

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTERS ENDED MARCH 31, 2010 AND 2009  
“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 16<sup>th</sup> Floor (Room 1601), 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

As at March 31, 2010 and December 31, 2009, the Company has one head office. Total number of personnel of the Company and subsidiary are 28 and 25 persons, respectively, and the Company only total number of personnel are 5 and 5 persons, respectively.

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

As described in Note 7, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. (previously “KTB Securities Co., Ltd.” which registered the changes of its name since April 1, 2009) as a joint venture vehicle.

During the year 2008, the Company invested in KT ZMICO Securities Co., Ltd.’s ordinary shares. As at December 31, 2008, the Company hold the investment in equivalent to 48.81% of issued and paid-up share capital, resulting to that KT ZMICO Securities Co., Ltd. has become the Company’s associate (see Note 7). During the year 2009, the Company additionally invested in such company. As at March 31, 2010 and December 31, 2009, the Company invested in KT ZMICO Securities Co., Ltd.’s ordinary shares equivalent to 49.45% of issued and paid-up share capital.

On March 20, 2009, the extraordinary shareholders’ meeting No.2/2009 passed a resolution to approve the transfer of business and margin loan accounts to KT ZMICO Securities Co., Ltd. Subsequently, on March 31, 2009, the Company entered into the Shareholders Agreement with Krung Thai Bank Plc. and also entered into the Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. Such transfer had been completed on May 1, 2009. The status of the Company after the transfer of its business and margin loan accounts, the Company has temporarily ceased its operation on securities and derivative contracts business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission No. SEC.Thor. 701/2552. However, the Company continues as a listed securities company which most business are related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

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

## 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The interim financial statements have been prepared in accordance with the Regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544 and the format prescribed in the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

The Company prepares its interim financial statements in conformity with Thai Accounting Standards No. 34 (Revised 2007) “Interim Financial Reporting” and practices generally accepted in Thailand.

In 2007, Thai Accounting Standards No. 1 (Revised 2007) “Presentation of Financial Statements” and No. 7 (Revised 2007) “Cash Flow Statements” were announced by The Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2008. The revised standards have no material impact on the financial statements of the Company. However, the consolidated and separate financial statements for the periods ended March 31, 2010 and March 31, 2009 are still presented in accordance with the above Notification of the Office of the Securities and Exchange Commission.

- 2.2 Accounting standards announced but not effective in 2010

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 16/2552 dated May 21, 2009 regarding the following new and revised accounting standards that have been announced in the Royal Gazette, but not yet in effective in 2010.

	<b>Thai Accounting Standard (TAS)</b>	<b>Effective date</b>
	Accounting Framework (Revised 2007)	January 1, 2011
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 (Revised 2007)	Related Party Disclosures	January 1, 2011
TAS 40	Investment Property	January 1, 2011

The Company’s management anticipates that all of the above accounting standards will be adopted in the Company’s financial statements when they become effective and that the adoption of those accounting standards will have no material impact on the financial statements of the Company in the period of initial application.

- 2.3 The consolidated and separate balance sheets as at December 31, 2009, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which have been audited. In addition, the consolidated and separate statements of income, changes in shareholders' equity and cash flows for the quarter ended March 31, 2009, presented herein for comparison, were retrospectively restated for the effect of such changes in accounting policies of the associated company (see Note 3), which have also been reviewed.

The interim consolidated financial statements include the Accounts of the Company and Seamico Asset Management Co., Ltd. (Reviewed), which the Company has a holding of 100% in its equity. Significant transactions and balances between the Company and the subsidiary have been eliminated.

The interim consolidated financial statements included interest in associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. (Reviewed).

- 2.4 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, 2009.

The results of operations for the quarter ended March 31, 2010 are not necessarily indicative of the operation results anticipated for the full years.

- 2.5 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.

#### 2.6 Reclassification

The Company has reclassified items in the consolidated and separate financial statements for the quarter ended March 31, 2009 to conform to the classification used in the financial statements for the quarter ended March 31, 2010 follows:

- Management benefit expenses in the consolidated and separate financial statements for the quarter ended March 31, 2009 in amount of Baht 12.81 million and Baht 12.15 million, respectively, which were previously presented as a part of personnel expenses, has been classified and included directors' remuneration under the directors and managements' remuneration (see Note 23).

### 3. CHANGE IN ACCOUNTING POLICY OF ASSOCIATE COMPANY

- 3.1 During the quarter ended June 30, 2009, KT ZMICO Securities Co., Ltd. (“the associate”) has changed the accounting policy for income tax, which was previously accounted for using an accrual basis calculated from net income for annual tax payment, to deferred tax method. The associate company believes that such change in accounting policy is appropriate as it represents the associate’s operating performance consistent with the business circumstance. Also, it is able to recognize future payable or refundable tax arising from the past operation in its financial statements. The associate company retrospectively adjusted its comparative statements of income, changes in shareholders’ equity and cash flows as if the new accounting policy regarding deferred tax had always been applied.

Comparative information for the consolidated statements of income and changes in shareholders’ equity for the quarter ended March 31, 2009 have been restated to reflect the effect of the change in the accounting policy as follows:

**Unit : Baht**

**Consolidated statements of income**

Decrease in share of loss of associated company accounted for under equity method	2,267,549
Net loss decrease	2,267,549
Basic loss per share decrease	0.003

**Consolidated statements of changes in shareholders’ equity**

Decrease in share of loss of associated company accounted for under equity method	194,032
Increase in retained earning brought forward	11,133,500

- 3.2 During the quarter ended March 31, 2009, the associate company has changed the accounting policy for underwriting license fee that has previously been amortized on a straight-line basis over 5 years in accordance with the Notification of the Office of the Securities and Exchange Commission dated May 18, 1992 regarding “Accounting regulations for securities companies” as the associate company has assessed that such intangible asset has indefinite useful life. Therefore, to comply with Thai Accounting Standard No. 51 “Intangible Assets” which requires the indefinite useful life intangible assets to be tested for impairment annually and amortization is not permitted, the associate company has ceased the amortization of such intangible asset. However, as such Thai Accounting Standard has been effective and applied for the financial statements of periods beginning on or after January 1, 2008, the associate company retrospectively adjusted the comparative statements of income, changes in shareholders’ equity and cash flows as if the associate company has ceased the amortization of the underwriting license fee since January 1, 2008.

The consolidated statements of income, changes in shareholders' equity and cash flows for the quarter ended March 31, 2009, which were reviewed, were excluded an adjustment for the effect of changes in such accounting policy. Therefore, the consolidated financial statements for the quarter ended March 31, 2009, presented herein for comparison, were retrospectively restated for the effect of such changes.

