

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

As at December 31, 2010 and 2009, the Company has one head office. Total number of personnel of the Company and subsidiary are 30 and 25 persons, respectively, and the Company only total number of personnel are 5 persons.

As described in Note 6, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. as a joint venture vehicle.

During the year 2008, the Company invested in KT ZMICO Securities Co., Ltd.’s ordinary shares. As at December 31, 2008, the Company hold the investment in equivalent to 48.81% of issued and paid-up share capital, resulting to that KT ZMICO Securities Co., Ltd. has become the Company’s associate. During the year 2009, the Company additionally invested in such company. As at December 31, 2009, the company holds the investment in equivalent to 49.45% of issued and paid-up share capital. In addition, in the second quarter of year 2010, the Company additionally invested in such company. As at December 31, 2010, the Company hold the investment in equivalent to 49.54% of issued and paid-up share capital of such associated company (see Note 6).

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

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 These financial statements have been prepared in accordance with the accounting standards and practices generally accepted in Thailand and in accordance with the Notifications of the Office of the Securities and Exchange Commission (“SEC”). No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding “The Form of Financial Statements for Securities Companies”.

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

On December 15, 2010, the Office of Securities and Exchange Commission issued the Notification No. SorTor/Kor/Nor. 53/2553 regarding “The Form of Financial Statements for Securities Companies” to be effective of the financial statements for the accounting period since January 1, 2011 onwards.

- 2.2 Disclosure regarding accounting standards issued but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

- a) TAS, TFRS and TFRI which are effective on January 1, 2011:

TAS

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

TFRS

TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

TFRI

TFRI 15	Agreements for the Construction of Real Estate
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The management of the Company and its subsidiary will adopt the above TAS, TFRS and TFRI relevant to the Company in the preparation of Company's financial statements when they become effective. The Company's management has assessed the effects of these standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied. This excludes TAS 19 "Employee Benefits" for which management is still evaluating the first-year impact to the financial statements, and has yet to reach a conclusion.

b) TAS which are effective on January 1, 2013:

TAS

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

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

- 2.3 The consolidated financial statements for the years ended December 31, 2010 and 2009 included the accounts of the Company and Seamico Asset Management Co., Ltd., which the Company has a holding of 100% in its equity.

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

The consolidated financial statements for the years ended December 31, 2010 and 2009 included interest in associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd.

The accounting period and significant accounting policies used for the financial statements of subsidiary and associated companies are the same as those of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 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.

3.2 Interest on borrowing

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

3.3 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.

3.4 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.

3.5 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 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.

3.6 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 associated companies are accounted for under the equity method in the consolidated financial statements.

3.7 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”.

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

- a) Assets classified as loss are to satisfy the following criteria:
 - 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
 - 2) Loan balances which the Company has forgiven

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

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

3.9 Building improvement and equipment

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

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

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

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 recognized as an expense when incurred.

Impairment

Assets are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceed its recoverable amount, an impairment loss is recognized in statements of income immediately.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of building improvement and equipment. These are included in the statements of income.

3.10 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable property and golf membership which is stated at the lower price of cost amount or fair value after deducting cost of sale. Loss from impairment will be recorded as expense in the statement of income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of income at the date of disposal.

3.11 Intangible assets

Intangible assets which 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 consist of deferred license fees which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

3.12 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.

3.13 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.

3.14 Provision for liabilities

The Company and its subsidiary recognize 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.

3.15 Provident fund

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

3.16 Income tax

The Company and its subsidiary have early adopted Thai Accounting Standard No.12 "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.

3.17 Earnings per share

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

The Company and its subsidiary do not have any common share equivalents which would have a dilutive effect on earnings per share.

3.18 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.

3.19 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 and securities business receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.20 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 and its subsidiary, 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.

3.21 Accounting estimates

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.

4. 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,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash on hand	143,198	144,096	133,198	139,096
Current, savings and fixed deposits	73,978,157	55,245,413	69,380,282	45,504,031
Promissory notes with maturity				
less than 3 months	115,000,000	250,000,000	100,000,000	220,000,000
<u>Less</u> Cash deposits held for customers*	<u>(22,322,700)</u>	<u>(41,923,530)</u>	<u>(22,284,697)</u>	<u>(41,846,530)</u>
Total cash and cash equivalents	<u>166,798,655</u>	<u>263,465,979</u>	<u>147,228,783</u>	<u>223,796,597</u>

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

As at December 31, 2010 and 2009, the Company had deposits at financial institutions and promissory notes in the consolidate balance sheets in amounting to Baht 22.32 million and Baht 41.92 million, respectively, and the separate balance sheets in amounting to Baht 22.28 million and Baht 41.85 million, respectively, which the Company must return to the customers at call.

