)</u>	<u>14,591,194</u>	<u>2,539,433</u>

26. CORPORATE INCOME TAX

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used a tax rate of 25% for the corporate income tax calculation for the quarter ended March 31, 2010 to conform to such tax rate change. For the quarter ended March 31, 2011, has used a tax rate of 30% for the corporate income tax calculation.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Deferred tax income (expense) (see Note 11)	(5,677,392)	7,369,308	(5,677,392)	7,922,945
Total	<u>(5,677,392)</u>	<u>7,369,308</u>	<u>(5,677,392)</u>	<u>7,922,945</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Income (loss) before tax	6,256,643	(29,602,206)	68,673,804	9,327,224
Tax rate	<u>30%</u>	<u>25%, 30%</u>	<u>30%</u>	<u>25%</u>
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	(1,876,993)	7,400,551	(20,602,141)	(2,331,806)
Tax effect of the non-deductible income and expense	(1,931,705)	(31,243)	19,356,154	10,254,751
Effect of the temporary difference not recognized as deferred tax assets	<u>(1,868,694)</u>	<u>-</u>	<u>(4,431,405)</u>	<u>-</u>
Income tax - income (expense) (see Note 11)	<u>(5,677,392)</u>	<u>7,369,308</u>	<u>(5,677,392)</u>	<u>7,922,945</u>

27. RECONCILIATION OF EARNINGS (LOSS) PER SHARE

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the quarters ended March 31,					
			Weighted average		Earnings (loss) per share	
	Net income (loss)		number of ordinary shares		2011	2010
2011	2010	2011	2010	2011	2010	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings (loss) per share						
Net income (loss)	579,251	(22,232,898)	813,600,131	824,808,031	0.001	(0.027)

	SEPARATE FINANCIAL STATEMENTS					
	For the quarters ended March 31,					
			Weighted average		Earnings per share	
	Net income		number of ordinary shares		2011	2010
2011	2010	2011	2010	2011	2010	
Baht	Baht	Shares	Shares	Baht	Baht	
Basic earnings per share						
Net income	62,996,412	17,250,169	813,600,131	824,808,031	0.077	0.021

28. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at March 31, 2011 and December 31, 2010 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
2011	2010	2011	2010	
Baht	Baht	Baht	Baht	
Subsidiary				
Seamico Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	130,000,000	130,000,000
Investment in mutual fund managed by subsidiary	53,618,598	51,385,567	53,618,598	51,385,567
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,104,004,055	1,185,067,357	1,087,504,850	1,087,504,850
Other receivables from transfer of business (see Note 32)	-	71,819,196	-	71,819,196
Other receivables	-	236,935	-	236,935
Other payables	265,784	-	265,784	-
Related companies				
Under common directors				
Quam Limited				
Other payables	-	10,538	-	10,538
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares – net (see Note 9.1)	74,489,640	80,538,525	74,489,640	80,538,525

Significant transactions with related parties for the quarters ended March 31, 2011 and 2010 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the quarters		For the quarters		
	ended March 31,		ended March 31,		
	2011	2010	2011	2010	
	Baht	Baht	Baht	Baht	
Subsidiary					
Seamico Asset Management Co., Ltd.					
Private fund management fee expenses	-	-	-	24,216	At rate determined under the contract at 0.4 percent per annum of net asset value of fund managed
Associate					
KT ZMICO Securities Co., Ltd.					
Service expenses	450,000	450,000	450,000	450,000	At the rate determined under the contract of Baht 150,000 per month (see Note 29.1)
Rental expenses	148,509	148,509	148,509	148,509	At the rate determined under the contract of Baht 49,503 per month (see Note 29.2)
Related companies					
Under common directors					
Quam Limited					
Office rental	277,633	293,532	272,633	293,532	At the rate determined under the contract of HKD 22,941 per month (see Note 29.4)
Thanh Cong Securities Company J.S.C.					
Financial advisory fee received	-	3,439,990	-	3,439,990	At the rate determined under the contract total amount of USD 420,218 which the payment will be made periodically within 12 months in amount of USD 35,018 per month (see Note 29.3)

For the quarters ended March 31, 2011 and 2010, 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 quarters		For the quarters	
	ended March 31,		ended March 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Short-term employee benefits	2,851,408	14,055,800	1,461,475	12,790,800
Post-employment benefits	95,198	-	65,253	-
Total	<u>2,946,606</u>	<u>14,055,800</u>	<u>1,526,728</u>	<u>12,790,800</u>

