

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**1. GENERAL INFORMATION**

Seamico Securities Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 8th - 9th, 15th - 17th, 20th - 21st Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

As at December 31, 2008 and 2007, the Company has 11 branches, total number of personnel of the Company and subsidiary are 490 and 492 persons, respectively, and the Company only total number of personnel are 474 and 461 persons, respectively.

The Company was granted 6 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

Subsequently, on February 3, 2009, the Company was granted an additional securities business license of securities borrowing and lending from Ministry of Finance. This grant was effective since February 2, 2009.

As described in Note 7, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KTB Securities Co., Ltd. as a joint venture vehicle. Therefore, the Company’s operation in 2009 may be changed, depending on the approval of the Company’s shareholders for the selling of the Company’s business to KTB Securities Co., Ltd. (see Notes 7 and 35).

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 Company prepares its statutory financial statements in conformity with accounting standards and practices generally accepted in Thailand and in accordance with Notifications of the Office of the Securities and Exchange Commission (“SEC”).

The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

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

In 2007, Thai Accounting Standards No.25 (Revised 2007) “Cash Flow Statements” and No. 35 (Revised 2007) “Presentation of Financial Statements” are announced by 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 years ended December 31, 2008 and 2007 are still presented in accordance with the Notification of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

#### Accounting standards announced but not effective

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 86/2551 dated November 12, 2008, regarding the following accounting standards that were announced in the Royal Gazette, but were not in effect in 2008:

- TAS 36 (Revised 2007) Impairment of Assets
- TAS 54 (Revised 2007) Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will supersede previously issued accounting standards when they become effective. The management has assessed the impact of these accounting standards, when they are effective, for financial periods beginning on or after January 1, 2009 and does not expect them to have a material effect on the Company's financial statements.

- 2.2 The consolidated financial statements for the year ended December 31, 2007 included the accounts of the Company and two subsidiaries, which are Seamico Asset Management Co., Ltd. and Seamico Knight Fund Management Securities Co., Ltd., which the Company has a holding of 100%, and 51% in their equity, respectively. Moreover, the consolidated balance sheet as at December 31, 2007 did not include the accounts of Seamico Derivatives Co., Ltd., which the Company previously had a holding of 51% in its equity, as such company registered its liquidation with the Ministry of Commerce on December 13, 2007. However, the consolidated statement of income has included the statement of income of such company for the period from January 1, 2007 to December 13, 2007 (the liquidation registration date).

The consolidated financial statements for the year ended December 31, 2008 included the accounts of the Company and Seamico Asset Management Co., Ltd., which the Company has a holding of 100% in its equity. Such consolidated financial statements did not include the accounts of Seamico Knight Fund Management Securities Co., Ltd. as the Company has sold all investments in such subsidiary on May 26, 2008 (see Note 7).

The outstanding balances and transactions between the Company and the subsidiary, the investment in the subsidiary, and the shareholders' equity of the subsidiary have been eliminated from the consolidated financial statements.

The additional information for the consolidated financial statements are as follows:

	Percentage of shares held		Percentage of total assets		Percentage of total income	
	by the Company as at		of subsidiaries included in		of a subsidiary included in	
			consolidated		consolidated statements of	
	December 31,	December 31,	balance sheets as at		income for the years	
2008	2007	December 31,	December 31,	ended December 31,		
%	%	2008	2007	2008	2007	
		%	%	%	%	
Seamico Asset Management Co., Ltd.	100	100	1.80	2.09	0.39	0.42
Seamico Knight Fund						
Management Securities Co., Ltd.	-	51	-	0.76	-	2.68
Seamico Derivative Co., Ltd.	-	-	-	-	-	0.41

The consolidated financial statements for the year ended December 31, 2008 included interest in associated company's equity which is determined from the financial statements of KTB Securities Co., Ltd. During the year ended December 31, 2008, the Company has invested in KTB Securities Co., Ltd.'s ordinary shares, equivalent to 48.81% of issued and paid-up share capital, resulting to that KTB Securities Co., Ltd. has become the Company's associate (see Note 7).

### 2.3 Reclassifications

The consolidated and separate balance sheets as at December 31, 2007, presented for comparison, had been reclassified by separately presenting the premium on share capital - Treasury stock amounting to Baht 15.52 million, which was previously presented as part of premium on share capital, in the consolidated and separate balance sheets in order to conform to the classifications used in the balance sheets as at December 31, 2008.

The consolidated statement of cash flows for the year ended December 31, 2007, presented for comparison, had been reclassified by presenting the increase in short-term investments in available-for-sale securities amounting to Baht 10.76 million, which was previously presented as part of operating activities, as part of investing activities by separating into cash paid for purchase of investments of Baht 902.97 million and proceeds from disposal of investments of Baht 892.21 million in the consolidated statement of cash flows in order to conform to the classifications used in the consolidated statement of cash flows for the year ended December 31, 2008.

The separate statement of cash flows for the year ended December 31, 2007, presented for comparison, had been reclassified by presenting the increase in short-term investments in available-for-sale securities amounting to Baht 79.88 million, which was previously presented as part of operating activities, as part of investing activities by presenting such amount as cash paid for purchase of investments in the separate statement of cash flows in order to conform to the classifications used in the separate statement of cash flows for the year ended December 31, 2008.

### 3. CHANGE IN ACCOUNTING POLICY

According to Thai Accounting Standard No. 51 “Intangible Assets” announced by the Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2008, it requires the indefinite useful life intangible assets to be tested for impairment annually and amortization is not permitted. The accounting standard requires such change in accounting policy to be applied prospectively. Therefore, the Company has changed the accounting policy by ceasing amortization of the indefinite useful life intangible assets since January 1, 2008. However, such change in accounting policy has no significant effect to the Company’s financial statements.

### 4. SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Revenue and expense recognition

##### Brokerage fees

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

##### Fees and service income

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

##### Interest on margin loans

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

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

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

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

Gain (loss) on trading in securities and derivatives

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

Interest and dividend on investments in securities

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

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

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

4.3 Recognition and amortization of customer deposits

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

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with no more than 3 months remaining to maturity and without commitments, call note receivables and term note receivables maturing within 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

4.5 Investments in debt and equity securities

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

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

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

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

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

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

The weighted average method is used for computation of the cost of investments.

#### 4.6 Investments in subsidiary and associated companies

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

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

#### 4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the announcement of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding "The Form of Financial Statements for Securities Companies".

#### 4.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

The allowance for doubtful accounts on securities and derivatives business receivables is based on management's review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

#### 4.9 Building improvement and equipment

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

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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset. Repair and maintenance costs are recognised as an expense when incurred.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

#### 4.10 Foreclosed properties

Foreclosed properties consist of immovable properties and intangible assets which are stated at the lower of cost and recoverable amount. The excess of the carrying amount over recoverable amount is recognized as an impairment loss in the statement of income.

Gain or loss on disposals of such properties is recognized in the statement of income at the date of disposal.

#### 4.11 Intangible assets

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

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

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

For the year 2008, the Company ceased amortization of deferred license fees as it is considered to have indefinite useful life. Also, those assets are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

4.12 Securities and derivatives business payables

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

4.13 Long-term lease

1) Operating lease

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

2) Finance lease

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

4.14 Provision for liabilities

The Company recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and it is current commitment that is likely that loss of resources which are of economic benefit to the Company will result from settlement of such commitments.

4.15 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

#### 4.16 Income tax

The Company and its subsidiary have early adopted Thai Accounting Standard No. 56 “Accounting for Income Taxes”.

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

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

#### 4.17 Earnings (loss) per share

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

Diluted earnings (loss) per share are calculated from net income (loss) for the year divided by the weight average number of ordinary shares, on the assumption that exercises of all warrants and convertible borrowings have been made at the beginning of the year. Ordinary share equivalents of the Company and its subsidiary are the warrants and convertible borrowings, respectively.

#### 4.18 Foreign currency transaction

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

#### 4.19 Risk management and prevention

The Company and its subsidiary have not speculated in or engaged in trading of any off-balance sheet financial derivatives instruments.

Financial instruments carried in the balance sheet include cash and cash equivalents, investments in debt and equity securities, receivable from Clearing House, securities and derivatives business receivables, convertible borrowings, payable to Clearing House, and securities and derivatives business payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.20 Related parties

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

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

#### 4.21 Critical accounting policies and significant source of estimation uncertainty

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. Significant accounting estimates are as follows:

##### 1) Fair value of investments in debt and equity securities

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

##### 2) Allowance for doubtful accounts

The Company has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of the Office of the Securities and Exchange Commission as follows:

##### a) Assets classified as loss are to satisfy the following criteria:

- 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
- 2) Loan balances which the Company has forgiven

- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
- 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
  - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 month
  - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

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

During the quarter ended December 31, 2008, many countries around the world are facing financial crisis. This has affected share prices in the Stock Exchange of Thailand and the customer accounts - credit balance of the Company. The Company has been forced to sell out and/or raise additional collateral from customers. However, the Company's management has assessed the impact of such situation and believed that the Company has set allowance for doubtful accounts for those receivables sufficiently.