As at December 31, 2010 and 2009, the deposits for securities trading which were transferred from KT ZMICO Securities Co., Ltd. since October 1, 2009 were remained securities trading of Baht 12.70 million and Baht 32.51 million, respectively (securities cash customer and credit balance of 735 accounts and 3,414 accounts, respectively) and were remained derivative business trading of Baht 1.26 million and Baht 1.34 million, respectively (derivatives business receivables of 310 accounts and 324 accounts, respectively). However, when customers have opened account agreements for securities trading at KT ZMICO Securities Co., Ltd., cash deposits of these customers account will be returned to KT ZMICO Securities Co., Ltd. (see Note 6).

5. INVESTMENTS IN DEBT AND EQUITY SECURITIES - NET

5.1 As at December 31, 2010 and 2009, the Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2010		As at December 31, 2009	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
Short-term investments				
<u>Trading securities</u>				
Equity securities - Listed securities	6,375,368	4,726,566	16,715,353	15,147,778
Debt securities - Bill of exchange	-	-	193,145,402	194,607,064
Debt securities - Promissory notes	-	-	79,632,843	79,859,847
Debt securities - Corporate bonds	-	-	111,538,528	112,713,359
Total	6,375,368	4,726,566	401,032,126	402,328,048
<u>Add (Less)</u> Revaluation adjustments	(1,648,802)	-	1,295,922	-
Total trading securities - net	4,726,566	4,726,566	402,328,048	402,328,048
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	-	-	17,940,000	7,930,000
Equity securities - Unit trust	40,650,105	51,385,567	40,650,105	43,548,105
Total	40,650,105	51,385,567	58,590,105	51,478,105
<u>Add</u> Revaluation adjustments	10,735,462	-	2,898,000	-
<u>Less</u> Allowance for loss on impairment	-	-	(10,010,000)	-
Total available-for-sale securities - net	51,385,567	51,385,567	51,478,105	51,478,105
Total short-term investments - net	56,112,133	56,112,133	453,806,153	453,806,153
Long-term investments				
<u>Available-for-sale securities</u>				
Debt securities - Corporate bonds	-	-	3,206,558	3,204,225
<u>Less</u> Revaluation adjustments	-	-	(2,333)	-
Total available-for-sale securities - net	-	-	3,204,225	3,204,225
<u>General investments</u>				
Ordinary shares	178,298,668	81,028,144	178,298,668	156,575,359
Preference shares	125,000	125,000	125,000	125,000
Total	178,423,668	81,153,144	178,423,668	156,700,359
<u>Less</u> Allowance for loss on impairment	(97,270,524)	-	(21,788,312)	-
Total general investments - net	81,153,144	81,153,144	156,635,356	156,700,359
Total long-term investments - net	81,153,144	81,153,144	159,839,581	159,904,584
Total investments in debt and equity securities - net	137,265,277	137,265,277	613,645,734	613,710,737

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

On October 29, 2009, the Board of Directors Meeting No. 7/2009 approved to sell all investment of 18.88% in Thanh Cong Securities Company J.S.C., a securities company in Vietnam, to KT ZMICO Securities Company Limited, associated company. The Board of Directors approved to sell all investment at the price of Baht 161.24 million (cost of Baht 156 million) and authorized the management discretionary proceeding for the completion of the sale of investment. As at December 31, 2009, the Company has not sold such investment.

On May 12, 2010, the Board of Directors Meeting No. 3/2010 newly approved to sell all investments in TCSC to KT ZMICO Securities Company Limited, associated company. The Board of Directors approved to sell all investments at the price of Baht 147.66 million and authorized the management discretionary proceeding for the completion of the sale of investment. As at December 31, 2010, the Company has not sold such investment. However, the Company recorded an allowance for loss on impairment in amount of Baht 75.48 million.

5.2 Gain (loss) on trading in securities and derivatives

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on trading securities	(2,944,724)	4,024,170	(2,944,724)	4,024,170
Gain on sale of trading securities	6,730,728	14,152,137	6,730,728	14,152,137
Gain on sale of available-for-sale securities	1,327,587	650,104	1,327,587	650,104
Reversal (loss) on impairment of general investments	(75,482,212)	9,669,500	(75,482,212)	9,669,500
Loss on write-off general investments	-	(9,180,750)	-	(9,180,750)
Loss on impairment of available-for-sale securities	10,010,000	1,365,000	10,010,000	1,365,000
Loss on sale of derivatives contracts	-	(4,500)	-	(4,500)
Gain on sale of investment in subsidiary	-	11,046	-	475,652
Total	<u>(60,358,621)</u>	<u>20,686,707</u>	<u>(60,358,621)</u>	<u>21,151,313</u>

5.3 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,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Interest income	2,171,402	5,079,217	2,171,402	5,079,217
Dividend	1,507,224	275,017	42,983,274	275,017
Total	<u>3,678,626</u>	<u>5,354,234</u>	<u>45,154,676</u>	<u>5,354,234</u>