29. COMMITMENTS

Transactions with related parties

- 29.1 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 expired on April 30, 2010. The agreement is automatically extended one year by payment in amount of Baht 150,000 per month.
- 29.2 On May 1, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for rental office at 16th Floor (No. 1601), Liberty Square, for operating business in amount of Baht 49,503 per month. The term of agreement is from May 1, 2009 to January 31, 2010 and the Company has continued the agreement to January 31, 2013.
- 29.3 On March 20, 2009, the Company entered into the agreement with Thanh Cong Securities Company J.S.C. ("TCSC"), a securities company in Vietnam. According to the agreement, the Company will provide advisory and other services to TCSC in order to develop technical proficiency and improve potential in international investment banking, securities market and research including distribute the research information of TCSC in Vietnam and overseas through Seamico's network. The term of agreement is one year and the Company will receive such service fee in total amount of USD 420,218, which the payment will be made periodically within 12 months in amount of USD 35,018 per month. The amount mentioned is net with related taxes in Vietnam.
- 29.4 On October 19, 2009, the Company entered into the licensing agreement with Quam Limited for office rental in Hong Kong. The term of agreement is 6 months for the period from October 19, 2009 to April 18, 2010 and automatically renew on a monthly basis. The Company agreed to pay a monthly fee at the rate of HKD 22,941.
- 29.5 On February 28, 2011, the Company entered into an agreement with MAC Capital Limited for the latter to identify potential purchasers of investment in Thanh Cong Securities Company J.S.C. ("TCSC"), provide the Company with preliminary offers from the purchasers and also assist and co-ordinate with the Company and the purchasers to complete the sale. The Company agreed to pay the fee of 3 percent of the selling price. This fee will only be paid if the transaction is completed successfully. The initial term of the agreement will be up to a period of 6 months from the commencement date and can be extended by mutual agreement. The agreement is exclusive to MAC Capital Limited to provide financial advisory service for the sale of such investment.
- 29.6 On May 12, 2009, the Board of Director's meeting No. 5/2009 had a resolution to approve the payment of retention bonus to employees transferred from the Company to continue their works at KT ZMICO Securities Co., Ltd. totaling of Baht 111 million. The payments will be made periodically within 18 months by payment every 6 months start from proportion 20 : 20 : 40, respectively, started from June 2009 to December 31, 2010 with the condition that such payment will be made to employees who have status as the KT ZMICO Securities Co., Ltd.'s staff at the payment date. The payment is paid according to the commitment under employment transfer agreement. During the quarter ended March 31, 2010, the Company had estimated the amount of retention bonus to be paid by using the present information of Baht 26.0 million, which was included in personnel expenses. However, the Company paid all amount of the retention bonus to employees in December 2010.

Transactions with other business parties

29.7 As at March 31, 2011 and December 31, 2010, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	3.2	3.2	1.6	1.6
Over 1 year to 5 years	1.4	2.2	-	0.4
Total	<u>4.6</u>	<u>5.4</u>	<u>1.6</u>	<u>2.0</u>

30. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

The Company's operation involves mainly in securities brokering and service provision and its subsidiary's operation involves in securities and providing asset management services. They are operated only in Thailand, accordingly, no business/geographical area segmental information is presented.

31. RISK MANAGEMENT

Liquidity risk

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

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

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

However, as at March 31, 2011 and December 31, 2010, 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).

Subsidiary

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

As at March 31, 2011, the subsidiary’s financial statements showed owners’ equity amounting of Baht 22.47 million (December 31, 2010 : Baht 31.01 million), which is less than the specified warning level. The subsidiary has reported this matter to the Office of the Securities and Exchange Commission (“SEC”) already on March 29, 2011. Also, the subsidiary has submitted the plan to recover its owners’ equity to the warning level to the SEC on April 11, 2011. Such plan consists of the calling for additional payment for share capital of Baht 10 million, according to the resolution of the Board of Directors’ meeting of the subsidiary No. 2/2011 on March 29, 2011, the restructuring of shareholder structure by decreasing the authorized share capital to be equal to the paid-up share capital (from Baht 180 million to Baht 140 million, by decreasing the numbers of shares from 18 million shares to 14 million shares with a par value of Baht 10 per share (same as previous)), and also the increase in authorized share capital. After the process of reduction of authorized share capital, the Company will reduce its portion of shareholding and there will be new shareholders that invest in the subsidiary’s shares of 25 percent from the increase of authorized share capital. The value of the increase in authorized share capital is under discussion, however, it will be in the range that the subsidiary is able to continue its operations and maintain its owners’ equity at the level not lower than Baht 30 million.