3) Building improvement and equipment and definite useful life intangible assets

The estimated useful lives and depreciation method of building improvement and equipment and amortization method of definite useful life intangible assets shall be reviewed on purchasing date of such assets. In case the carrying value of building improvement and equipment and definite useful life intangible assets becomes impaired, the Company would establish an allowance for impairment in the statement of income.

4) Fair value of financial instrument

The fair value of financial instrument disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

## 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Cash on hand	412,465	529,022	407,465	514,022
Current, savings and fixed deposits	445,427,541	563,694,806	442,907,030	562,265,683
Promissory notes with maturity				
less than 3 months	370,500,000	422,400,000	330,000,000	410,000,000
<u>Less</u> Cash deposits held for customers*	<u>(281,702,767)</u>	<u>(269,774,472)</u>	<u>(281,702,767)</u>	<u>(269,334,472)</u>
Total cash and cash equivalents	<u>534,637,239</u>	<u>716,849,356</u>	<u>491,611,728</u>	<u>703,445,233</u>

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

As at December 31, 2008 and 2007, the Company had long-term deposits in terms of promissory notes at financial institutions of Baht 270 million and Baht 240 million, respectively, belonging to customers. The balances are netted and presented at a value of zero in the balance sheets.

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

### 6.1 Cost / Book value and fair value

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2008		As at December 31, 2007	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<b>Short-term investments</b>				
<u>Trading securities</u>				
Equity securities - Listed securities	11,968,217	7,026,650	6,375,368	4,653,286
Debt securities - Foreign bonds	50,735,139	50,732,940	-	-
Debt securities - Government bonds	230,384,799	231,986,691	99,975,371	99,974,253
Debt securities - Bill of exchange	220,953,063	221,343,895	-	-
Debt securities - Promissory notes	76,639,596	76,655,623	-	-
Debt securities - Corporate bonds	16,999,644	17,206,410	-	-
Total trading securities	<u>607,680,458</u>	<u>604,952,209</u>	<u>106,350,739</u>	<u>104,627,539</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2008		As at December 31, 2007	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	17,940,000	6,565,000	-	-
Debt securities - Government bonds	-	-	51,265,542	51,160,991
Equity securities - Unit trust	40,000,000	35,143,680	150,000,000	155,113,592
Total available-for-sale securities	57,940,000	41,708,680	201,265,542	206,274,583
Total	665,620,458	646,660,889	307,616,281	310,902,122
(Less) Add Revaluation adjustments	(7,584,569)	-	3,285,841	-
Less Allowance for loss on impairment	(11,375,000)	-	-	-
Total short-term investments - net	646,660,889	646,660,889	310,902,122	310,902,122
<b>Long-term investments</b>				
<u>Available-for-sale securities</u>				
Debt securities - Corporate bonds	16,182,071	16,144,229	29,882,862	29,882,862
Total available-for-sale securities	16,182,071	16,144,229	29,882,862	29,882,862
<u>General investments</u>				
Ordinary shares	29,609,274	963	29,609,274	16,649,293
Preference shares	1,974,500	7,045,100	4,524,500	7,184,393
Total general investments	31,583,774	7,046,063	34,133,774	23,833,686
Total	47,765,845	23,190,292	64,016,636	53,716,548
Less Revaluation adjustments	(37,842)	-	-	-
Less Allowance for loss on impairment	(31,457,811)	-	(23,380,330)	-
Total long-term investments - net	16,270,192	23,190,292	40,636,306	53,716,548
Total investments in debt and equity securities - net	662,931,081	669,851,181	351,538,428	364,618,670

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2008		As at December 31, 2007	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<b>Short-term investments</b>				
<u>Trading securities</u>				
Equity securities - Listed securities	11,968,217	7,026,650	6,375,368	4,653,286
Debt securities – Foreign bonds	50,735,139	50,732,940	-	-
Debt securities - Government bonds	230,384,799	231,986,691	99,975,371	99,974,253
Debt securities - Bill of exchange	220,953,063	221,343,895	-	-
Debt securities - Promissory notes	76,639,596	76,655,623	-	-
Debt securities - Corporate bonds	16,999,644	17,206,410	-	-
Total trading securities	<u>607,680,458</u>	<u>604,952,209</u>	<u>106,350,739</u>	<u>104,627,539</u>
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	17,940,000	6,565,000	-	-
Equity securities - Unit trust	40,000,000	35,143,680	150,000,000	155,113,592
Total available-for-sale securities	<u>57,940,000</u>	<u>41,708,680</u>	<u>150,000,000</u>	<u>155,113,592</u>
Total	665,620,458	646,660,889	256,350,739	259,741,131
(Less) <u>Add</u> Revaluation adjustments	(7,584,569)	-	3,390,392	-
<u>Less</u> Allowance for loss on impairment	(11,375,000)	-	-	-
Total short-term investments - net	<u>646,660,889</u>	<u>646,660,889</u>	<u>259,741,131</u>	<u>259,741,131</u>
<b>Long-term investments</b>				
<u>Available-for-sale securities</u>				
Debt securities - Corporate bond	16,182,071	16,144,229	29,882,862	29,882,862
Total available-for-sale securities	<u>16,182,071</u>	<u>16,144,229</u>	<u>29,882,862</u>	<u>29,882,862</u>
<u>General investments</u>				
Ordinary shares	29,609,274	963	29,609,274	16,649,293
Preference shares	1,974,500	7,045,100	4,524,500	7,184,393
Total general investments	<u>31,583,774</u>	<u>7,046,063</u>	<u>34,133,774</u>	<u>23,833,686</u>
Total	47,765,845	23,190,292	64,016,636	53,716,548
<u>Less</u> Revaluation adjustments	(37,842)	-	-	-
<u>Less</u> Allowance for loss on impairment	(31,457,811)	-	(23,380,330)	-
Total long-term investments - net	<u>16,270,192</u>	<u>23,190,292</u>	<u>40,636,306</u>	<u>53,716,548</u>
Total investments in debt and equity securities - net	<u>662,931,081</u>	<u>669,851,181</u>	<u>300,377,437</u>	<u>313,457,679</u>

As at December 31, 2008 and 2007, the Company has investments in debt securities - Government bonds of Baht 496 million and Baht 591 million, respectively, belonging to cash customers and margin customers, which the Company has to refund to such customers on demand. The balances are netted and presented at a value of zero in the balance sheets.

- 6.2 Trading and short-term available-for-sale securities reconciliation in compliance with requirement of the notification of the Office of the Securities and Exchange Commission No. Kor Jor. 1/2551, dated January 28, 2008 regarding “Rules, Conditions and Procedures Governing the Disclosure of financial position and result of operation by Issuing Securities Company (No. 23)”. It is effective for financial statements submitting to the Office of the Securities and Exchange Commission in year 2008 onward.

Trading and short-term available-for-sale securities reconciliations of the consolidated and separate financial statements for the years ended December 31, 2008 and 2007 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2008		As at December 31, 2007	
	Short-term investments		Short-term investments	
	Trading securities	Available-for-sale securities	Trading securities	Available-for-sale securities
	Baht	Baht	Baht	Baht
Book value-beginning balance	6,375,368	-	201,009,735	-
Listed securities bought	64,206,844,201	33,147,600	206,512,543	-
Listed securities sold	(64,201,251,353)	(15,207,600)	(401,146,910)	-
Change in market value of securities	(4,941,566)	-	(1,722,082)	-
Allowance for impairment	-	(11,375,000)	-	-
Book value-ending balance	7,026,650	6,565,000	4,653,286	-

- 6.3 Gain (loss) on trading in securities and derivatives

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on trading securities	(1,005,048)	32,317,925	(1,005,048)	32,317,925
Realized gain (loss) on trading securities	53,091,682	(65,714,654)	53,091,682	(65,714,654)
Realized gain on available-for-sale securities	6,532,377	520	5,520,136	-
Unrealized loss on impairment of general investments	(8,077,481)	(600,468)	(8,077,481)	(600,468)
Unrealized loss on impairment of available-for-sale securities	(11,375,000)	-	(11,375,000)	-
Unreversal on unrealized loss on change from available-for-sale securities to trading securities	-	23,309,535	-	23,309,535
Realized loss from derivatives contracts	(206,803)	(130,880)	(206,803)	(130,880)
Realized gain on sale of investment in subsidiary	1,608,513	-	-	-
Total	40,568,240	(10,818,022)	37,947,486	(10,818,542)