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

Unit: Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2010			As at December 31, 2009		
	Mature within		Total	Mature within		Total
1 year	2 - 5 years	1 year		2 - 5 years		
Short-term investments						
Trading securities						
Bill of exchange	-	-	-	193,145,402	-	193,145,402
Promissory notes	-	-	-	79,632,843	-	79,632,843
Corporate bonds	-	-	-	111,538,528	-	111,538,528
Add (Less) Revaluation adjustments	-	-	-	2,863,497	-	2,863,497
Total - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,180,270</u>	<u>-</u>	<u>387,180,270</u>
Long-term investments						
Available-for-sale securities						
Corporate bonds	-	-	-	3,206,558	-	3,206,558
Less Revaluation adjustments	-	-	-	(2,333)	-	(2,333)
Total - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,204,225</u>	<u>-</u>	<u>3,204,225</u>
Total debt securities - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,384,495</u>	<u>-</u>	<u>390,384,495</u>

5.5 Revaluation surplus (deficit) in investments in securities recognized in the shareholders' equity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Beginning balance of the year	1,923,074	(4,123,363)	2,171,750	(3,670,622)
Changes during the year				
- from deferred tax adjustment	(2,496,721)	(1,947,458)	(2,496,721)	(1,947,458)
- from revaluation	7,837,462	8,268,783	7,837,462	8,268,783
- from sale	2,333	(478,953)	2,333	(478,953)
- from share of profit (loss) in associated companies	(1,256,362)	204,065	-	-
Ending balance of the year	<u>6,009,786</u>	<u>1,923,074</u>	<u>7,514,824</u>	<u>2,171,750</u>

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

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

6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - NET

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

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at							
			December 31, 2010	December 31, 2009						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,538	49.54	49.45	1,087.5	937.5	1,185.1	967.4
Total							1,087.5	937.5	1,185.1	967.4
SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of holding		Cost method		Equity method	
			As at							
			December 31, 2010	December 31, 2009						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Seamico Asset Management Co., Ltd.	Mutual and private fund management	Ordinary share	130	120	100	100	130	120	31.0	51.2
<u>Less</u>	Allowance for impairment						(99.0)	(68.8)	-	-
							31.0	51.2	31.0	51.2
Associate										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	1,838	1,538	49.54	49.45	1,087.5	937.5	1,185.1	967.4
Total - net							1,118.5	988.7	1,216.1	1,018.6

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

	As at December 31, 2010 Million Baht	As at December 31, 2009 Million Baht
Total assets	4,470.91	3,386.54
Total liabilities	2,407.34	1,759.47
Net assets	<u>2,063.57</u>	<u>1,627.07</u>
	For the year ended December 31, 2010 Million Baht	For the year ended December 31, 2009 Million Baht
Total revenue	1,646.83	1,040.01
Net income for the years	223.09	116.07
Share of profits of associated company accounted for under equity method	110.51	57.48
Dividend from associated company	41.48	-

During the year 2008, the Company has a partnership plan to develop securities business with Krung Thai Bank Plc., using KT ZMICO Securities Co., Ltd. as a joint venture vehicle. According to such plan, the Company will acquire up to 50% of issued and paid-up share capital of KT ZMICO Securities Co., Ltd.

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

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

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

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

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

- 1) The Company will receive Baht 60 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2009 providing that EBITDA of the year 2009 is not less than Baht 250 million (excluding (i) the extraordinary item related to employee benefit and severance payment resulting from the integration of the businesses and (ii) any additional bad debt account resulting from the depreciation of the value of securities which were acquired before September 15, 2008). In case where EBITDA of the year 2009 is less than Baht 250 million, such receipt shall be deferred to the year 2010 and be made together with the 2010 receipt. If the business transfer does not occur at the beginning of the year, the 2009 receipt and EBITDA prescribed for the year 2009 shall be pro-rated based on the remaining period from the date on which the business is transferred.
- 2) The Company will receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of the year 2010 providing that EBITDA of the year 2010 is not less than Baht 350 million. In the case that EBITDA of the year 2010 is less than Baht 350 million, the 2010 receipt shall be deferred to year 2011 and be made together with the 2011 receipt. In the case that the 2009 payment has not been made, the 2009 receipt and 2010 receipt will be made within 15 days from the date on which the Company’s shareholders meeting approve the audited financial statement of year 2010 providing that the aggregate amount of the EBITDA of years 2009 and 2010 is not less than Baht 600 million. Otherwise, both receipt shall be deferred to the year 2011 and be made together with the 2011 receipt.
- 3) The Company will be receive Baht 70 million within 15 days from the date on which the KT Zmico Securities Co., Ltd.’ shareholders meeting approve the audited financial statements of year 2011 providing that EBITDA of year 2011 is not less than Baht 400 million. In case where EBITDA of year 2011 is less than Baht 400 million, the 2011 receipt shall be made subject to the following paragraph.