Subsequently, on April 29, 2011, the Company paid cash for the increase in share capital of the subsidiary of Baht 10 million so that the owners’ equity of the subsidiary is higher than the specified warning level (see Note 34).

32. 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 and returns from transfer of margin loan accounts at the value on the transferring date.

On May 4, 2009, the Company received returns from the transfer of business of Baht 300 million and returns from transfer of margin loan accounts of Baht 687 million (the value of margin loan accounts on the transferring date is Baht 834 million). The remaining returns of Baht 147 million were received in June 2009 and July 2009. Such receivables had already signed the open account agreements with KT ZMICO Securities Co., Ltd.

Subsequently, on March 29, 2010 and March 31 2011, the Company received additional consideration regarding the transfer of business of Baht 58.18 million and Baht 71.82 million, respectively, because the results of operations (earnings before interest, tax, depreciation and amortization (“EBITDA”)) of KT ZMICO Securities Co., Ltd. met the criteria specified in the agreement.

The Company will receive the remaining consideration of Baht 70 million within 15 days from the date on which the KT ZMICO Securities Co., Ltd.’s shareholders meeting approve the financial statements of year 2011 providing that EBITDA of KT ZMICO Securities Co., Ltd. for year 2011 is not less than Baht 400 million. In case where EBITDA of year 2011 is less than Baht 400 million, the receipt will be adjusted on a pro-rata basis based on the comparison of (a) the actual EBITDA from 2009 to 2011 with (b) the estimated 3-year-period EBITDA in the amount of Baht 1,000 million providing that such adjusted outstanding payment shall be deducted by the amount that has already been received and the total amount received shall not be more than Baht 200 million.

The Company recognized such gain on transfer of business to the associated company, which includes additional consideration received as mentioned above, 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 the associated company”. The Company will realize such “unrealized gain on transfer of business to the 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 the associated company in the consolidated financial statements for the quarters ended March 31, 2011 and 2010 are as follows.

CONSOLIDATED		
FINANCIAL STATEMENTS		
Unrealized gain on transfer of business to		
the associated company		
	2011	2010
	Million Baht	Million Baht
Beginning balance of the period	136.95	111.37
<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	(2.65)	(2.21)
Ending balance of the period	134.30	109.16

As a result of transfer of business, the Company has temporarily ceased its operation on securities and derivative business (see Note 1).

33. RECLASSIFICATIONS

The consolidated and separate statements of comprehensive income for the quarter ended March 31, 2010 have been reclassified to conform to classifications used in the consolidated and separate statements of comprehensive income for the quarter ended March 31, 2011 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	Baht	Baht	Previous classification	Current classification
Impairment loss from equity securities (reversal)	(3,509,907)	(3,509,907)			Included in gain on trading in securities and derivatives	Included in impairment loss from securities (reversal)
Impairment loss from investment in subsidiary	-	6,049,340			Presented separately	Included in impairment loss from securities (reversal)
Taxes and duties	59,478	45,321			Presented separately	Included in other expenses
Personnel expenses	2,105,000	840,000			Included in directors and managements' remuneration	Included in personnel expenses

34. EVENTS AFTER THE REPORTING PERIOD

- 34.1 On April 29, 2011, the Company paid cash for the increase in share capital of its subsidiary of Baht 10 million, according to the resolution of the Board of Directors' meeting of the subsidiary No. 2/2011 on March 29, 2011 to call for the additional payment of 1.25 Baht per share of 8 million shares.
- 34.2 On April 26, 2011, the ordinary shareholders' meeting of the year 2011 of the subsidiary passed a special resolution for the approval of decreasing the authorized share capital of the subsidiary from Baht 180 million to Baht 140 million by decreasing the numbers of shares from 18 million shares to 14 million shares with a par value of Baht 10 per share (same as previous) as the subsidiary will restructure its shareholder structure. The registration of capital decrease with the Registrar of Partnerships and Companies is under process.
- 34.3 On May 12, 2011, the Board of Directors' meeting of the Company No. 2/2011 passed a resolution to approve the resale of treasury stocks of 11,207,900 shares or equal to 1.34 % of the total of paid-up capital on the Stock Exchange of Thailand at the price not less than 85% of the average closing price of shares for the preceding 5 business days of each time of resale. The period for the resale of shares will be from June 2, 2011 to June 8, 2011.

35. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the audit committee and authorized director of the Company on May 12, 2011.