6.4 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Interest income	26,283,325	11,653,340	25,326,236	5,386,766
Dividend	3,198,740	5,000,368	3,198,740	5,000,368
Total	29,482,065	16,653,708	28,524,976	10,387,134

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

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	As at December 31, 2008				As at December 31, 2007			
	Mature within				Mature within			
	1 year	2 - 5 years	Over 5 years	Total	1 year	2 - 5 years	Over 5 years	Total
<b>Short-term investments</b>								
<b>Trading securities</b>								
Foreign bonds	-	50,735,139	-	50,735,139	-	-	-	-
Government bonds	22,393,856	-	207,990,943	230,384,799	99,975,371	-	-	99,975,371
Corporate debt securities	302,613,361	11,978,942	-	314,592,303	-	-	-	-
Add (Less) Revaluation adjustments	421,910	209,945	1,581,463	2,213,318	(1,118)	-	-	(1,118)
Total - net	325,429,127	62,924,026	209,572,406	597,925,559	99,974,253	-	-	99,974,253
<b>Available-for-sale securities</b>								
Government debt securities	-	-	-	-	30,040,878	-	21,224,664	51,265,542
Add (Less) Revaluation adjustments	-	-	-	-	207,422	-	(311,973)	(104,551)
Total - net	-	-	-	-	30,248,300	-	20,912,691	51,160,991
<b>Long-term investments</b>								
<b>Available-for-sale securities</b>								
Corporate debt securities	-	16,182,071	-	16,182,071	-	29,882,862	-	29,882,862
Less Revaluation adjustments	-	(37,842)	-	(37,842)	-	-	-	-
Total - net	-	16,144,229	-	16,144,229	-	29,882,862	-	29,882,862
<b>Total debt securities - net</b>	<b>325,429,127</b>	<b>79,068,255</b>	<b>209,572,406</b>	<b>614,069,788</b>	<b>130,222,553</b>	<b>29,882,862</b>	<b>20,912,691</b>	<b>181,018,106</b>

Unit : Baht

SEPARATE FINANCIAL STATEMENTS								
	As at December 31, 2008				As at December 31, 2007			
	Mature within				Mature within			
	1 year	2 - 5 years	Over 5 years	Total	1 year	2 - 5 years	Over 5 years	Total
<b>Short-term investments</b>								
<b>Trading securities</b>								
Foreign bonds	-	50,735,139	-	50,735,139	-	-	-	-
Government bonds	22,393,856	-	207,990,943	230,384,799	99,975,371	-	-	99,975,371
Corporate debt securities	302,613,361	11,978,942	-	314,592,303	-	-	-	-
<u>Add (Less) Revaluation adjustments</u>	<u>421,910</u>	<u>209,945</u>	<u>1,581,463</u>	<u>2,213,318</u>	<u>(1,118)</u>	<u>-</u>	<u>-</u>	<u>(1,118)</u>
Total - net	<u>325,429,127</u>	<u>62,924,026</u>	<u>209,572,406</u>	<u>597,925,559</u>	<u>99,974,253</u>	<u>-</u>	<u>-</u>	<u>99,974,253</u>
<b>Long-term investments</b>								
<b>Available-for-sale securities</b>								
Corporate debt securities	-	16,182,071	-	16,182,071	-	29,882,862	-	29,882,862
<u>Less Revaluation adjustments</u>	<u>-</u>	<u>(37,842)</u>	<u>-</u>	<u>(37,842)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - net	<u>-</u>	<u>16,144,229</u>	<u>-</u>	<u>16,144,229</u>	<u>-</u>	<u>29,882,862</u>	<u>-</u>	<u>29,882,862</u>
<b>Total debt securities - net</b>	<u>325,429,127</u>	<u>79,068,255</u>	<u>209,572,406</u>	<u>614,069,788</u>	<u>99,974,253</u>	<u>29,882,862</u>	<u>-</u>	<u>129,857,115</u>

6.6 Unrealized gain (loss) 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
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Beginning balance of the year	3,474,963	(1,525,672)	3,579,514	(1,491,697)
Change on revaluation of investments				
in securities of the year	<u>(7,792,358)</u>	<u>5,000,635</u>	<u>(7,250,136)</u>	<u>5,071,211</u>
Ending balance of the year	<u>(4,317,395)</u>	<u>3,474,963</u>	<u>(3,670,622)</u>	<u>3,579,514</u>

6.7 As at December 31, 2008 and 2007, the Company has investments in companies that have financial position and performance problems as follows:

	As at December 31, 2008			As at December 31, 2007		
	Cost/ Book value	Fair value	Allowance for diminution in value	Cost/ Book value	Fair value	Allowance for diminution in value
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	29,609,274	963	29,608,311	21,789,274	944	21,788,330
Preferred shares	1,849,500	-	1,849,500	1,849,500	257,500	1,592,000
	<u>31,458,774</u>	<u>963</u>	<u>31,457,811</u>	<u>23,638,774</u>	<u>258,444</u>	<u>23,380,330</u>

The following is the investment in other securities for which the Company's holding equals to or is more than 10% of the number of shares issued by the investee company.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
Company name	Type of business	As at December 31, 2008		As at December 31, 2007	
		Cost/ Book value Baht	% of holding	Cost/ Book value Baht	% of holding
<b>General investment</b>					
<u>Preference shares</u>					
Burda (Thailand) Co., Ltd.	Magazine Publisher	-	-	2,550,000	51

As at December 31, 2007, the Company has invested in 255,000 non-cumulative preference shares of Burda (Thailand) Co., Ltd. representing 51% of its shares with 17% voting rights. The Company has not recorded such investment as an investment in subsidiary or associate as the Company has no control and significant influence over that company and has right to receive only declared dividends.

In addition, the Company has an option to sell and the investee company has an option to buy back all of shares, at any time, at a price equivalent to the aggregate par value of the shares. No dividend received during the years ended December 31, 2008 and 2007. During the quarter ended December 31, 2008, the Company has exercised the option to sell the entire amount of such investment at par value.

## 7. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

The Company's investments in its subsidiary and associate, which are companies registered under Thai laws and operating in Thailand, as at December 31, 2008 and 2007 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 December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Associate</b>										
KTB Securities Co., Ltd.	Securities business	Ordinary share	864	864	48.8	-	437.5	-	395.5	-
<b>Total</b>							<b>437.5</b>	<b>-</b>	<b>395.5</b>	<b>-</b>
SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007
			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	100	100	100.0	100.0	100.0	100.0	52.4	75.1
Seamico Knight Fund Management Securities Co., Ltd.	Private fund management	Ordinary share	20	20	-	51.0	-	10.2	-	8.6
<b>Associate</b>										
KTB Securities Co., Ltd.	Securities business	Ordinary share	864	864	48.8	-	437.5	-	395.5	-
<b>Total</b>							<b>537.5</b>	<b>110.2</b>	<b>447.9</b>	<b>83.7</b>
<b>Less</b> Allowance for impairment							<b>(47.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - net</b>							<b>489.9</b>	<b>110.2</b>	<b>447.9</b>	<b>83.7</b>

In 2007, Seamico Derivatives Company Limited, a subsidiary, restructured its business operation by transferring the derivative business to Seamico Securities Public Company Limited. Since Seamico Derivatives Company Limited has not started its business operation, the company registered its liquidation with Ministry of Commerce on December 13, 2007. The liquidation process has been completed on February 2, 2009.

On May 26, 2008, the Company sold investment in Seamico Knight Fund Management Securities Company Limited, a subsidiary, to a public limited company and two limited companies. The Company disposed its own portion with a disposal value at cost of Baht 10.2 million. As at December 31, 2008, the Company received the entire amount from the buyer.

In September 2008, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KTB 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 KTB Securities Co., Ltd.

In September 2008, the Company has invested in KTB 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 KTB Securities Co., Ltd. has become the Company's associate as at December 31, 2008.

On December 16, 2008, KTB 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 Company's employees (the "Business"). In return, the Company will receive up to Baht 500 million from KTB Securities Co., Ltd. over 3 years. In addition, the Company will also receive additional amount from the refinancing of selected margin loan accounts to KTB 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 must be approved by the extraordinary shareholders' meeting of the Company prior to execute. The transfer is expected to be executed within 3 months after receipt of the approval of such transfer. The status of the Company after the transfer of business and margin loan accounts is to continue to be a listed securities company which most business will be related to investment and have activity in securities business which is not competitive with KTB Securities Co., Ltd.

However, on January 30, 2009, the extraordinary shareholders' meeting No. 1/2009 has passed a resolution with insufficient votes to approve the transfer of business and margin loan accounts to KTB Securities Co., Ltd. (see Note 35).