In the case where there is an outstanding payment at the end of year 2011, the outstanding amount shall be paid within 15 days from the date on which the Company’s shareholder meeting approve the audited financial statement of year 2011 and the amount of payment will be adjusted on a pro-rata basis based on the comparison of (a) the actual EBITDA from 2009 to 2011 with (b) the estimated 3-year-period EBITDA in the amount of Baht 1,000 million providing that such adjusted outstanding payment shall be deducted by the amount that has already been made and the payment shall not be more than Baht 200 million.

On May 4, 2009, the Company transferred margin loan accounts with the value on the transferring date of Baht 834 million to KT ZMICO Securities Co., Ltd. The Company received returns on the transferring date of Baht 687 million. The remaining returns of Baht 147 million were received in June 2009 by Baht 125 million and in July 2009 by Baht 22 million. Such receivables had already signed the open account agreements with KT ZMICO Securities Co., Ltd. (see Note 7).

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

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

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

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

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

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

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

As at April 22, 2010, the Company additionally invested in KT ZMICO Securities Co., Ltd. by 18,181,800 shares which is 8.25 Baht/share totally amount of Baht 149.99 million. The percentage of investment increased from 49.45% to 49.54% which is 110.35 million shares in amount of Baht 1,087.5 million as at December 31, 2010.

For the year ended December 31, 2010, the associated company calculated depreciation and sold part of transferred assets and its business to the third parties, therefore, the Company recorded “unrealized gain on transfer of assets and its business to the associated company” as gain on transfer of assets and its business to associated in the consolidated statements of income by Baht 9.94 million. The Company recorded unrealized gain on such transferred assets and its business to the associated company which occurred from the part of transferred its business amount of Baht 101.43 million.

The separate financial statements for the year ended December 31, 2010, the Company recorded additional gain on transfer of assets and its business to associated company of Baht 71.82 million and recorded an accrued income from associate company at the same amount as at December 31, 2010 as part of the remaining Baht 200 million which the Company will receive from the associated company, due to the associated company is able to generate EBITDA for the year ended December 31, 2010 according to the conditions as agreed between the Company and the associated company. However, the Company recognized such gain on transfer of assets and its business as income in the consolidated statements of income by Baht 36.30 million according to the shareholding percentage of the third parties in the associated company of 50.46%. The remaining amount of Baht 35.52 million was additionally recorded as unrealized gain on transfer of assets and its business to the associated company. In the consolidated balance sheet as at December 31, 2010, the Company has unrealized gain on transferred assets to the associated company in amount of Baht 136.95 million.

7. SECURITIES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES - NET

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Other receivables		
Receivables under litigation	130,901,691	131,611,293
Instalment receivables	7,091	53,283
Other receivables	156,106,704	170,401,841
Total securities business receivables	287,015,486	302,066,417
<u>Less</u> Allowance for doubtful accounts (see Note 8)	(285,666,332)	(286,481,115)
Total	1,349,154	15,585,302

On May 4, 2009, the Company transferred margin loan accounts of Baht 834 million to KT ZMICO Securities Co., Ltd. (see Note 6).

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2010			As at December 31, 2009		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Substandard debts	1,349,154	-	1,349,154	15,585,302	-	15,585,302
Doubtful debts	285,666,332	(285,666,332)	-	286,481,115	(286,481,115)	-
Total	287,015,486	(285,666,332)	1,349,154	302,066,417	(286,481,115)	15,585,302

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Over 9 months to 12 months	-	100,744,438
Over 1 year to 3 years	279,509,432	193,114,964
Over 3 years	7,506,054	8,207,015
Total	<u>287,015,486</u>	<u>302,066,417</u>

8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Beginning balances of the years	286,481,115	250,726,115
<u>Add</u> Doubtful accounts (reversal)	<u>(814,783)</u>	<u>35,755,000</u>
Ending balances of the years (see Note 7)	<u>285,666,332</u>	<u>286,481,115</u>

9. BUILDING IMPROVEMENT AND EQUIPMENT - NET

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2009	Increase	Decrease	Balance as at December 31, 2010
	Baht	Baht	Baht	Baht
Cost				
Building improvement	2,012,836	-	-	2,012,836
Office equipment	11,640,288	826,639	-	12,466,927
Vehicles	934,030	-	-	934,030
Total cost	<u>14,587,154</u>	<u>826,639</u>	<u>-</u>	<u>15,413,793</u>
Accumulated depreciation				
Building improvement	(1,066,589)	(402,567)	-	(1,469,156)
Office equipment	(9,400,373)	(1,206,927)	-	(10,607,300)
Vehicles	(537,388)	(186,806)	-	(724,194)
Total accumulated depreciation	<u>(11,004,350)</u>	<u>(1,796,300)</u>	<u>-</u>	<u>(12,800,650)</u>
Total building improvement and equipment - net	<u>3,582,804</u>	<u>(969,661)</u>	<u>-</u>	<u>2,613,143</u>