Comparative information for the consolidated statements of income and changes in shareholders' equity for the quarter ended March 31, 2009 have been restated to reflect the effect of the change in the accounting policy as follows:

	<b>Unit : Baht</b>
<b>Consolidated statements of income</b>	
Decrease in share of loss of associated company accounted for under equity method	2,440,500
Net loss decrease	2,440,500
Basic loss per share decrease	0.003
<b>Consolidated statements of changes in shareholder's equity</b>	
Increase in retained earning brought forward	2,847,250

#### 4. 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, 2009.

#### 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash on hand	135,953	144,096	130,953	139,096
Current, savings and fixed deposits	327,999,782	55,245,413	322,986,130	45,504,031
Promissory notes with maturity less than 3 months	315,000,000	250,000,000	290,000,000	220,000,000
<u>Less</u> Deposits and promissory notes under the Company's name for customers *	<u>(37,855,707)</u>	<u>(41,923,530)</u>	<u>(37,795,684)</u>	<u>(41,846,530)</u>
Total cash and cash equivalents	<u>605,280,028</u>	<u>263,465,979</u>	<u>575,321,399</u>	<u>223,796,597</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, 2010 and December 31, 2009, the Company had deposits at financial institutions and promissory notes in the consolidate balance sheets in amounting to Baht 37.86 million and Baht 41.92 million, respectively, and the separate balance sheets in amounting to Baht 37.80 million and Baht 41.85 million, respectively, which the Company must be returned to the customers at call.

As at March 31, 2010 and December 31, 2009, the deposit for securities trading which was transferred from KT ZMICO Securities Co., Ltd. since October 1, 2009 were remained securities trading of Baht 28.60 million and Baht 32.51 million, respectively (securities cash customer and credit balance of 3,237 accounts and 3,414 accounts, respectively) and were remained derivative business trading of Baht 1.34 million and Baht 1.34 million, respectively (derivatives business receivables of 316 accounts and 324 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 7).

## 6. INVESTMENTS IN DEBT AND EQUITY SECURITIES - NET

### 6.1 Cost/Book value and fair value

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at March 31, 2010		As at December 31, 2009	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<b>Short-term investments</b>				
<u>Trading securities</u>				
Equity securities - Listed securities	17,562,620	16,850,088	16,715,353	15,147,778
Debt securities - Bill of exchange	2,983,448	2,983,448	193,145,402	194,607,064
Debt securities - Promissory notes	70,253,737	70,419,113	79,632,843	79,859,847
Debt securities - Corporate bonds	86,898,005	87,995,131	111,538,528	112,713,359
Total	177,697,810	178,247,780	401,032,126	402,328,048
Add Revaluation adjustments	549,970	-	1,295,922	-
Total trading securities - net	178,247,780	178,247,780	402,328,048	402,328,048
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	17,940,000	11,440,000	17,940,000	7,930,000
Equity securities - Unit trust	40,650,105	45,118,188	40,650,105	43,548,105
Total	58,590,105	56,558,188	58,590,105	51,478,105
Add Revaluation adjustments	4,468,083	-	2,898,000	-
Less Allowance for loss on impairment	(6,500,000)	-	(10,010,000)	-
Total available-for-sale securities - net	56,558,188	56,558,188	51,478,105	51,478,105
Total short-term investments - net	234,805,968	234,805,968	453,806,153	453,806,153
<b>Long-term investments</b>				
<u>Available-for-sale securities</u>				
Debt securities - Corporate bonds	-	-	3,206,558	3,204,225
Less Revaluation adjustments	-	-	(2,333)	-
Total available-for-sale securities - net	-	-	3,204,225	3,204,225
<u>General investments</u>				
Ordinary shares	178,298,668	156,578,687	178,298,668	156,575,359
Preference shares	125,000	125,000	125,000	125,000
Total	178,423,668	156,703,687	178,423,668	156,700,359
Less Allowance for loss on impairment	(21,788,406)	-	(21,788,312)	-
Total general investments - net	156,635,262	156,703,687	156,635,356	156,700,359
Total long-term investments - net	156,635,262	156,703,687	159,839,581	159,904,584
Total investments in debt and equity securities - net	391,441,230	391,509,655	613,645,734	613,710,737

During the year 2008, the Company has entered into a memorandum with Thanh Cong Securities Company J.S.C. (“TCSC”), the securities company in Vietnam, to invest in 25% of existing TCSC’s shares with the option for additional investment in aggregate for up to 49% of total authorized share capital. Subsequently, on March 3, 2009, the Company entered into the Shareholders’ Agreement with other shareholders of TCSC and also entered into the Share Purchase Agreement with TCSC. The Company purchased TCSC’s shares by 18.88% of the total issued shares of TCSC on April 24, 2009 amounting to Baht 156 million which is classified as general investment.

On October 29, 2009, the Board of Directors Meeting No. 7/2009 approved to sell all investment in TCSC to KT ZMICO Securities Company Limited, associated company. The Board of Directors approved to sell all investment at the price of Baht 161.24 million and authorized the management discretionary proceeding for the completion of the sale of investment. As at March 31, 2010, the Company has not sold such investment.

## 6.2 Gain on trading in securities and derivatives

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended		For the quarters ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Unrealized loss on trading securities	(745,953)	(2,073,385)	(745,953)	(2,073,385)
Gain on sale trading securities	2,528,245	3,093,519	2,528,245	3,093,519
Gain on sale available-for-sale securities	-	625,724	-	625,724
Reversal of loss on impairment of available-for-sale securities	3,510,000	455,000	3,510,000	455,000
Reversal of loss on impairment of general investment (loss)	(93)	1,849,500	(93)	1,849,500
Loss on write-off general investment	-	(1,849,500)	-	(1,849,500)
Gain on sale of investment in subsidiary	-	11,046	-	475,652
Loss on sale of derivatives contracts	-	(4,500)	-	(4,500)
Total	<u>5,292,199</u>	<u>2,107,404</u>	<u>5,292,199</u>	<u>2,572,010</u>

## 6.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended		For the quarters ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Interest income	1,105,689	2,578,584	1,105,689	2,578,584
Dividend	117,735	-	41,593,785	-
Total	<u>1,223,424</u>	<u>2,578,584</u>	<u>42,699,474</u>	<u>2,578,584</u>

6.4 Cost/amortized cost of debt securities presented according to their maturities

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS								
	As at March 31, 2010				As at December 31, 2009			
	Mature within			Total	Mature within			Total
	1 year	2 - 5 years	Over 5 years		1 year	2 - 5 years	Over 5 years	
<b>Short-term investments</b>								
<b>Trading securities</b>								
Bill of exchange	2,983,448	-	-	2,983,448	193,145,402	-	-	193,145,402
Promissory notes	70,253,737	-	-	70,253,737	79,632,843	-	-	79,632,843
Corporate bonds	82,997,972	3,900,033	-	86,898,005	111,538,528	-	-	111,538,528
<u>Add (Less) Revaluation adjustments</u>	<u>1,230,588</u>	<u>31,914</u>	<u>-</u>	<u>1,262,502</u>	<u>2,863,497</u>	<u>-</u>	<u>-</u>	<u>2,863,497</u>
Total - net	<u>157,465,745</u>	<u>3,931,947</u>	<u>-</u>	<u>161,397,692</u>	<u>387,180,270</u>	<u>-</u>	<u>-</u>	<u>387,180,270</u>
<b>Long-term investments</b>								
<b>Available-for-sale securities</b>								
Corporate bonds	-	-	-	-	3,206,558	-	-	3,206,558
<u>Less Revaluation adjustments</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,333)</u>	<u>-</u>	<u>-</u>	<u>(2,333)</u>
Total - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,204,225</u>	<u>-</u>	<u>-</u>	<u>3,204,225</u>
<b>Total debt securities - net</b>	<u>157,465,745</u>	<u>3,931,947</u>	<u>-</u>	<u>161,397,692</u>	<u>390,384,495</u>	<u>-</u>	<u>-</u>	<u>390,384,495</u>