**8. RECEIVABLE FROM CLEARING HOUSE**

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2008 Baht</b>	<b>As at December 31, 2007 Baht</b>
Receivable from Thailand Securities Depository (TSD)	160,243,315	32,944,577
Receivable from Thailand Clearing House (TCH)	20,128,163	9,896,098
<u>Less</u> Receivable from Clearing House for the customers	<u>(9,269,892)</u>	<u>(4,752,760)</u>
Total Receivable from Clearing House	<u><u>171,101,586</u></u>	<u><u>38,087,915</u></u>

**9. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES - NET**

As at December 31, 2008 and 2007, the Company had loans and receivables totalling Baht 338.9 million and Baht 9.2 million, respectively, for which recognition of interest income had been discontinued in accordance with the Office of the Securities and Exchange Commission's Notification No. Kor Thor. 33/2543 dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001.

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2008 Baht</b>	<b>As at December 31, 2007 Baht</b>
Customers' cash accounts	164,247,548	565,107,411
Credit balance transactions	686,463,463	1,698,644,050
Other receivables		
Receivables under litigation	128,869,365	8,022,689
Installment receivables	2,434,273	55,025
Other receivables	<u>207,608,183</u>	<u>1,162,886</u>
Total securities business receivables	1,189,622,832	2,272,992,061
<u>Add</u> Accrued interest receivables	7,005,642	8,578,560
<u>Less</u> Allowance for doubtful accounts (see Note 10)	<u>(250,726,115)</u>	<u>(8,502,208)</u>
Total securities business receivables and accrued interest receivables - net	<u><u>945,902,359</u></u>	<u><u>2,273,068,413</u></u>
Derivatives business receivables	<u>-</u>	<u>183,696</u>
Total derivatives business receivables	<u>-</u>	<u>183,696</u>
Total	<u><u>945,902,359</u></u>	<u><u>2,273,252,109</u></u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2008			As at December 31, 2007		
	Securities and derivatives business receivables and accrued interest receivables	Allowance for doubtful accounts set up by the Company	Securities and derivatives business receivables and accrued interest receivables - net	Securities and derivatives business accrued interest receivables	Allowance for doubtful accounts set up by the Company	Securities and derivatives business receivables and accrued interest receivables - net
	Baht	Baht	Baht	Baht	Baht	Baht
Normal debts	857,716,653	-	857,716,653	2,272,513,717	-	2,272,513,717
Substandard debts	88,185,706	-	88,185,706	738,392	-	738,392
Doubtful debts	250,726,115	(250,726,115)	-	8,502,208	(8,502,208)	-
Total	<u>1,196,628,474</u>	<u>(250,726,115)</u>	<u>945,902,359</u>	<u>2,281,754,317</u>	<u>(8,502,208)</u>	<u>2,273,252,109</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 December 31, 2008	As at December 31, 2007
	Baht	Baht
Up to 3 months	330,629,027	787,100
Over 3 months to 6 months	-	47,747
Over 6 months to 9 months	20,198	-
Over 9 months to 12 months	-	-
Over 1 year to 3 years	53,106	3,458,326
Over 3 years	8,209,490	4,947,427
Total	<u>338,911,821</u>	<u>9,240,600</u>

**10. ALLOWANCE FOR DOUBTFUL ACCOUNTS**

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2008 Baht</b>	<b>As at December 31, 2007 Baht</b>
Beginning balances of the years	8,502,208	8,407,381
<u>Add</u> Doubtful accounts	<u>242,223,907</u>	<u>94,827</u>
Ending balances of the years	<u><u>250,726,115</u></u>	<u><u>8,502,208</u></u>

**11. BUILDING IMPROVEMENT AND EQUIPMENT - NET**

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>					
	<b>Balance as at December 31, 2007 Baht</b>	<b>Increase Baht</b>	<b>Decrease Baht</b>	<b>Decrease from selling of a subsidiary during the year* Baht</b>	<b>Transfer in (out) Baht</b>	<b>Balance as at December 31, 2008 Baht</b>
<b>Cost</b>						
Building improvement	95,069,621	4,195,209	(6,993,430)	-	4,732,73	97,004,13
Office equipment	285,447,300	9,081,631	(5,503,446)	(4,974,005)	-	284,051,48
Vehicles	63,568,303	-	(9,064,686)	(3,037,383)	-	51,466,23
Furniture and fixtures under installment	<u>557,636</u>	<u>7,014,072</u>	<u>-</u>	<u>-</u>	<u>(4,732,737)</u>	<u>2,838,97</u>
Total cost	<u>444,642,860</u>	<u>20,290,912</u>	<u>(21,561,562)</u>	<u>(8,011,388)</u>	<u>-</u>	<u>435,360,82</u>
<b>Accumulated depreciation</b>						
Building improvement	(68,095,031)	(11,769,258)	6,463,527	-	-	(73,400,762)
Office equipment	(235,597,785)	(29,114,717)	5,442,149	3,604,03	-	(255,666,321)
Vehicles	<u>(40,853,186)</u>	<u>(9,024,389)</u>	<u>6,907,015</u>	<u>810,52</u>	<u>-</u>	<u>(42,160,037)</u>
Total accumulated depreciation	<u>(344,546,002)</u>	<u>(49,908,364)</u>	<u>18,812,691</u>	<u>4,414,55</u>	<u>-</u>	<u>(371,227,120)</u>
<b>Total building improvement and equipment - net</b>	<u>100,096,858</u>	<u>(29,617,452)</u>	<u>(2,748,871)</u>	<u>(3,596,833)</u>	<u>-</u>	<u>64,133,70</u>
Depreciation for the year ended December 31, 2008						<u><u>49,908,36</u></u>

\* Representing the decrease from selling of a subsidiary during the year (see Notes 2 and 7).

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2006	Increase	Decrease	Transfer in	Balance as at December 31, 2007
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Building improvement	97,567,292	3,753,210	(9,885,495)	3,634,614	95,069,621
Office equipment	288,456,916	13,816,646	(18,089,026)	1,262,764	285,447,300
Vehicles	82,758,587	6,113,031	(25,303,315)	-	63,568,303
Furniture and fixtures under installment	4,302,509	3,780,888	(2,628,383)	(4,897,378)	557,636
Total cost	<u>473,085,304</u>	<u>27,463,775</u>	<u>(55,906,219)</u>	<u>-</u>	<u>444,642,860</u>
<b>Accumulated depreciation</b>					
Building improvement	(62,334,729)	(12,097,964)	6,337,662	-	(68,095,031)
Office equipment	(207,654,690)	(37,839,641)	9,896,546	-	(235,597,785)
Vehicles	(48,805,087)	(12,181,531)	20,133,432	-	(40,853,186)
Total accumulated depreciation	<u>(318,794,506)</u>	<u>(62,119,136)</u>	<u>36,367,640</u>	<u>-</u>	<u>(344,546,002)</u>
<b>Total building improvement and equipment - net</b>	<u>154,290,798</u>	<u>(34,655,361)</u>	<u>(19,538,579)</u>	<u>-</u>	<u>100,096,858</u>
Depreciation for the year ended December 31, 2007					<u>62,119,136</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2007	Increase	Decrease	Transfer in	Balance as at December 31, 2008
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Building improvement	93,176,785	4,075,209	(6,993,430)	4,732,737	94,991,301
Office equipment	274,950,840	8,849,820	(5,444,089)	-	278,356,571
Vehicles	59,596,890	-	(9,064,686)	-	50,532,204
Furniture and fixtures under installment	371,824	6,369,104	-	(4,732,737)	2,008,191
Total cost	<u>428,096,339</u>	<u>19,294,133</u>	<u>(21,502,205)</u>	<u>-</u>	<u>425,888,267</u>
<b>Accumulated depreciation</b>					
Building improvement	(67,821,707)	(11,378,560)	6,463,527	-	(72,736,740)
Office equipment	(230,804,407)	(27,469,177)	5,427,905	-	(252,845,679)
Vehicles	(39,878,887)	(8,837,583)	6,907,015	-	(41,809,455)
Total accumulated depreciation	<u>(338,505,001)</u>	<u>(47,685,320)</u>	<u>18,798,447</u>	<u>-</u>	<u>(367,391,874)</u>
<b>Total building improvement and equipment - net</b>	<u>89,591,338</u>	<u>(28,391,187)</u>	<u>(2,703,758)</u>	<u>-</u>	<u>58,496,393</u>
Depreciation for the year ended December 31, 2008					<u>47,685,320</u>

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at	Increase	Decrease	Transfer in	Balance as at
	December 31,				December 31,
	2006				2007
	Baht	Baht	Baht	Baht	Baht
<b>Cost</b>					
Building improvement	97,567,292	2,201,385	(9,885,496)	3,293,604	93,176,785
Office equipment	283,726,237	9,156,797	(18,089,026)	156,832	274,950,840
Vehicles	79,721,204	5,179,000	(25,303,314)	-	59,596,890
Furniture and fixtures under installment	4,302,509	2,148,134	(2,628,383)	(3,450,436)	371,824
Total cost	<u>465,317,242</u>	<u>18,685,316</u>	<u>(55,906,219)</u>	<u>-</u>	<u>428,096,339</u>
<b>Accumulated depreciation</b>					
Building improvement	(62,334,729)	(11,824,641)	6,337,663	-	(67,821,707)
Office equipment	(204,883,761)	(35,817,192)	9,896,546	-	(230,804,407)
Vehicles	<u>(48,602,040)</u>	<u>(11,410,278)</u>	<u>20,133,431</u>	<u>-</u>	<u>(39,878,887)</u>
Total accumulated depreciation	<u>(315,820,530)</u>	<u>(59,052,111)</u>	<u>36,367,640</u>	<u>-</u>	<u>(338,505,001)</u>
<b>Total building improvement and equipment - net</b>	<u>149,496,712</u>	<u>(40,366,795)</u>	<u>(19,538,579)</u>	<u>-</u>	<u>89,591,338</u>
Depreciation for the year ended December 31, 2007					<u>59,052,111</u>

As at December 31, 2008 and 2007, certain building improvement and equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 227 million and Baht 201 million, respectively.