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2008	Increase	Decrease	Decrease from Transfer assets to associate during the year (see Note 6)	Transfer in (out)	Balance as at December 31, 2009
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Building improvement	97,004,137	-	(2,929,119)	(92,062,182)	-	2,012,836
Office equipment	284,051,480	884,369	(46,264,770)	(227,326,571)	295,780	11,640,288
Vehicles	51,466,234	-	-	(50,532,204)	-	934,030
Furniture and fixtures under installment	2,838,971	1,886,650	(3,646,653)	(783,188)	(295,780)	-
Total cost	<u>435,360,822</u>	<u>2,771,019</u>	<u>(52,840,542)</u>	<u>(370,704,145)</u>	<u>-</u>	<u>14,587,154</u>
Accumulated depreciation						
Building improvement	(73,400,762)	(4,045,169)	2,361,190	74,018,152	-	(1,066,589)
Office equipment	(255,666,321)	(8,740,300)	44,171,467	210,834,781	-	(9,400,373)
Vehicles	(42,160,037)	(2,206,441)	-	43,829,090	-	(537,388)
Total accumulated depreciation	<u>(371,227,120)</u>	<u>(14,991,910)</u>	<u>46,532,657</u>	<u>328,682,023</u>	<u>-</u>	<u>(11,004,350)</u>
Total building improvement and equipment - net	<u>64,133,702</u>	<u>(12,220,891)</u>	<u>(6,307,885)</u>	<u>(42,022,122)</u>	<u>-</u>	<u>3,582,804</u>

Depreciation for the years ended December 31,

2010	<u>1,796,300</u>
2009	<u>14,991,910</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2009	Increase	Decrease	Balance as at December 31, 2010
	Baht	Baht	Baht	Baht
Cost				
Office equipment	5,247,075	104,320	-	5,351,395
Total cost	5,247,075	104,320	-	5,351,395
Accumulated depreciation				
Office equipment	(4,880,615)	(141,620)	-	(5,022,235)
Total accumulated depreciation	(4,880,615)	(141,620)	-	(5,022,235)
Total building improvement and equipment - net	366,460	(37,300)	-	329,160

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2008	Increase	Decrease	Decreasing from transfer assets to associate during the year (see Note 6)	Balance as at December 31, 2009
	Baht	Baht	Baht	Baht	Baht
Cost					
Building improvement	94,991,301	-	(2,929,119)	(92,062,182)	-
Office equipment	278,356,571	481,844	(46,264,770)	(227,326,570)	5,247,075
Vehicles	50,532,204	-	-	(50,532,204)	-
Furniture and fixtures under installment	2,008,191	1,706,650	(2,931,653)	(783,188)	-
Total cost	425,888,267	2,188,494	(52,125,542)	(370,704,144)	5,247,075
Accumulated depreciation					
Building improvement	(72,736,740)	(3,642,602)	2,361,190	74,018,152	-
Office equipment	(252,845,679)	(7,041,184)	44,171,468	210,834,780	(4,880,615)
Vehicles	(41,809,455)	(2,019,635)	-	43,829,090	-
Total accumulated depreciation	(367,391,874)	(12,703,421)	46,532,658	328,682,022	(4,880,615)
Total building improvement and equipment - net	58,496,393	(10,514,927)	(5,592,884)	(42,022,122)	366,460

Depreciation for the years ended December 31,	
2010	141,620
2009	12,703,421

As at December 31, 2010 and 2009, the Company and its subsidiary have certain building improvement and equipment items which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 8.57 million and Baht 4.87 million, respectively (Company : Baht 4.87 million and Baht 4.87 million, respectively).

10. INTANGIBLE ASSETS - NET

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2010						
	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Ending balance Baht
Deferred license fees						
Mutual fund management	-	803,836	-	-	-	803,836
Derivatives business	-	3,320,548	-	-	-	3,320,548
Private fund management	-	464,109	-	-	-	464,109
Computer software	1 - 5 years	6,193,194	638,482	(1,476,962)	135,000	5,489,714
Computer software work under installation	-	135,000	-	-	(135,000)	-
Total		<u>10,916,687</u>	<u>638,482</u>	<u>(1,476,962)</u>	<u>-</u>	<u>10,078,207</u>

CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2009							
	Remaining useful lives	Beginning balance Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Decreasing from transfer assets to associate during the year (see Note 6) Baht	Ending Balance Baht
Deferred license fees							
Mutual fund management	-	803,836	-	-	-	-	803,836
Derivatives business	-	3,320,548	-	-	-	-	3,320,548
Private fund management	-	464,109	-	-	-	-	464,109
Computer software	1 - 5 years	15,003,505	2,941,861	(1,861,871)	5,508,030	(15,398,331)	6,193,194
Computer software work under installation	-	-	5,710,000	-	(5,575,000)	-	135,000
Total		<u>19,591,998</u>	<u>8,651,861</u>	<u>(1,861,871)</u>	<u>(66,970)</u>	<u>(15,398,331)</u>	<u>10,916,687</u>