6.5 Unrealized gain on revaluation of investments in securities recognized in the shareholders' equity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Beginning balance of the period/year	1,923,074	(4,123,363)	2,171,750	(3,670,622)
Changes during the period/year				
- from deferred tax adjustment	(393,104)	(1,947,457)	(393,104)	(1,947,457)
- from revaluation	1,570,083	8,268,782	1,570,083	8,268,782
- from sale	2,333	(478,953)	2,333	(478,953)
- from share of profit (loss) in associated	(58,282)	204,065	-	-
Ending balance of the period/year	<u>3,044,104</u>	<u>1,923,074</u>	<u>3,351,062</u>	<u>2,171,750</u>

6.6 As at March 31, 2010 and December 31, 2009, the Company has investments in companies that have financial position and performance problems as follows:

	As at March 31, 2010			As at December 31, 2009		
	Cost/ Book value	Fair value	Allowance for loss on impairment	Cost/ Book value	Fair Value	Allowance for loss on impairment
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	<u>21,789,274</u>	<u>869</u>	<u>21,788,405</u>	<u>21,789,274</u>	<u>962</u>	<u>21,788,312</u>
	<u>21,789,274</u>	<u>869</u>	<u>21,788,405</u>	<u>21,789,274</u>	<u>962</u>	<u>21,788,312</u>

## 7. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

The Company's investments in its subsidiary and associate, which are companies registered under Thai laws and operating in Thailand, as at March 31, 2010 and December 31, 2009, are summarized below:

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Associate</b>										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,538	1,538	49.5	49.5	937.5	937.5	926.2	967.4
Total							<u>937.5</u>	<u>937.5</u>	<u>926.2</u>	<u>967.4</u>
SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	December 31, 2009	December 31, 2008
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiary</b>										
Seamico Asset Management Co., Ltd.	Mutual and private fund management	Ordinary share	120	120	100	100	120	120	45.1	51.2
<u>Less</u> Allowance for impairment							<u>(74.9)</u>	<u>(68.8)</u>	<u>-</u>	<u>-</u>
							<u>45.1</u>	<u>51.2</u>	<u>45.1</u>	<u>51.2</u>
<b>Associate</b>										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,538	1,538	49.5	49.5	937.5	937.5	926.2	967.4
Total - net							<u>982.6</u>	<u>988.7</u>	<u>971.3</u>	<u>1,018.6</u>

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

	As at March 31, 2010 Million Baht	As at December 31, 2009 Million Baht
Total assets	3,798.71	3,386.54
Total liabilities	<u>2,254.96</u>	<u>1,759.47</u>
Net assets	<u>1,543.75</u>	<u>1,627.07</u>

	<b>For the quarter ended March 31, 2010 Million Baht</b>	<b>For the quarter ended March 31, 2009 Million Baht</b>
Total revenue	260.99	33.67
Net income (loss) for the quarters	0.67	(11.24)
Share of profits (loss) of associated company accounted for under equity method	0.33	(5.49)

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 will acquire up to 50% of issued and paid-up share capital of KT ZMICO Securities Co., Ltd.

During the year 2008, the Company has invested in KT ZMICO Securities Co., Ltd.'s ordinary shares, equivalent to 48.81% of issued and paid-up share capital according to such partnership plan, resulting to that KT ZMICO Securities Co., Ltd. has become the Company's associate.

On December 16, 2008, KT ZMICO Securities Co., Ltd. has offered to acquire the Company's business, according to the partnership plan, which includes the purchase of operating assets, which are information technology system, equipment and deposits, including the transfer of the customer accounts and the Company's employees (the "Business"). In return, the Company will receive up to Baht 500 million from KT ZMICO Securities Co., Ltd. over 3 years. In addition, the Company will also receive additional amount from the refinancing of selected margin loan accounts to KT ZMICO Securities Co., Ltd. approximately Baht 700 million. The amount of the transferred loans maybe changed depending on the outstanding balance of such loans at the transferring date. The transfer of business and margin loan accounts has been approved by the extraordinary shareholders' meeting of the Company No.2/2009 on March 20, 2009.

On March 20, 2009, the Board of Directors' meeting No.4/2009 has approved the additional investment in KT ZMICO Securities Co., Ltd.'s ordinary shares of 50 million shares at the par value of Baht 10 each, totalling Baht 500 million. The total shares held by the Company will be 92,169,000 shares or the total investment value of Baht 937.51 million, equivalent to 49.45% of issued and paid-up share capital. The Company paid such share capital in full on April 27, 2009.

Subsequently, on March 31, 2009, the Company entered into the Shareholders Agreement with Krung Thai Bank Plc. and also entered into the Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. Such transfer has been completed on May 1, 2009. The status of the Company after the transfer of business and margin loan accounts is to continue as a listed securities company which most business will be related to investment and have activity in securities business which is not competitive with KT ZMICO Securities Co., Ltd.

On May 1, 2009, the Company has transferred its business to KT ZMICO Securities Co., Ltd. and received returns from such business in the amount of Baht 500 million. On May 4, 2009, the Company received cash of Baht 300 million. The remaining Baht 200 million will be received within 3 years based on the results of operations (earnings before interest, tax, depreciation and amortization (“EBITDA”)) of KT ZMICO Securities Co., Ltd. The Company will receive cash proportionately with the actual cumulative EBITDA for 3 years of KT ZMICO Securities Co., Ltd. comparing to the base cumulative 3 years EBITDA set forth of Baht 1,000 million. However, the total settlement would not exceed Baht 200 million depends on the future operating results of KT ZMICO Securities Co., Ltd. for the year 2009 to 2011 and will be receive within 3 years (commencing from 2009) subject to the conditions as agreed between the Company and KT ZMICO Securities Co., Ltd. as follows:

- 1) The Company will receive Baht 60 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2009 providing that EBITDA of the year 2009 is not less than Baht 250 million (excluding (i) the extraordinary item related to employee benefit and severance payment resulting from the integration of the businesses and (ii) any additional bad debt account resulting from the depreciation of the value of securities which were acquired before September 15, 2008). In case where EBITDA of the year 2009 is less than Baht 250 million, such receipt shall be deferred to the year 2010 and be made together with the 2010 receipt. If the business transfer does not occur at the beginning of the year, the 2009 receipt and EBITDA prescribed for the year 2009 shall be pro-rated based on the remaining period from the date on which the business is transferred.
- 2) The Company will receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2010 providing that EBITDA of the year 2010 is not less than Baht 350 million.

In the case that EBITDA of the year 2010 is less than Baht 350 million, the 2010 receipt shall be deferred to year 2011 and be made together with the 2011 receipt. In the case that the 2009 payment has not been made, the 2009 receipt and 2010 receipt will be made within 15 days from the date on which the Company’s shareholders meeting approve the audited financial statement of year 2010 providing that the aggregate amount of the EBITDA of years 2009 and 2010 is not less than Baht 600 million. Otherwise, both receipt shall be deferred to the year 2011 and be made together with the 2011 receipt.