## 12. INTANGIBLE ASSETS - NET

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at December 31, 2008					
	Remaining	Beginning	Additions	Amortization	Write-off/ Transfer out	Ending
	useful lives	balance				balance
	Baht	Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	-	803,836	-	-	-	803,836
Derivatives business	-	3,320,548	-	-	-	3,320,548
Private fund management	-	465,101	-	-	(992)	464,109
Computer software	1 - 5 years	<u>16,425,391</u>	<u>5,683,959</u>	<u>(4,747,530)</u>	<u>(2,358,315)</u>	<u>15,003,505</u>
Total		<u>21,014,876</u>	<u>5,683,959</u>	<u>(4,747,530)</u>	<u>(2,359,307)</u>	<u>19,591,998</u>
Amortization for the year ended December 31, 2008						<u>4,747,530</u>

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2007

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Mutual fund management	-	1,000,000	-	(196,164)	-	803,836
Derivatives business	-	4,320,548	-	(1,000,000)	-	3,320,548
Private fund management	-	56,490	500,000	(91,389)	-	465,101
Computer software	1 – 5 years	<u>10,240,643</u>	<u>9,673,480</u>	<u>(3,488,732)</u>	<u>-</u>	<u>16,425,391</u>
Total		<u>15,617,681</u>	<u>10,173,480</u>	<u>(4,776,285)</u>	<u>-</u>	<u>21,014,876</u>

Amortization for the year ended December 31, 2007 4,776,285

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2008

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Derivatives business	-	3,320,548	-	-	-	3,320,548
Computer software	1-5 years	<u>15,931,366</u>	<u>5,158,579</u>	<u>(4,574,022)</u>	<u>(2,314,466)</u>	<u>14,201,457</u>
Total		<u>19,251,914</u>	<u>5,158,579</u>	<u>(4,574,022)</u>	<u>(2,314,466)</u>	<u>17,522,005</u>

Amortization for the year ended December 31, 2008 4,574,022

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2007

	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Derivatives business	-	4,320,548	-	(1,000,000)	-	3,320,548
Computer software	1 - 5 years	<u>10,132,381</u>	<u>9,170,660</u>	<u>(3,371,675)</u>	<u>-</u>	<u>15,931,366</u>
Total		<u>14,452,929</u>	<u>9,170,660</u>	<u>(4,371,675)</u>	<u>-</u>	<u>19,251,914</u>

Amortization for the year ended December 31, 2007 4,371,675

Intangible assets occurred from deferred license fees have no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Therefore, the Company has not amortized such intangible assets since January 1, 2008 but those assets are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

13. DEFERRED INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2008 Baht	December 31, 2007 Baht	December 31, 2008 Baht	December 31, 2007 Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,417,187	1,540,624	2,417,187	1,540,624
Allowance for loss on impairment of investments	23,962,814	8,647,709	23,962,814	8,647,709
Amortization of intangible assets	3,317,808	7,131,370	3,317,808	7,131,370
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	516,960	1,235,391	516,960
- Available-for-sale securities	1,223,541	-	1,223,541	-
Tax loss	33,400,593	-	33,400,593	-
Other assets	74,034	61,842	74,034	61,842
	<u>65,631,368</u>	<u>17,898,505</u>	<u>65,631,368</u>	<u>17,898,505</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	-	553,329	-
- Available-for-sale securities	-	1,534,078	-	1,534,078
	<u>553,329</u>	<u>1,534,078</u>	<u>553,329</u>	<u>1,534,078</u>
Deferred tax - net	<u>65,078,039</u>	<u>16,364,427</u>	<u>65,078,039</u>	<u>16,364,427</u>

The movements of deferred income tax are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2008 Baht	December 31, 2007 Baht	December 31, 2008 Baht	December 31, 2007 Baht
Beginning balances for the years	16,364,427	39,573,519	16,364,427	37,867,452
Charges to the statements of income (see Note 29)	45,955,994	(21,035,716)	45,955,994	(19,329,649)
Item in shareholders' equity	2,757,618	(2,173,376)	2,757,618	(2,173,376)
Ending balances for the years	<u>65,078,039</u>	<u>16,364,427</u>	<u>65,078,039</u>	<u>16,364,427</u>

**14. OTHER ASSETS**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Accrued advisory fee income	2,851,118	3,571,259	2,851,118	3,571,259
Accrued interest income	5,490,935	2,812,268	5,416,995	1,818,991
Prepaid insurance	1,647,342	1,368,002	1,235,658	1,312,932
Prepaid repair and maintenance	1,932,860	2,661,946	1,927,962	2,630,197
Deposits TFEX, TCH and Net				
Clearing Fund	30,674,716	27,692,904	30,674,716	27,692,904
Other deposits	21,784,176	23,128,265	21,424,601	22,245,360
Fund management fee and service				
income receivables	32,967	21,463,872	-	-
Foreclosed properties	2,848,663	2,938,663	2,848,663	2,938,663
Corporate income tax claim receivable	26,037,900	25,923	25,949,801	-
Others	7,733,860	7,909,827	5,537,256	5,293,006
<b>Total</b>	<b>101,034,537</b>	<b>93,572,929</b>	<b>97,866,770</b>	<b>67,503,312</b>

**15. CONVERTIBLE BORROWINGS**

As at December 31, 2007, convertible borrowings in the consolidated balance sheet represented Thai Baht loans of the subsidiary from foreign related parties. The borrowings are due at call but not more than 5 years, maturing in August 2008, and carry interest at a rate of 5 percent per annum, payable quarterly. The lenders have the right but not the obligation to convert the borrowings to equity in the subsidiary at par value, up to a maximum of 500,000 ordinary shares, or not more than 20% of the capital of the subsidiary, from August 2005 until the maturity per the loan agreement. However, their shareholdings in that subsidiary must be in compliance with the law. In addition, the lenders have the right to receive additional interest payments from the subsidiary equivalent to what their entitlement to dividends would be if the outstanding loan balance had already been converted into ordinary shares. As at December 31, 2008, the consolidated balance sheet did not include such convertible borrowings as the Company has sold such subsidiary during this year (see Notes 2 and 7).

## 16. 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.

Subsequently, 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 December 31, 2008, the Company has not issued such debentures.

## 17. 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 December 31, 2008, the Company has not issued such derivatives debentures.

## 18. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Accrued expenses	3,875,557	10,798,351	3,112,020	8,759,583
Withholding tax payable	4,444,169	4,278,100	4,384,458	4,165,863
Value-added-tax payable	2,606,017	4,360,629	2,606,017	3,066,967
Others	4,308,319	5,953,845	4,308,319	5,865,021
Total	<u>15,234,062</u>	<u>25,390,925</u>	<u>14,410,814</u>	<u>21,857,434</u>

## 19. SHARE CAPITAL

### Registered 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 ratio 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.

During the year ended December 31, 2007, the Company registered its additional paid-up share capital of Baht 145,599 due to the exercises of warrants amounting to 142,100 units, equivalent to 145,599 shares (see Note 21.2). As at December 31, 2007, the Company had paid-up share capital totalling Baht 833,704,064.

During the year ended December 31, 2008, the Company registered its additional paid-up share capital of Baht 54,805 due to the exercises of warrants amounting to 49,900 units, equivalent to 54,805 shares (see Note 21.2). As at December 31, 2008, the Company has paid-up share capital totalling Baht 833,758,869.

### Net asset value

As at December 31, 2008 and 2007, 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 3.11 per share and Baht 3.35 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.

## 20. 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.

As at December 31, 2008, the Company had 8,695,900 treasury shares, representing 1.04% 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 19.40 million.