Amortization for the years ended December 31,

2010	<u>1,476,962</u>
2009	<u>1,861,871</u>

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2010						
	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	7	24,567	(3,312)	-	21,262
Total		<u>3,320,555</u>	<u>24,567</u>	<u>(3,312)</u>	<u>-</u>	<u>3,341,810</u>

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Decreasing from transfer assets to associate during the year (see Note 6)	Ending balance
		Baht	Baht	Baht	Baht	Baht	Baht
Deferred license fees							
Derivatives business	-	3,320,548	-	-	-	-	3,320,548
Computer software	1 - 5 years	14,201,457	2,811,611	(1,547,760)	(66,970)	(15,398,331)	7
Total		<u>17,522,005</u>	<u>2,811,611</u>	<u>(1,547,760)</u>	<u>(66,970)</u>	<u>(15,398,331)</u>	<u>3,320,555</u>
Amortization for the years ended December 31,							
							<u>3,312</u>
							<u>1,547,760</u>

As at December 31, 2010 and 2009, the Company has certain computer software items which have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those intangible assets amounted to Baht 5.77 million and Baht 5.77 million, respectively, in the consolidated and separate financial statements.

11. DEFERRED INCOME TAX - NET

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht	As at December 31, 2010 Baht	As at December 31, 2009 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,466,581	2,264,432	2,466,581	2,264,432
Allowance for loss on impairment of investments	62,711,869	28,350,906	62,711,869	28,350,906
Amortization of underwriting license	-	732,877	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	494,640	391,894	494,640	391,894
- Available-for-sale securities	-	583	-	583
Cumulative tax loss	7,346,845	7,251,115	7,346,845	7,251,115
Other assets	42,536	35,446	42,536	35,446
Gain on transfer of assets and its business to associated company	41,084,084	27,843,201	-	-
	<u>114,146,555</u>	<u>75,361,514</u>	<u>73,062,471</u>	<u>47,518,313</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	-	715,874	-	715,874
- Available-for-sale securities	3,220,638	724,500	3,220,638	724,500
Amortization of derivative license	198,082	40,069	198,082	40,069
	<u>3,418,720</u>	<u>1,480,443</u>	<u>3,418,720</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>110,727,835</u>	<u>73,881,071</u>	<u>69,643,751</u>	<u>46,037,870</u>

The movements of deferred income tax are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2010	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2010 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	202,149	-	2,466,581
Allowance for loss on impairment of investments	28,350,906	34,360,963	-	62,711,869
Amortization of underwriting license	732,877	(732,877)	-	-
Reserve for retention bonus	8,491,060	(8,491,060)	-	-
Unrealized loss on revaluation of investments				
- Trading securities	391,894	102,746	-	494,640
- Available-for-sale securities	583	-	(583)	-
Cumulative tax loss	7,251,115	95,730	-	7,346,845
Other assets	35,446	7,090	-	42,536
Gain on transfer of assets and its business to associated company	27,843,201	13,240,883	-	41,084,084
	<u>75,361,514</u>	<u>38,785,624</u>	<u>(583)</u>	<u>114,146,555</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(715,874)	-	-
- Available-for-sale securities	724,500	-	2,496,138	3,220,638
Amortization of derivative license	40,069	158,013	-	198,082
	<u>1,480,443</u>	<u>(557,861)</u>	<u>2,496,138</u>	<u>3,418,720</u>
Deferred tax assets – net	<u>73,881,071</u>	<u>39,343,485</u>	<u>(2,496,721)</u>	<u>110,727,835</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2009	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2009 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,417,187	(152,755)	-	2,264,432
Allowance for loss on impairment of investments	23,962,814	4,388,092	-	28,350,906
Amortization of underwriting license	3,317,808	(2,584,931)	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	(843,497)	-	391,894
- Available-for-sale securities	1,223,541	-	(1,222,958)	583
Cumulative tax loss	33,400,593	(26,149,478)	-	7,251,115
Other assets	74,034	(38,588)	-	35,446
Gain on transfer of assets and its business to associated company	-	27,843,201	-	27,843,201
	<u>65,631,368</u>	<u>10,953,104</u>	<u>(1,222,958)</u>	<u>75,361,514</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	162,545	-	715,874
- Available-for-sale securities	-	-	724,500	724,500
Amortization of derivative license	-	40,069	-	40,069
	<u>553,329</u>	<u>202,614</u>	<u>724,500</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>65,078,039</u>	<u>10,750,490</u>	<u>(1,947,458)</u>	<u>73,881,071</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2010	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2010 Baht
Deferred tax assets				
Allowance for doubtful accounts	2,264,432	202,149	-	2,466,581
Allowance for loss on impairment of investments	28,350,906	34,360,963	-	62,711,869
Amortization of underwriting license	732,877	(732,877)	-	-
Reserve for retention bonus	8,491,060	(8,491,060)	-	-
Unrealized loss on revaluation of investments				
- Trading securities	391,894	102,746	-	494,640
- Available-for-sale securities	583	-	(583)	-
Cumulative tax loss	7,251,115	95,730	-	7,346,845
Other assets	35,446	7,090	-	42,536
	<u>47,518,313</u>	<u>25,544,741</u>	<u>(583)</u>	<u>73,062,471</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	715,874	(715,874)	-	-
- Available-for-sale securities	724,500	-	2,496,138	3,220,638
Amortization of derivative license	40,069	158,013	-	198,082
	<u>1,480,443</u>	<u>(557,861)</u>	<u>2,496,138</u>	<u>3,418,720</u>
Deferred tax assets – net	<u>46,037,870</u>	<u>26,102,602</u>	<u>(2,496,721)</u>	<u>69,643,751</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2009	Items as recognized into Statements of Income Baht (see Note 30)	Items as recognized into Shareholders' Equity Baht	As at December 31, 2009
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	2,417,187	(152,755)	-	2,264,432
Allowance for loss on impairment of investments	23,962,814	4,388,092	-	28,350,906
Amortization of underwriting license	3,317,808	(2,584,931)	-	732,877
Reserve for retention bonus	-	8,491,060	-	8,491,060
Unrealized loss on revaluation of investments				
- Trading securities	1,235,391	(843,497)	-	391,894
- Available-for-sale securities	1,223,541	-	(1,222,958)	583
Cumulative tax loss	33,400,593	(26,149,478)	-	7,251,115
Other assets	74,034	(38,588)	-	35,446
	<u>65,631,368</u>	<u>(16,890,097)</u>	<u>(1,222,958)</u>	<u>47,518,313</u>
Deferred tax liabilities				
Unrealized gain on revaluation of investments				
- Trading securities	553,329	162,545	-	715,874
- Available-for-sale securities	-	-	724,500	724,500
Amortization of derivative license	-	40,069	-	40,069
	<u>553,329</u>	<u>202,614</u>	<u>724,500</u>	<u>1,480,443</u>
Deferred tax assets – net	<u>65,078,039</u>	<u>(17,092,711)</u>	<u>(1,947,458)</u>	<u>46,037,870</u>