- 3) The Company will be receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of year 2011 providing that EBITDA of year 2011 is not less than Baht 400 million. In case where EBITDA of year 2011 is less than Baht 400 million, the 2011 receipt shall be made subject to the following paragraph.

In the case where there is an outstanding payment at the end of year 2011, the outstanding amount shall be paid within 15 days from the date on which the Company’s shareholder meeting approve the audited financial statement of year 2011 and the amount of payment 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 made and the payment shall not be more than Baht 200 million.

On May 4, 2009, the Company transferred margin loan accounts with the value on the transferring date of Baht 834 million to KT ZMICO Securities Co., Ltd. The Company received returns on the transferring date of Baht 687 million. The remaining returns of Baht 147 million were received in June 2009 by Baht 125 million and in July 2009 by Baht 22 million. Such receivables had already signed the open account agreements with KT ZMICO Securities Co., Ltd. (see Note 8).

On August 17, 2009, the Board of Director of KT ZMICO Securities Co., Ltd. meeting had a resolution to approve the decrease of retained deficit of Baht 353,524,000 by decreasing the associated company's authorized and paid-up capital from Baht 1,864,000,000 to Baht 1,537,800,000 and the par value of share from Baht 10 per share to Baht 8.25 per share, and transferring the premium on share capital of Baht 27,324,000 to compensate the retained deficit. Additionally, the meeting had a resolution to approve the amendment of the associated company's Memorandum of Association to reflect the decrease of the associated company's authorized and paid up capital. Consequently, such resolutions have been approved by the extraordinary shareholders' meeting of associated company No. 3/2009 on September 7, 2009. The associated company had registered with the Ministry of Commerce on November 2, 2009.

On January 5, 2010, the Company entered into First Amendment Agreement to Asset Transfer Agreement with KT ZMICO Securities Co., Ltd. to change the receive conditions for the remaining of Baht 200 million specified in Asset Transfer Agreement dated March 31, 2009 as follows:

If the transfer business and assets does not occur at the beginning of the year 2009, the targeted EBITDA of Baht 250 million for the year 2009 shall be pro-rated based on the remaining period from the date on which the business and assets are transferred (the "Pro-rate 2009 EBITDA"). In this case, the 2009 receive shall be calculated as follows:

- a) In the case where actual EBITDA is less than Pro-rated 2009 EBITDA, the 2009 actual EBITDA shall be deferred and made together with the 2010 receive;
- b) In the case where actual EBITDA is equal or more than the Pro-rated 2009 EBITDA, the 2009 receive shall be paid on the Pro-rated based on the comparison of i.) the actual EBITDA and ii.) the targeted EBITDA for the year 2009 which is determined amount of Baht 250 million. However, the received amount shall not be more than Baht 60 million.

For the cash received from transferring the business amount of Baht 300 million resulting gain on transfer of- assets of Baht 185.51 million in the separate financial statements for the year ended December 31, 2009. The Company recognized such gain on transfer of assets and its business to associated as income in the consolidated statement of income by Baht 93.78 million according to the shareholding percentage of the third parties in the associated company of 50.55%. The remaining amount was presented as "unrealized gain on transfer of assets and its business to the associated company" in the consolidated balance sheet of Baht 91.73 million. The Company will realize such "unrealized gain on transfer of assets and its business to the associated company" as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculation depreciation or sells such transferred assets to the third parties. In addition, for the year ended December 31, 2009, the associated company calculated depreciation and sold part of transferred assets to the third parties, therefore, the Company recorded "unrealized gain on transfer of assets and its business to the associated company" as gain on transfer of assets and its business to associated in the consolidated statements of income by Baht 9.13 million. The Company recorded unrealized gain on such transferred assets and its business to the associated company which occurred from the part of transferred its business amount of Baht 82.60 million.

The separate financial statements for the half year ended December 31, 2009, the Company recorded additional gain on transfer of assets and its business to associated company of Baht 58.18 million and recorded an accrued income from associate company at the same amount as at December 31, 2009 as part of the remaining Baht 200 million which the Company will receive from the associated company, due to the associated company is able to generate EBITDA for the year ended December 31, 2009 according to the conditions as agreed between the Company and the associated company. However, the Company recognized such gain on transfer of assets and its business as income in the consolidated statements of income by Baht 29.41 million according to the shareholding percentage of the third parties in the associated company of 50.55%. The remaining amount of Baht 28.77 million was additionally recorded as unrealized gain on transfer of assets and its business to the associated company. In the consolidated balance sheet as at December 31, 2009, the Company has unrealized gain on transferred assets to the associated company remaining amount of Baht 111.37 million.

For the quarter ended March 31, 2010, the associated company calculated depreciation and sold part of transferred assets and its business to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets to the associated company” as an income in the consolidated statement of income by Baht 2.21 million. As at March 31, 2010, the Company has unrealized gain on transferred assets to the associated company remaining amount of Baht 109.16 million.

On March 29, 2010, the Company received compensation regarding the transfer of assets and its business for the year 2009 of Baht 58 million from KT ZMICO Securities Co., Ltd. because actual EBITDA in 2009 is higher than Pro-rate 2009 EBITDA.

#### **8. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES - NET**

As at March 31, 2010 and December 31, 2009, the Company has securities and derivatives business receivables and accrued interest receivables as follows:

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>As at March 31, 2010 Baht</b>	<b>As at December 31, 2009 Baht</b>
Other receivables		
Receivables under litigation	131,611,293	131,611,293
Instalment receivables	53,283	53,283
Other receivables	<u>164,470,349</u>	<u>170,401,841</u>
Total securities business receivables	296,134,925	302,066,417
<u>Less</u> Allowance for doubtful accounts (see Note 9)	<u>(291,126,070)</u>	<u>(286,481,115)</u>
Total	<u>5,008,855</u>	<u>15,585,302</u>

As at March 31, 2010 and December 31, 2009, credit balance transactions were nil results from transferring to associated company (see Note 7).

The Company has classified securities and derivatives 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, 2010			As at December 31, 2009		
	Securities and Derivatives Business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities and derivatives business receivables and accrued interest receivables - net Baht	Securities and derivatives business accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities and Derivatives business receivables and accrued interest receivables - net Baht
Substandard debts	5,008,855	-	5,008,855	15,585,302	-	15,585,302
Doubtful debts	291,126,070	(291,126,070)	-	286,481,115	(286,481,115)	-
Total	<u>296,134,925</u>	<u>(291,126,070)</u>	<u>5,008,855</u>	<u>302,066,417</u>	<u>(286,481,115)</u>	<u>15,585,302</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2010 Baht	As at December 31, 2009 Baht
Over 9 months to 12 months	-	100,744,438
Over 1 year to 3 years	287,927,910	193,114,964
Over 3 years	8,207,015	8,207,015
Total	<u>296,134,925</u>	<u>302,066,417</u>

## 9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2010 Baht	As at December 31, 2009 Baht
Beginning balances of the period/year	286,481,115	250,726,115
<u>Add</u> Doubtful accounts	<u>4,644,955</u>	<u>35,755,000</u>
Ending balances of the period/year (see Note 8)	<u>291,126,070</u>	<u>286,481,115</u>