## 21. WARRANTS

### 21.1 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 September 30, 2005). Such warrants will be matured on May 6, 2009.

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 on April 18, 2007, were amended to a ratio of 1 warrant to 1.09832 ordinary shares, with the exercise price of Baht 5.463 per share.

During the year ended December 31, 2008, no warrants were exercised. As at December 31, 2008, the outstanding warrants, which have been allotted but not exercised, are 201,214,034 units. (As at December 31, 2007: 201,214,034 units and no warrants were exercised during the year ended December 31, 2007)

#### 21.2 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 warrants will be 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 the shareholders meeting on April 18, 2007, 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.

During the year ended December 31, 2008, the employees exercised their warrants amounting to 49,900 units, equivalent to 54,805 shares or the increase in share capital of Baht 54,805 (For the year ended December 31, 2007 : 142,100 units, 145,599 shares, or Baht 145,599). As at December 31, 2008, the outstanding warrants, which have been allotted but not exercised, are 1,576,058 units. (As at December 31, 2007: 1,625,958 units)

#### 21.3 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. 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 issue of such warrants was not recorded as an accounting expense. Such warrants will be matured on February 28, 2013.

During the year ended December 31, 2008, the employees did not exercise their warrants. As at December 31, 2008, the outstanding warrants, which have been allotted but not exercised, are 16,432,100 units.

## **22. DIVIDEND**

At the ordinary shareholders' meeting held on April 18, 2007, a dividend in respect of the operating result for the year ended December 31, 2006 and retained earnings of Baht 0.50 per share amounting to a total of Baht 389.71 million (net of 53.87 million shares of treasury stock) was approved to be payable to shareholders. Dividends were paid on April 27, 2007.

On April 21, 2008, the ordinary shareholders' meeting No.1/2008 has the resolution to approve not to pay dividend in respect of the operating result for the year ended December 31, 2007.

Subsequently, on August 26, 2008, the Board of Directors' meeting No. 5/2008 has passed a resolution to pay an interim dividend to the Company's shareholders in respect of the operating result for the six-month period ended June 30, 2008 of Baht 0.05 per share amounting to Baht 41.67 million. Such interim dividends were paid on September 23, 2008.

## **23. CAPITAL RISK MANAGEMENT**

23.1 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 December 31, 2008 and 2007, the Company has net liquid capital ratio higher than the requirement of the Office of the Securities and Exchange Commission and has shareholders' equity higher than the requirement of TCH.

In addition, the objectives of the 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 December 31, 2008 and 2007, 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.

#### 23.2 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.

#### 23.3 Statutory reserve

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

As at December 31, 2008 and 2007, the statutory reserve has already reached 10% of registered capital.

#### 23.4 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 December 31, 2008, the Company has appropriated the retained earnings as the treasury stock reserve for the whole amount.

**24. FEES AND SERVICE INCOME**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Underwriting fees	7,118,930	4,326,625	7,118,930	4,326,625
Financial advisory fees	5,585,949	20,902,542	5,585,949	20,902,542
Private fund management and mutual fund management	379,286	22,999,318	-	-
Others	526,679	934,817	526,679	934,817
Total	<u>13,610,844</u>	<u>49,163,302</u>	<u>13,231,558</u>	<u>26,163,984</u>

**25. FEES AND SERVICE EXPENSES**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Brokerage fees paid to the Stock Exchange of Thailand	31,160,271	18,476,557	31,160,271	18,476,557
Amortization of private fund, mutual fund and derivative licenses	500,000	2,313,219	-	1,000,000
Others	1,700,751	2,183,004	1,501,971	2,263,563
Total	<u>33,361,031</u>	<u>22,972,780</u>	<u>32,662,251</u>	<u>21,740,120</u>

**26. 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 2008 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 21, 2008 and April 18, 2008, respectively. Directors' remuneration for the year 2007 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 18, 2007 and April 27, 2007, respectively.

**27. OTHER EXPENSES**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Entertainment expenses	9,088,63	8,086,821	9,086,09	8,039,087
Publication and marketing expenses	10,974,10	9,398,596	9,941,00	8,233,843
Traveling expenses	12,373,07	9,187,123	12,255,59	7,846,142
SET Fee	3,536,89	3,562,606	3,536,89	3,562,606
Stationery and office supply	6,093,26	5,496,231	5,973,02	5,378,447
Others	20,963,50	16,935,018	20,199,18	14,726,031
Total	<u>63,029,46</u>	<u>52,666,395</u>	<u>60,991,78</u>	<u>47,786,156</u>

**28. 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 years ended December 31, 2008 and 2007, the Company has contributed Baht 9.9 million and Baht 7.5 million, respectively and the subsidiary has contributed Baht 0.2 million in each year.

**29. CORPORATE INCOME TAX**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Corporate income tax paid	(390,000)	(16,187,113)	(390,000)	(15,796,644)
Deferred income tax - income (expenses) (see Note 13)	<u>45,955,99</u>	<u>(21,035,716)</u>	<u>45,955,994</u>	<u>(19,329,649)</u>
Income tax - income (expenses)	<u>45,565,99</u>	<u>(37,222,829)</u>	<u>45,565,994</u>	<u>(35,126,293)</u>

Reconciliation of income tax expenses 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 years ended		For the years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	Baht	Baht	Baht	Baht
Net income (loss) before tax	(219,123,511)	87,622,163	(204,278,171)	107,180,512
Tax rate	25%, 30%	30%	25%	30%
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	57,874,43	(26,286,649)	51,069,54	(32,154,154)
Effect of the non-deductible income and expense	(5,491,256)	(3,073,694)	(5,503,549)	(2,972,139)
Loss carried forward	(6,817,184)	(6,990,477)	-	-
Write-off of deferred tax asset	-	(872,009)	-	-
Income tax - income (expenses)	45,565,99	(37,222,829)	45,565,99	(35,126,293)

### 30. RECONCILIATION OF DILUTED EARNINGS (LOSS) PER SHARE

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the years ended December 31,					
	Net income (loss)		Weighted average		Earnings (loss) per share	
	2008	2007	number of ordinary shares	number of ordinary shares	2008	2007
Baht	Baht	Shares	Shares	Baht	Baht	
<b>Basic earnings (loss) per share</b>						
Net income (loss)	(173,557,517)	49,340,334	831,240,184	800,554,145	(0.209)	0.062
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (see Note 21)	-	-	1,089,899	1,341,588	-	-
Convertible borrowings (see Note 15)	-	294,000	-	500,000	-	-
<b>Diluted earnings (loss) per share</b>						
Net income (loss) of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	(173,557,517)	49,634,334	832,330,083	802,395,733	(0.209)	0.062

SEPARATE FINANCIAL STATEMENTS

For the years ended December 31,

	Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	2008	2007	2008	2007	2008	2007
	Baht	Baht	Shares	Shares	Baht	Baht
<b>Basic earnings (loss) per share</b>						
Net income (loss)	(158,712,177)	72,054,219	831,240,184	800,554,145	(0.191)	0.090
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (see Note 21)	-	-	1,089,899	1,341,588	-	-
<b>Diluted earnings (loss) per share</b>						
Net income (loss) of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>(158,712,177)</u>	<u>72,054,219</u>	<u>832,330,083</u>	<u>801,895,733</u>	<u>(0.191)</u>	<u>0.090</u>

### 31. 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 policies the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarized as follows:

Balances with related parties as at December 31, 2008 and 2007 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2008	As at December 31, 2007	As at December 31, 2008	As at December 31, 2007
	Baht	Baht	Baht	Baht
<b>Subsidiary</b>				
Seamico Knight Fund Management Securities Co., Ltd. (see Note 7)				
Investment in subsidiary	-	-	-	10,200,000
Other receivables	-	-	-	494,012
Seamico Asset Management Co., Ltd.				
Investment in subsidiary	-	-	52,426,923	100,000,000
Investment in mutual fund managed by subsidiary	35,143,680	50,593,000	35,143,680	50,593,000
Investment in private fund managed by subsidiary	156,947,204	-	156,947,204	-
Accrued private fund management fee expenses	-	-	55,497	-
Other receivables	-	-	50,103	45,481
Seamico Derivatives Co., Ltd.				
Investment pending for liquidation	1,000,000	1,000,000	1,000,000	1,000,000
<b>Associate</b>				
KTBSecurities Co., Ltd. (see Note 7)				
Investment in associate	395,514,266	-	437,505,000	-
Other receivables	145,484	-	145,484	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2008 Baht	December 31, 2007 Baht	December 31, 2008 Baht	December 31, 2007 Baht
<b>Related companies</b>				
<b>Under common directors</b>				
Brooker Group Plc.				
Other payables	-	300,000	-	300,000
Burda (Thailand) Co., Ltd.				
Investment in preference shares	-	2,550,000	-	2,550,000
Advisory fee receivables	93,844	112,613	93,844	112,613
Quam Securities Nominee (Singapore) Pte Ltd.				
Securities and derivatives business receivables	1,656,916	-	1,656,916	-
Securities and derivatives business payables	-	2,839,435	-	2,839,435
Deposit for securities business	4,950	-	4,950	-
Quam Securities Company Limited				
Securities and derivatives business receivables	4,440,948	-	4,440,948	-
Deposit for securities business	8,763,089	-	8,763,089	-
<b>Under common directors with subsidiary</b>				
Knight Asset Management Ltd.				
Fee and service accounts receivables	-	4,988,699	-	-
Accrued expenses	-	517,370	-	-
Knight PF Management Ltd.				
Fee and service accounts receivables	-	15,146,464	-	-
Knight Thai Strategic Investment Ltd.				
Convertible borrowings	-	5,000,000	-	-
Accrued interest payable on borrowings	-	294,000	-	-
Knight Asset (Thailand) Co., Ltd.				
Fee and service accounts receivables	-	284	-	-
Perrasia Investment Co., Ltd.				
Fee and service accounts receivables	-	79	-	-
<b>Related persons</b>				
Securities and derivatives business receivables	101,270	713,102	101,270	713,102
Securities and derivatives business payables	672,415	249,758	672,415	249,758
Deposit for securities business	3,936,602	-	3,936,602	-
Deposit for derivatives business	241,472	-	241,472	-

Significant transactions with related parties for the years ended December 31, 2008 and 2007 are as follows:

Subsidiary	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2008	2007	2008	2007	
Baht	Baht	Baht	Baht		
<b>Seamico Knight Fund Management Securities Co., Ltd. (see Note 7)</b>					
Commission received from private fund under management	-	906,933	-	906,933	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
Private fund management fee expenses	-	-	-	478,976	At rate determine under the contract at 1 percent of net asset value of fund managed and 20 percent of excess asset value of fund compared with returns of SET
Withdrawal of cash from fund managed by subsidiary	-	122,402,106	-	122,402,106	
<b>Seamico Asset Management Co., Ltd.</b>					
Commission received from mutual fund under management	5,199	6,493	5,199	6,493	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
Private fund management fee expenses	-	-	563,097	-	At rate determined under the contract at 0.4 percent per annum of net asset value of fund managed
Investment in ordinary shares	-	-	-	75,000,000	10 million shares at Baht 7.5 per share

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2008	2007	2008	2007	
	Baht	Baht	Baht	Baht	
Sale of equipment	-	1,167,254	-	1,167,254	At book value of assets on selling date
Purchase of equipment	48,271	-	48,271	-	At book value of assets on selling date
Sale of Government bond	-	10,703,442	-	10,703,442	At market price
Purchase of Government bond	22,381,651	20,380,316	22,381,651	20,380,316	At market price
Investment in mutual fund managed by subsidiary	40,000,000	50,000,000	40,000,000	50,000,000	2 million units at Baht 10 per unit and 1.95 million units at Baht 10.2432 per unit (2007 : 5 million units at Baht 10 per unit)
Withdrawal mutual fund managed by subsidiary	50,639,741	-	50,639,741	-	At net asset value 5 million units at Baht10.1279 per unit
Investment in private fund managed by subsidiary	140,000,000	-	140,000,000	-	At investment cost Baht 140 million
Other income	-	-	300,000	300,000	At the rate determined under the contract of Baht 25,000 per month
Fee from selling agent	-	-	35,335	-	Commission charged at 0.15 percent of NAV unit trust sold
<b>Seamico Derivatives Co., Ltd.</b>					
Sale of Government bond	-	708,663,256	-	708,663,256	At market price
Withdrawal of cash from ordinary shares	-	51,000,000	-	51,000,000	Proportionate to 51% interest in subsidiary due to liquidation
<b>Related companies</b>					
<b>Under common directors</b>					
<b>Brooker Group Plc.</b>					
Commission expenses	727,688	569,517	727,688	569,517	At the rate of 15 - 30 percent of fee income as determined under the contract
<b>Burda (Thailand) Co., Ltd.</b>					
Financial advisory income	206,456	225,225	206,456	225,225	At the rate determined under the contract of Baht 225,000 per year
<b>Syn Mun Kong Insurance Plc.</b>					
Commission received	-	61,035	-	61,035	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
<b>Mac Sharaf Securities (U.A.E) LLC</b>					
Other expenses	212,035	-	212,035	-	At actual amount of expenses

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2008	2007	2008	2007	
	Baht	Baht	Baht	Baht	
Srivisarvacha Foundation					
Sale of Government bond	7,305,754	-	7,305,754	-	At market price
G Steel Plc.					
Financial advisory fee income	500,500	-	500,500	-	At the rate determined under the contract
Quam Securities Nominee (Singapore) Pte Ltd.					
Commission received	2,378,083	5,609,594	2,378,083	5,609,594	Commission charged at 0.25 percent of the value of trades by cash accounts and 0.15 - 0.20 percent of the value of trades via internet, which is normal rate charged to other customers
Interest received - credit balance	-	2,116,590	-	2,116,590	Interest charged at the rate of 5.75 - 8.50 percent per annum
Interest expense - credit balance	-	35	-	35	Interest charged at the rate of 0.75 percent per annum
Quam Asset Management Limited					
Commission received	108,327	-	108,327	-	Commission charged at 0.25 percent of the value of trades by cash accounts and 0.15 - 0.20 percent of the value of trades via internet, which is normal rate charged to other customers
Quam Securities Company Limited					
Commission received	15,975	-	15,975	-	Commission charged at 0.25 percent of the value of trades by cash accounts and 0.15 - 0.20 percent of the value of trades via internet, which is normal rate charged to other customers
<b>Under common directors with subsidiary</b>					
Knight Thai Strategic Investment Ltd.					
Interest expenses on borrowings	-	294,000	-	-	Interest charged at the rate of 5 percent per annum under the contract
Knight Asian Investment Ltd.					
Commission received	-	252,354	-	252,354	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2008	2007	2008	2007	
	Baht	Baht	Baht	Baht	
Knight Asset Management Ltd.					
Fees and service income	-	4,340,999	-	-	Commission charged at 1 percent for private fund management, which is normal rate charged to other customers. For the consulting fee, it is agreed on case by case.
Other expenses	-	673,840	-	-	At actual amount of expenses
Knight Asset (Thailand) Co., Ltd.					
Fees and service income	-	1,366	-	-	At the rate determined under the contract
Knight Pacific Fund Co., Ltd.					
Commission received	-	299,991	-	299,991	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
Knight PF Management Ltd.					
Fees and service income	-	14,174,985	-	-	Commission charged at 1 percent for private fund management, which is normal rate charged to other customers. For the consulting fee, it is agreed on case by case.
Perrasia Investment Co., Ltd.					
Fees and service income	-	506	-	-	At the rate determined under the contract
<b>Related persons</b>					
Commission received	205,285	357,184	205,285	357,184	Commission charged at 0.25 percent of the value of trades by cash accounts, which is normal rate charged to other customers
Commission received from derivatives trading	17,718	-	17,718	-	Commission charged at Baht 450 per contract

On May 26, 2008, the Company has sold its own portion of investment in Seamico Knight Fund Management Securities Company Limited, a subsidiary (see Note 7), resulted in the changes in related company structure and the transactions with related companies from that date.

In addition, during the year ended December 31, 2008, the Company has invested in KTB Securities Co., Ltd.'s ordinary shares, equivalent to 48.81% of issued and paid-up share capital, resulting to that KTB Securities Co., Ltd. has become the Company's associate as at December 31, 2008.

## 32. COMMITMENTS

### Transactions with related parties

- 32.1 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. Such agreement has been extended to January 31, 2010. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.
- 32.2 On January 30, 2007, the Company entered into a two-year fee allocation agreement with Mac Capital Advisors 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 Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company. However, the Company did not continue such service agreement.
- 32.3 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.
- 32.4 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, 2009. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.

### Transactions with other business parties

- 32.5 As at December 31, 2008 and 2007, the Company had outstanding capital commitments totalling approximately Baht 2.5 million and Baht 1.4 million, respectively, for purchase of computer and office equipment, and 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
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	58.6	55.6	56.8	52.2
Over 1 year to 5 years	28.5	60.4	28.4	57.2
Total	87.1	116.0	85.2	109.4

32.6 During the year ended December 31, 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%. The objectives of this investment are to proceed securities brokerage, securities trading and investment advisory and other business which related to securities business. However, as at December 31, 2008, the Company has not yet invested in TCSC.

### **33. 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.

### **34. FINANCIAL INSTRUMENTS**

As at December 31, 2008 and 2007, the Company and its subsidiary have not speculated in or engaged in trading of any off-balance sheet financial derivatives instruments.