12. ASSETS CLASSIFIED AS HELD FOR SALE – NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2010 Baht	As at December 31, 2009 Baht
	Land	160,257,466
Golf membership	200,000	200,000
	<u>160,457,466</u>	<u>160,457,466</u>
<u>Less</u> Allowance for impairment	<u>(141,786)</u>	<u>(141,786)</u>
Total assets classified as held for sale – net	<u>160,315,680</u>	<u>160,315,680</u>

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

13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2010 Baht	December 31, 2009 Baht	December 31, 2010 Baht	December 31, 2009 Baht
Accrued interest income	11,975	1,179,820	-	1,123,361
Prepaid insurance	256,037	294,789	252,408	284,127
Prepaid repair and maintenance	70,130	12,336	-	-
Other deposits	835,202	832,102	472,827	472,827
Fund management fee and service income receivables	567,898	616,565	-	-
Accrued income from associated company (see Note 6)	71,819,196	58,180,804	71,819,196	58,180,804
Corporate income tax claim receivable	781,909	26,408,227	318,157	26,207,334
Value-added-tax receivable	2,691,235	2,202,871	-	-
Others	1,980,581	2,921,271	867,715	2,224,216
Total	<u>79,014,163</u>	<u>92,648,785</u>	<u>73,730,303</u>	<u>88,492,669</u>

14. DEBENTURES

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

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

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

15. 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, 2010 and 2009, the Company has not issued such derivatives debentures.

16. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Withholding tax payable	19,344,305	5,440,527	19,159,682	5,350,145
Value-added-tax payable	188,695	827,659	188,695	827,659
Others payable	7,791,990	9,946,801	7,050,810	7,702,921
Payable from reduction of share capital	5,344,026	-	5,344,026	-
Others	4,644,149	4,602,227	4,593,952	4,552,670
Total	<u>37,313,165</u>	<u>20,817,214</u>	<u>36,337,165</u>	<u>18,433,395</u>

17. SHARE CAPITAL

Registered and issued and paid-up capital

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

- (1) Approved the issuance of 27,000,000 units of warrants offering to the Company's employees.
- (2) Approved an increase of the registered capital amounting to Baht 27,000,000 equivalent to 27,000,000 shares at a par value of Baht 1 each. The purpose of issuing 27,000,000 new ordinary shares is to accommodate the exercise of warrants to the Company's employees.
- (3) Approved an increase of the registered capital amounting to Baht 19,675,971 equivalent to 19,675,971 shares at a par value of Baht 1 each. The purpose of issuing 19,675,971 new ordinary shares is to accommodate the exercise of ZMICO-W3, because the exercise ratios of such warrants were adjusted.
- (4) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with an increase of capital according to items (2) and (3) above. The registered capital of Baht 1,037,157,550 will be increased to Baht 1,083,833,521 equivalent to 1,083,833,521 shares at a par value of Baht 1 each.