**10. DEFERRED INCOME TAX**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2010 Baht	December 31, 2009 Baht	March 31, 2010 Baht	December 31, 2009 Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,264,432	2,264,432	2,264,432	2,264,432
Allowance for loss on impairment of Investments	28,985,764	28,350,906	28,985,764	28,350,906
Amortization of underwriting license	116,439	732,877	116,439	732,877
Reserve for retention bonus	15,002,940	8,491,060	15,002,940	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	178,133	391,894	178,133	391,894
- Available-for-sale securities	-	583	-	583
Cumulative tax loss	8,488,522	7,251,115	8,488,522	7,251,115
Other assets	35,446	35,446	35,446	35,446
Gain on transfer of assets and its business to associate company	27,289,564	27,843,201	-	-
	<u>82,361,240</u>	<u>75,361,514</u>	<u>55,071,676</u>	<u>47,518,313</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	315,626	715,874	315,626	715,874
- Available-for-sale securities	1,117,021	724,500	1,117,021	724,500
Amortization of derivative license	71,318	40,069	71,318	40,069
	<u>1,503,965</u>	<u>1,480,443</u>	<u>1,503,965</u>	<u>1,480,443</u>
Deferred tax assets - net	<u>80,857,275</u>	<u>73,881,071</u>	<u>53,567,711</u>	<u>46,037,870</u>

The movements of deferred income tax are as follows:

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
	<b>As at January 1, 2010</b>	<b>Items as recognized into Statements of Income</b>	<b>Items as recognized into Shareholders' Equity</b>	<b>As at March 31, 2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,264,432	-	-	2,264,432
Allowance for loss on 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 revaluation of investments				
- Trading securities	391,894	(213,761)	-	178,133
- Available-for-sale securities	583	-	(583)	-
Cumulative tax loss	7,251,115	1,237,407	-	8,488,522
Other assets	35,446	-	-	35,446
Gain on transfer of asset and its business to associate 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>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(400,248)	-	315,626
- Available-for-sale securities	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>

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
	<b>As at January 1, 2009</b>	<b>Items as recognized into Statements of Income</b>	<b>Items as recognized into Shareholders' Equity</b>	<b>As at March 31, 2009</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,417,187	(102,707)	-	2,314,480
Allowance for loss on impairment of investments	23,962,814	522,240	-	24,485,054
Amortization of underwriting license	3,317,808	(656,250)	-	2,661,558
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	13,628	-	1,249,019
- Available-for-sale securities	1,223,541	-	253,300	1,476,841
Cumulative tax loss	33,400,593	19,718,597	-	53,119,190
Other assets	74,034	-	-	74,034
	<u>65,631,368</u>	<u>19,495,508</u>	<u>253,300</u>	<u>85,380,176</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	(504,718)	-	48,611
	<u>553,329</u>	<u>(504,718)</u>	<u>-</u>	<u>48,611</u>
Deferred tax assets - net	<u>65,078,039</u>	<u>20,000,226</u>	<u>253,300</u>	<u>85,331,565</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2010	Items as recognized into Statements of Income	Items as recognized into Shareholders ' Equity	As at March 31, 2010
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,264,432	-	-	2,264,432
Allowance for loss on 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 revaluation of investments				
- Trading securities	391,894	(213,761)	-	178,133
- Available-for-sale securities	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>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(400,248)	-	315,626
- Available-for-sale securities	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>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2009	Items as recognized into Statements of Income	Items as recognized into Shareholders ' Equity	As at March 31, 2009
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,417,187	(102,707)	-	2,314,480
Allowance for loss on impairment of investments	23,962,815	522,240	-	24,485,055
Amortization of underwriting license	3,317,808	(656,250)	-	2,661,558
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	13,628	-	1,249,019
- Available-for-sale securities	1,223,540	-	253,300	1,476,840
Cumulative tax loss	33,400,593	19,718,597	-	53,119,190
Other assets	74,034	-	-	74,034
	<u>65,631,368</u>	<u>19,495,508</u>	<u>253,300</u>	<u>85,380,176</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	(504,718)	-	48,611
	<u>553,329</u>	<u>(504,718)</u>	<u>-</u>	<u>48,611</u>
Deferred tax assets - net	<u>65,078,039</u>	<u>20,000,226</u>	<u>253,300</u>	<u>85,331,565</u>

## **11. DEBENTURES**

On January 8, 2008, the extraordinary shareholders' meeting No. 1/2008 had approved the issuance and offer of debentures with a limit not exceeding Baht 2,000 million, which maturity is within 7 years. The purposes of debentures are for managing fund and seeking for new business opportunity. The Board of Directors have authorization to consider types, timing and condition of debentures in accordance with the market condition and liquidity. The Board of Directors are also responsible for the process of getting the approval from the Securities and Exchange Commission.

On April 21, 2008, the ordinary shareholders' meeting No.1/2008 has the resolution to approve the reduction of the credit limit of debentures, which was previously approved by the extraordinary shareholders' meeting No.1/2008 dated January 8, 2008, to be not exceeding Baht 1,000 million. Any other conditions were unchanged.

As at March 31, 2010 and December 31, 2009, the Company has not issued such debentures.

## **12. DERIVATIVES DEBENTURES**

On April 21, 2008, the ordinary shareholders' meeting No.1/2008 has passed a resolution to approve the issuance and offer of derivatives debentures with a limit not exceeding Baht 1,000 million, of which the maturity is within 5 years. The Board of Directors have authorization to determine details and conditions of the issuance and offering of the derivatives debentures, including obtaining approval from the relevant authorities and performing any other necessary actions relating to the issuance and offering of the derivatives debentures.

The issuance and offering of the derivatives debentures has been approved by the Office of Securities and Exchange Commission on October 15, 2008. However, as at March 31, 2010 and as at December 31, 2009, the Company has not issued such derivatives debentures.

## **13. SHARE CAPITAL**

Registered and issued and paid-up capital

On September 27, 2007, the extraordinary shareholders' meeting passed the following resolutions:

- (1) Approved the issuance of 27,000,000 units of warrants offering to the Company's employees.
- (2) Approved an increase of the registered capital amounting to Baht 27,000,000 equivalent to 27,000,000 shares at a par value of Baht 1 each. The purpose of issuing 27,000,000 new ordinary shares is to accommodate the exercise of warrants to the Company's employees.
- (3) Approved an increase of the registered capital amounting to Baht 19,675,971 equivalent to 19,675,971 shares at a par value of Baht 1 each. The purpose of issuing 19,675,971 new ordinary shares is to accommodate the exercise of ZMICO-W3, because the exercise ratios of such warrants were adjusted.

- (4) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with an increase of capital according to items (2) and (3) above. The registered capital of Baht 1,037,157,550 will be increased to Baht 1,083,833,521 equivalent to 1,083,833,521 shares at a par value of Baht 1 each.

The Company has registered the additional registered capital with the Ministry of Commerce on October 5, 2007. The excess of the registered share capital over the paid-up share capital represents the shares reserved for future exercise of warrants.

As at March 31, 2010 and December 31, 2009, the Company has issued and paid-up share capital totaling Baht 833,895,131 and Baht 833,895,131, respectively.