#### **34.1 Credit risk**

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

### 34.2 Interest rate risk

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

Unit : Million Baht

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2008

**Outstanding balances of net financial instruments**

	Repricing or maturity dates							Interest rate (%)		
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non-performing receivables	No interest	Total	Floating rate	Fixed rate
<b>Financial assets</b>										
Cash and cash equivalents	20	371	-	-	-	-	144	535	0.50-0.75	2.60-2.70
Investments in debt securities - net	-	-	325	79	210	-	-	614	-	2.22-16.35
Receivable from Clearing House	-	-	-	-	-	-	171	171	-	-
Securities and derivatives										
business receivables and			-							
accrued interest receivables	-	-	693	-	-	251	253	1,197	-	5.75-13.75
<b>Total</b>	<b>20</b>	<b>371</b>	<b>1,018</b>	<b>79</b>	<b>210</b>	<b>251</b>	<b>568</b>	<b>2,517</b>		
<b>Financial liabilities</b>										
Securities and derivatives										
business payables	-	-	-	-	-	-	360	360	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>	<b>360</b>		

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2007

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (%)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years	receivables	interest		rate	rate
<b>Financial assets</b>										
Cash and cash equivalents	81	422	-	-	-	-	214	717	0.38-2.00	3.24
Investments in debt securities - net	-	-	130	30	21	-	-	181	-	3.00-5.73
Receivable from Clearing House	-	-	-	-	-	-	38	38	-	-
Securities and derivatives										
business receivables and										
accrued interest receivables	-	-	1,707	-	-	9	566	2,282	-	5.75-8.50
<b>Total</b>	<b>81</b>	<b>422</b>	<b>1,837</b>	<b>30</b>	<b>21</b>	<b>9</b>	<b>818</b>	<b>3,218</b>		
<b>Financial liabilities</b>										
Convertible borrowings	-	-	5	-	-	-	-	5	-	5.00
Payable to Clearing House	-	-	-	-	-	-	156	156	-	-
Securities and derivatives										
business payables	-	-	-	-	-	-	570	570	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726</b>	<b>731</b>		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2008

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (%)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years	receivables	interest		rate	rate
<b>Financial assets</b>										
Cash and cash equivalents	18	330	-	-	-	-	144	492	0.50-0.75	2.60-2.70
Investments in debt securities - net	-	-	325	79	210	-	-	614	-	2.22-16.35
Receivable from Clearing House	-	-	-	-	-	-	171	171	-	-
Securities and derivatives										
business receivables and										
accrued interest receivables	-	-	693	-	-	251	253	1,197	-	5.75-13.75
<b>Total</b>	<b>18</b>	<b>330</b>	<b>1,018</b>	<b>79</b>	<b>210</b>	<b>251</b>	<b>568</b>	<b>2,474</b>		
<b>Financial liabilities</b>										
Securities and derivatives										
business payables	-	-	-	-	-	-	360	360	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>	<b>360</b>		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS										
As at December 31, 2007										
Outstanding balances of net financial instruments										
Repricing or maturity dates										
Floating interest rate	At call	Within			Over	Non-performing	No	Total	Interest rate (%)	
		1 year	1-5 years	5 years	receivables	interest	Floating rate		Fixed rate	
<b>Financial assets</b>										
Cash and cash equivalents	80	410	-	-	-	-	213	703	0.38-2.00	3.24
Investments in debt securities - net	-	-	100	30	-	-	-	130	-	3.00-5.73
Receivable from Clearing House	-	-	-	-	-	-	38	38	-	-
Securities and derivatives business receivables and accrued interest receivables	-	-	1,707	-	-	9	566	2,282	-	5.75-8.50
<b>Total</b>	<b>80</b>	<b>410</b>	<b>1,807</b>	<b>30</b>	<b>-</b>	<b>9</b>	<b>817</b>	<b>3,153</b>		
<b>Financial liabilities</b>										
Payable to Clearing House	-	-	-	-	-	-	156	156	-	-
Securities and derivatives business payables	-	-	-	-	-	-	570	570	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726</b>	<b>726</b>		

### 34.3 Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of December 31, 2008 and 2007 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2008							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	371	-	-	-	164	-	535
Investments in debt and equity securities - net	-	325	79	210	49	-	663
Receivable from Clearing House	-	171	-	-	-	-	171
Securities and derivatives business receivables and accrued interest receivables	-	253	-	-	693	251	1,197
<b>Total</b>	<b>371</b>	<b>749</b>	<b>79</b>	<b>210</b>	<b>906</b>	<b>251</b>	<b>2,566</b>
<b>Financial liabilities</b>							
Securities and derivatives business payables	-	360	-	-	-	-	360
<b>Total</b>	<b>-</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2007

Outstanding balances of net financial instruments

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	422	-	-	-	295	-	717
Investments in debt and equity securities - net	-	130	30	21	171	-	352
Receivable from Clearing House	-	38	-	-	-	-	38
Securities and derivatives business receivables and accrued interest receivables	-	566	-	-	1,707	9	2,282
<b>Total</b>	<b>422</b>	<b>734</b>	<b>30</b>	<b>21</b>	<b>2,173</b>	<b>9</b>	<b>3,389</b>
<b>Financial liabilities</b>							
Convertible borrowings	-	5	-	-	-	-	5
Payable to Clearing House	-	156	-	-	-	-	156
Securities and derivatives business payables	-	570	-	-	-	-	570
<b>Total</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>731</b>

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2008

Outstanding balances of net financial instruments

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	330	-	-	-	162	-	492
Investments in debt and equity securities - net	-	325	79	210	49	-	663
Receivable from Clearing House	-	171	-	-	-	-	171
Securities and derivatives business receivables and accrued interest receivables	-	253	-	-	693	251	1,197
<b>Total</b>	<b>330</b>	<b>749</b>	<b>79</b>	<b>210</b>	<b>904</b>	<b>251</b>	<b>2,523</b>
<b>Financial liabilities</b>							
Securities and derivatives business payables	-	360	-	-	-	-	360
<b>Total</b>	<b>-</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2007

Outstanding balances of net financial instruments

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	410	-	-	-	293	-	703
Investments in debt and equity securities - net	-	100	30	-	171	-	301
Receivable from Clearing House	-	38	-	-	-	-	38
Securities and derivatives							
business receivables and accrued interest receivables	-	566	-	-	1,707	9	2,282
<b>Total</b>	<b>410</b>	<b>704</b>	<b>30</b>	<b>-</b>	<b>2,171</b>	<b>9</b>	<b>3,324</b>
<b>Financial liabilities</b>							
Payable to Clearing House	-	156	-	-	-	-	156
Securities and derivatives							
business payables	-	570	-	-	-	-	570
<b>Total</b>	<b>-</b>	<b>726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726</b>

#### 34.4 Foreign exchange risk

As at December 31, 2008 and 2007, the Company and its subsidiary do not have any material financial instruments in foreign currency.

#### 34.5 Fair value

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

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

As at December 31, 2008 and 2007, fair values of financial assets and financial liabilities are not significantly different from their book values except for general investments in non-listed equity securities as follows:

	As at December 31, 2008		As at December 31, 2007	
	Book Value	Fair Value	Book Value	Fair Value
	Baht	Baht	Baht	Baht
Financial assets				
Investments in equity securities	125,000	7,045,100	7,945,000	23,693,447

### 35. SUBSEQUENT EVENTS

On January 30, 2009, the extraordinary shareholders' meeting No. 1/2009 has passed a resolution with insufficient votes to approve the transfer of business and margin loan accounts to KTB Securities Co., Ltd. (see Note 7).

However, on February 12, 2009, the Board of Directors' meeting No. 2/2009 has passed a resolution to review details of the transfer of business and margin loan accounts to KTB Securities Co., Ltd. in order to re-propose to the shareholders for their approval, which included the plan for usage of money derived from business and margin loan accounts transfer as follows :

- 1) Approximately Baht 500 million will be reserved for the subscription of new share issued according to KTB Securities Co., Ltd.'s capital increase plan.
- 2) Approximately Baht 300 million will be reserved for KTB Securities Co., Ltd.'s capital increase plan as necessary in the future.
- 3) Approximately Baht 100 million will be used for a new direct investment business such as to set up the Private Equity Fund for the investment in Thailand and Indochina. The investment targets will be companies or projects, which have potential business but have limited funding sources.
- 4) The remaining cash will be reserved for business operation as necessary. The remaining cash after reserved for operating expense and investment will be considered to return to the shareholders.

The Company has already called for the extraordinary shareholders' meeting No.2/2009, which will be held on March 20, 2009, for considering the approval of the transfer of business and margin loan accounts to KTB Securities Co., Ltd.

### 36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 23, 2009.