As a April 21, 2010, the shareholders' meeting passed a resolution to approved of decreasing the Company's authorized share capital from Baht 1,083,833,521 to Baht 833,895,131 (see Note 32).

Net asset value

As at March 31, 2010 and December 31, 2009, net asset value per share, which was determined by dividing shareholders' equity by the number of issued and paid up shares which net of the number of treasury stocks as at the balance sheet date, was Baht 2.55 per share and Baht 2.52 per share, respectively. Such net asset value per share does not reflect the dilutive effect of the shares which are to be issued for the conversion of warrants.

#### **14. TREASURY STOCK**

On February 28, 2006, the Board of Directors' meeting has passed a resolution on a project to repurchase 82,962,440 ordinary shares (representing 10% of the issued and paid-up share capital) at a price equivalent to the bid prices on the Stock Exchange of Thailand or the same prices offered to general shareholders, at the amount not more than Baht 200 million and with the repurchase period from March 15, 2006 to September 14, 2006.

As at December 31, 2006, the Company had 53,872,000 treasury shares, representing 6.49% of the issued and paid-up share capital on the date when the Board of Directors resolved the share repurchase. The total treasury stocks were Baht 199.99 million.

The Executive Committee Meeting No. 5/2007, held on June 5, 2007, passed a resolution to approve the resale of treasury shares amounting to 53,872,000 shares by selling in the Stock Exchange of Thailand with the resale period from June 20, 2007 to September 13, 2009. The resale price should not be less than 85% of the average closing price of shares for the preceding 5 business days.

As at December 31, 2007, the Company had resold all treasury stocks, which were 53,872,000 shares, at Baht 215.51 million. The premium from disposing treasury stocks is Baht 15.52 million.

Subsequently, on August 26, 2008, the Board of Directors' meeting No. 5/2008 has passed a resolution on a project to repurchase 83,375,886 ordinary shares (representing 10% of the issued and paid-up share capital) for buying those shares trading in the Stock Exchange of Thailand at a price not exceeding the average closing price, of those shares for the preceding 5 business days, plus 15 percent of such average closing price at the amount not more than Baht 200 million with the repurchase period from September 15, 2008 to March 14, 2009. The process and timing for resale of those shares will be decided by the Company's Board of Directors at 6 months but not more than 3 years after the completion of the repurchase date and the resale will have to be at a price not less than 85 percent of the average closing prices of the preceding 5 business days prior to the resale date.

On October 7, 2009, the Executive Committee Meeting No. 7/2009 which authorized by the resolution of the Board of Directors Meeting No.6/2009 held on August 27, 2009, passed a resolution to approve the resale of treasury shares amounting to 9,087,100 shares by selling in the Stock Exchange of Thailand with the resale period from October 22, 2009 to March 13, 2012. The resale price should not be less than 85% of the average closing price of shares for the preceding 5 business days.

As at March 31, 2010 and December 31, 2009, the Company has 9,087,100 treasury shares, representing 1.09 of the issued and paid-up share capital on the date when the Board of Directors resolved the share repurchase. The total treasury stocks are Baht 20.06 million.

## 15. WARRANTS

### 15.1 Warrants offered to existing shareholders

In December 2003, the extraordinary shareholders' meeting had approved the issuance of 20,372,351 five-year warrants to existing shareholders and shareholders who subscribed to the new issue of ordinary shares, in a ratio of 4 existing ordinary shares to 1 warrant, free of charge. The exercise price of the warrants is Baht 60 per share (the par value is Baht 10 each) and they are exercisable in a ratio of 1 warrant to 1 ordinary share, commencing one year after the issue date (exercisable since March 31, 2005).

Due to the reduction in the par value of the shares from Baht 10 per share to Baht 1 per share, the warrant issue was amended to 203,723,510 warrants with an exercise ratio of 1 warrant to 1 ordinary share and an exercise price of Baht 6 per share.

Subsequently, the ordinary shareholders' meeting held on April 18, 2007 had approved dividend payment exceeding 70% of net income, and, therefore, the Company must adjust the exercise price and an exercise ratio to protect the interest of the warrant holders. The right of the outstanding warrants, which have been allotted but not exercised after the shareholders meeting, were amended to a ratio of 1 warrant to 1.09832 ordinary shares, with the exercise price of Baht 5.463 per share.

As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 201,214,034 units. Such warrants were matured on May 6, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 32).

## 15.2 Directors and employees' warrants III (ESOP warrant III)

In December 2003, the extraordinary shareholders' meeting had approved the issuance of 1,430,000 five-year warrants with a par value of Baht 10 each to the Company's directors and employees other than directors or employees who received a prior allotment of warrants, free of charge. The warrants are exercisable at a price equal to the par value of the shares, in a ratio of 1 warrant to 1 ordinary share, throughout 5 years in accordance with certain stipulated conditions. Such warrant matured on August 8, 2009.

Due to the reduction of the par value of the shares from Baht 10 per share to Baht 1 per share, the number of warrants III issued to the directors and employees is adjusted to 14,300,000 units, with the exercise ratio adjusted to 1 warrant to 1 ordinary share while the exercise price remains at par value, or Baht 1 per share. At the ordinary shareholders' meeting held on April 18, 2007, the shareholders approved dividend payment exceeding 70% of net income and therefore, the Company must adjust the exercise ratio of the Directors and employees' warrants III to protect the interest of the warrant holders. The right of the outstanding warrants, which have been allotted but not exercised after such shareholders meeting, were amended to a ratio of warrant to 1.09832 ordinary shares with the exercise price at Baht 1 per share. During August 2004, 13,790,400 warrants were allotted to the directors and employees, and currently 509,600 warrants had not been allotted. The issue of such free warrants was not recorded as an accounting expense.

As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 1,451,991 units.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 32).

## 15.3 ESOP Warrants offering to the Company's employees

On September 27, 2007, the extraordinary shareholders' meeting had approved the issuance of five-year 27,000,000 units of warrants with a par value of Baht 1 each to the Company's employees, free of charge. The warrants are exercisable at the exercise price of Baht 3.21 per share, which is equivalent to the audited book value per share as at June 30, 2007, at a ratio of 1 warrant to 1 ordinary share, throughout the five-year period, subject to certain stipulated conditions, which are 50% exercisable since March 31, 2009 and fully exercisable since March 31, 2010. Such warrants have been approved by the Securities and Exchange Commission on February 5, 2008. Subsequently, in March 2008, 16,432,100 warrants were allotted to employees and currently 10,567,900 warrants had not been allotted. The issues of such warrants were not recorded as an accounting expense. Such warrants will be matured on February 28, 2013.

During the year ended December 31, 2009, the employees have not exercised their warrants. As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 16,432,100 units.

On February 24, 2009, the Board of Director's meeting No. 3/2009 has the resolution to cancelled the ESOP Warrant which have been allotted and have not been allotted due to at present the Company's business and employees were transferred to KT ZMICO Securities Company Limited and the Company has plan to restructure its businesses, therefore, the issuance of ESOP Warrants offering to employees is not support for the motivation anymore. Such ESOP Warrant was cancelled on September 25, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 32).

## **16. DIVIDEND**

On April 29, 2009, the Board of Directors' meeting No.1/2009 has passed a resolution to approve the dividend payment from retained earnings of the Company at Baht 0.50 per share amounting to Baht 412.18 million (net from treasury stock of 9.09 million units). The dividends were paid on May 15, 2009.

On August 27, 2009, the Board of Directors' meeting No.6/2009 has passed a resolution to approve the dividend payment from the operating result for the six-month period ended June 30, 2009 and from the inappropriate retained earnings of the Company at Baht 0.15 per share amounting to Baht 123.67 million (net from treasury stock of 9.09 million units). The dividends were paid on September 24, 2009.

## **17. CAPITAL MANAGEMENT**

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 share capital at least Baht 100 million for membership operating especially in derivatives business.

As at April 27, 2009, the Company has approval to temporary discontinue its Securities trading business and Derivatives trading business from the Office of the Securities and Exchange Commission, effective on May 1, 2009 therefore, as at March 31, 2010 and December 31, 2009, the Company is not required to maintain its net liquid capital as mentioned in the above paragraph.

In addition, the objectives of capital management of the Company is to sustain the Company'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.

### Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 13/2548, regarding “Principle for Maintaining Capital Adequacy and Responsibility Insurance of Management Company”, the subsidiary has to maintain shareholders’ equity at least Baht 20 million with the warning level at Baht 30 million for mutual fund management business and at least Baht 10 million with the warning level at Baht 15 million for private fund management business without provident fund management. In case the subsidiary cannot maintain the capital adequacy over the warning level, the subsidiary has to report to the Office of the Securities and Exchange Commission including the plan to recover its shareholders’ equity to the warning level. As at March 31, 2010 and December 31, 2009, financial statements of the subsidiary show shareholders’ equity higher than the requirement of the Office of the Securities and Exchange Commission.

In addition, the objectives of the capital management of the subsidiary is to sustain the 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.

### **18. PREMIUM ON SHARE CAPITAL**

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

### **19. STATUTORY RESERVE**

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

As at March 31, 2010 and December 31, 2009, the statutory reserve has already reached 10% of registered capital.

## 20. RESERVE FOR TREASURY STOCK

Under Section 66/1(2) of the Public Limited Companies Act. B.E. 2535, public limited companies may repurchase their shares for the purpose of financial management when they have retained earnings and excess liquidity. Also, such share repurchase must not cause them to face a financial difficulty. The announcement of the Judicial Council No.756/2547 has set a rule for treasury stocks that companies have to appropriate retained earnings as reserve for treasury stocks equal to the amount paid for treasury stocks until either the entire treasury stocks have been sold or the companies reduce their paid-up share capital by writing-off the unsold treasury stocks. In addition, according to the Federation of Accounting Professions' announcement No. Sor.SorVorBorChor. 016/2548 dated February 4, 2005, it requires companies that have treasury stocks to have retained earnings not less than the amount of the treasury stocks remaining in the account. In the event the retained earnings were appropriated for dividend, the retained earnings after the dividend payment should not be less than the treasury stocks remaining in the account.

As at March 31, 2010 and December 31, 2009, the Company has appropriated the retained earnings as the treasury stock reserve for the whole amount (See Note 14).

## 21. FEES AND SERVICES INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended		For the quarters ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Underwriting fees	-	44,800	-	44,800
Financial advisory fees	3,439,990	2,509,256	3,439,990	2,509,256
Private fund management and mutual fund management	2,122,194	197,849	-	-
Others	-	908,665	-	908,665
Total	<u>5,562,184</u>	<u>3,660,570</u>	<u>3,439,990</u>	<u>3,462,721</u>

## 22. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended		For the quarters ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Brokerage fees paid to the Stock Exchange of Thailand	-	5,162,049	-	5,162,049
Amortization of private fund, mutual fund and derivative licenses	123,288	123,288	-	-
Others	<u>1,485,970</u>	<u>669,472</u>	<u>563,917</u>	<u>494,024</u>
Total	<u>1,609,258</u>	<u>5,954,809</u>	<u>563,917</u>	<u>5,656,073</u>

## 23. DIRECTORS AND MANAGERMENTS' REMUNERATION

- 23.1 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.
- 23.2 Management benefit expenses represents cash remuneration as salaries, bonus, car allowance and provident fund paid to the Company's managements in accordance with the Notification of the Capital Market and Supervisory Board No. Tor.Jor. 24/2552 dated July 20, 2009 regarding "Prescription of Prohibited Characteristics of Issuing Company's Director and Executive" (see Note 2.6).

## 24. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarters ended		For the quarters ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Entertainment expenses	81,909	1,609,291	42,761	1,604,526
Advertising fee	224,150	1,452,557	21,500	1,325,057
Travelling expenses	315,953	2,467,382	280,561	2,467,992
SET fee	294,074	1,239,306	294,074	1,239,306
Stationery and office supply	119,175	2,384,510	13,588	2,338,407
Others	1,464,448	4,594,737	1,056,223	4,338,623
Total	<u>2,499,709</u>	<u>13,747,783</u>	<u>1,708,707</u>	<u>13,313,911</u>

## 25. PROVIDENT FUND

The Company and the 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 subsidiaries match the individuals' contributions. The provident funds 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.

During the quarters ended March 31, 2010 and 2009, the Company has contributed Baht 0.08 million and Baht 1.85 million, respectively to the fund and the subsidiary has contributed Baht 0.06 million in each quarter to the fund.

## 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 calculations for the quarters ended March 31, 2010 and 2009 to conform to such tax rate change.

	CONSOLIDATED FINANCIAL STATEMENTS For the quarters ended March 31,		SEPARATE FINANCIAL STATEMENTS For the quarters ended March 31,	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Deferred income tax - income	7,369,308	20,000,226	7,922,945	20,000,226
Total	<u>7,369,308</u>	<u>20,000,226</u>	<u>7,922,945</u>	<u>20,000,226</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS For the quarters ended March 31,		SEPARATE FINANCIAL STATEMENTS For the quarters ended March 31,	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Net income (loss) before tax	(29,602,206)	(91,851,357)	9,327,224	(81,191,560)
Tax rate	<u>25%, 30%</u>	<u>25%, 30%</u>	<u>25%</u>	<u>25%</u>
The result of the account profit (loss) multiplied by the income tax rate - income	7,400,551	21,615,928	(2,331,806)	20,297,890
Effect of the non-deductible income and expense	<u>(31,243)</u>	<u>(1,615,702)</u>	<u>10,254,751</u>	<u>(297,664)</u>
Income tax - income	<u>7,369,308</u>	<u>20,000,226</u>	<u>7,922,945</u>	<u>20,000,226</u>

**27. RECONCILIATION OF DILUTED EARNINGS (LOSS) PER SHARE**

CONSOLIDATED FINANCIAL STATEMENTS						
For the quarters ended March 31,						
	Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	2010 Baht	2009 Baht "Restated"	2010 shares	2009 Shares	2010 Baht	2009 Baht "Restated"
<b>Basic earnings (loss) per share</b>						
Net income (loss)	(22,232,898)	(67,143,082)	824,808,031	824,901,992	(0.027)	(0.081)
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (see Note 15)	-	-	-	847,845	-	-
<b>Diluted earnings (loss) per share</b>						
Income (loss) of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>(22,232,898)</u>	<u>(67,143,082)</u>	<u>824,808,031</u>	<u>825,749,837</u>	<u>(0.027)</u>	<u>(0.081)</u>

SEPARATE FINANCIAL STATEMENTS						
For the quarters ended March 31,						
	Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	2010 Baht	2009 Baht	2010 shares	2009 Shares	2010 Baht	2009 Baht
<b>Basic earnings (loss) per share</b>						
Net income (loss)	17,250,169	(61,191,334)	824,808,031	824,901,992	0.021	(0.074)
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (see Note 15)	-	-	-	847,845	-	-
<b>Diluted earnings (loss) per share</b>						
Income (loss) of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>17,250,169</u>	<u>(61,191,334)</u>	<u>824,808,031</u>	<u>825,749,837</u>	<u>0.021</u>	<u>(0.074)</u>

## 28. RELATED PARTY TRANSACTIONS

The Company had 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, 2010 and December 31, 2009 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2010 Baht	As at December 31, 2009 Baht	As at March 31, 2010 Baht	As at December 31, 2009 Baht
<b>Subsidiary</b>				
Seamico Asset Management Co., Ltd.				
Investment in subsidiary (see Note 7)	-	-	120,000,000	120,000,000
Investment in mutual fund managed by subsidiary	45,118,189	43,548,105	45,118,189	43,548,105
Investment in private fund managed by subsidiary	25,669,907	24,618,407	25,669,907	24,618,407
Accrued private fund management fee expenses	-	-	8,809	7,823
Other receivable	-	-	-	1,856
<b>Associate</b>				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 7)	926,173,422	967,321,816	937,505,000	937,505,000
Other receivables from transfer business (see Note 7)	-	58,180,804	-	58,180,804
Other receivable	378,356	248,573	378,356	248,573
<b>Related companies</b>				
<b>Under common directors</b>				
Quam Limited				
Other payable	-	36,081	-	36,081
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares (see Note 6.1)	156,020,644	156,020,644	156,020,644	156,020,644
Accrued advisory receivable	3,439,900	-	3,439,990	-
Other receivable	1,230,008	1,230,008	1,230,008	1,230,000

Significant transactions with related parties for the quarters ended March 31, 2010 and 2009 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the quarters ended		For the quarters ended		
	March 31,		March 31,		
	2010	2009	2010	2009	
	Baht	Baht	Baht	Baht	
<b>Subsidiary</b>					
Seamico Asset Management Co., Ltd.					
Commission received from mutual					
Private fund management fee expenses	-	-	24,216	107,724	At rate determined under the contract at 0.4 percent per annum of net asset value of fund managed
Investment in mutual fund managed					
by subsidiary	-	20,625,724	-	20,625,724	At net asset value
Withdrawal mutual fund managed					
by subsidiary	-	20,625,724	-	20,625,724	At net asset value
Withdrawal in private fund managed					
by subsidiary	-	135,000,000	-	135,000,000	At investment cost Baht 134 million plus interest Baht 1 million
Income from selling agent	-	-	-	52,950	Commission charged at 0.15 per cent of NAV unit trust selling.
Other income	-	-	-	75,000	At the rate determined under the contract of Baht 25,000 per month
<b>Associate</b>					
KT ZMICO Securities Co., Ltd.					
Service expenses	450,000	-	450,000	-	At the rate determined under the contract of Baht 150,000 per month
Rental expenses	148,509	-	148,509	-	At the rate determined under the contract of Baht 49,503 per month
Related companies under common directors					
Quam Securities Company Limited					
Commission received	-	48,183	-	48,183	Commission charged at 0.25 percent of the value of trade by cash accounts and 0.15 - 0.20 percent of the value of trade via internet, which is normal rate charged to other customers
Quam Limited					
Office rental	293,532	-	293,532	-	under the contract of HKD 22,941 per month
Than Cong Securities Company J.S.C					
Financial Advisory fee	3,439,990	-	3,439,990	-	At the rate determined under the Contract total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month
<b>Related persons</b>					
Commission received	-	16,861	-	16,861	Commission charged at 0.25 percent of the value of trade by cash accounts, which is normal rate charged to other customers

## 29. COMMITMENTS

### Transactions with related parties

- 29.1 On December 16, 2002, the Company entered into a one-year fee allocation agreement with Brooker Group Plc., under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company. As at May 1, 2009, the Company transferred right in this agreement to KT ZMICO Securities Co., Ltd. as the same condition and expired date.
- 29.2 On December 28, 2007, the Company entered into an agreement with Seamico Asset Management Co., Ltd., which is a subsidiary. The subsidiary will manage the Company's fund for one year. The contract, which will be expired on December 30, 2008, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at the rate of 0.4 percent per annum of the net asset value of the fund.
- 29.3 On August 26, 2008, the Company entered into an allocation agreement with Mac Capital Limited, under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. The agreement will be expired on December 31, 2011. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.
- 29.4 On May 28, 2009, the Company entered into 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.
- 29.5 On May 1, 2009, The Company entered into agreement with KT ZMICO Securities Co., Ltd. for rental office at 16<sup>th</sup> Floor (No. 1601), 287 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 has continued the agreement to January 31, 2013.
- 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 115 million. The payments will be made periodically within 18 months by payment every 6 months start from proportion 20 : 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. staff at the payment date. However, the payment is paid only according to the commitment under employment transfer agreement. For the year ended December 31, 2009, the Company already paid in the total amount of Baht 55.4 million. During the quarter ended March 31, 2010, the Company had estimated to payment of retention bonus by using the present information and the Company additionally recorded retention bonus of Baht 26.0 million. As at March 31, 2010, the Company recorded accrued retention bonus of Baht 60.0 million.

- 29.7 On March 20, 2009, the Company entered into agreement with Thanh Cong Securities Joint Stock Company (“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 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.

Transaction with other business parties

- 29.8 As at March 31, 2010 and December 31, 2009, the Company had 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,
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	3.2	1.7	1.6	1.6
Over 1 year to 5 years	4.5	2.0	1.6	2.0
Total	<u>7.7</u>	<u>3.7</u>	<u>3.2</u>	<u>3.6</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. DISCONTINUED OPERATION**

During the quarter ended June 30, 2009, the Company has transferred its securities business to KT ZMICO Securities Co., Ltd. After the transfer of business, the Company's operations will be related to investments and have activity in securities business which is not competitive with KT ZMCIO Securities Co., Ltd. The proportion of income from discontinued operation is 97% of total income. Expenses related to securities business have decreased entirely. Expenses from discontinued operation are 98% of total expenses.

### **32. EVENTS AFTER BALANCE SHEET DATE**

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

- (1) Approved the non-declaration of the dividend payment for the year ended 2009.
- (2) Approved of decreasing the Company's authorized share capital from Baht 1,083,833,521 to Baht 833,895,131 and canceling 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 (see Notes 15.1, 15.2 and 15.3) due to the warrants were expired. The Company registered the decrease of share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on April 30, 2010.

32.2 On April 22, 2010, the Company additionally invested in ordinary share of KT Zemico Securities Co., Ltd. for 18,181,800 shares, at the par value Baht 8.25, totalling of Baht 149.99 million, according to the approval of the Board of Directors' meeting No. 8/2009 dated on November 13, 2009.

### **33. 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 11, 2010.