The Company has registered the additional registered capital with the Ministry of Commerce on October 5, 2007. The excess of the registered share capital over the paid-up share capital as at December 31, 2009, represents the shares reserved for future exercise of warrants.

During the year ended December 31, 2009, the employees have exercised their warrants amounting to 124,067 units, equivalent to 136,262 shares or the increase in share capital of Baht 136,262.

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

- (1) Approved of decreasing the Company's authorized share capital from Baht 1,083,833,521 to Baht 833,895,131 and cancelling the issuance of 249,938,390 new ordinary shares which were reserved for the exercise of the shareholder's warrants, the Directors and employees' warrants III, and the ESOP warrants offering the Company's employees (see Notes 17.1, 17.2 and 17.3) due to the warrants were expired.

- (2) Approved an amendment of Clause 4 of the Memorandum of Association in order to comply with an decrease of capital. The registered capital of Baht 1,083,833,521 will be decreased to Baht 833,895,131 equivalent to 833,895,131 shares at a par value of Baht 1 each.

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

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

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

The Company registered the decrease of share capital and amendment of the Company's Memorandum of Association with the Ministry of Commerce on December 22, 2010. As at December 31, 2010, the Company already paid the reduction of share capital of Baht 401,456,040 to the Company's shareholders. For the remaining reduction of share capital of Baht 5,344,026 is presented as a part of other liabilities in the balance sheet.

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

Net asset value

As at December 31, 2010 and 2009, net asset value per share, which was determined by dividing shareholders' equity by the number of issued and paid up shares which net of the number of treasury stocks as at the balance sheet date, was Baht 2.05 per share and Baht 2.52 per share, respectively.

18. 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.

In 2006, the Company had repurchased 53,872,000 ordinary 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.

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

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

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

On May 12, 2010, the Board of Directors' meeting No. 3/2010 has passed a resolution on a project to repurchase 14,444,444 ordinary shares (representing 1.73% 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 26 million with the repurchase period from May 27, 2010 to November 26, 2010. 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.

In 2010 and 2009, the Company had repurchased ordinary shares of 11,207,900 shares and 391,200 shares, respectively, which the total treasury stocks were Baht 21.91 million and Baht 0.66 million, respectively. As at December 31, 2010, the Company has 20,295,000 treasury shares, representing 2.43 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 31.82 million. (As at December 31, 2009: 9,087,100 treasury shares, representing 1.09% and the total treasury stocks were Baht 20.06 million).

19. WARRANTS

19.1 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).

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.

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

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

19.2 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 such shareholders meeting, were amended to a ratio of warrant to 1.09832 ordinary shares with the exercise price at Baht 1 per share. During August 2004, 13,790,400 warrants were allotted to the directors and employees, and currently 509,600 warrants had not been allotted. The issue of such free warrants was not recorded as an accounting expense.

During the year ended December 31, 2009, the employees have exercised their warrants amounting to 124,067 units, equivalent to 136,262 shares or the increase in share capital of Baht 136,262. As at December 31, 2009, the outstanding warrants, which have been allotted but not exercised, are 1,451,991 units. Such warrants were matured on August 8, 2009.

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

19.3 ESOP Warrants offering to the Company's employees

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

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

On April 21, 2010, the ordinary shareholders' meeting of the year 2010 has passed the resolution for the approval of decreasing the Company's authorized share capital by cancelling of new ordinary share which were reserved for the exercise of warrants (see Note 17).

20. DIVIDEND

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

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

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

21. CAPITAL MANAGEMENT

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

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

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

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

In addition, the objectives of capital management of the Company is to sustain the Company’s ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain shareholders’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. ThorNor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the Company cannot maintain the capital adequacy over the warning level, the Company has to report to the Office of the Securities and Exchange Commission including the plan to recover its shareholders’ equity to the warning level. As at December 31, 2010 and 2009, the Company’s financial statements showed shareholders’ equity amount of Baht 31.0 million and Baht 51.2 million, respectively. The Company complies with the Notification of the Securities and Exchange Commission.

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 to maintain an optimal capital structure.

22. 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. 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, 2010 and 2009, the Company has statutory reserve at the rate of 26% and 10% of registered capital.

24. 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, 2010 and 2009, the Company has appropriated the retained earnings as the treasury stock reserve for the whole amount of Baht 31.82 million and Baht 20.06 million, respectively (see Note 18).

25. FEES AND SERVICES INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Underwriting fees	-	44,800	-	44,800
Financial advisory fees	4,566,200	12,218,746	4,566,200	12,218,746
Private fund management and mutual fund management	8,216,553	2,811,179	-	-
Others	-	1,562,555	-	1,562,555
Total	<u>12,782,753</u>	<u>16,637,280</u>	<u>4,566,200</u>	<u>13,826,101</u>

26. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Brokerage fees paid to the Stock				
Exchange of Thailand	-	7,928,364	-	7,928,364
Fees for private fund,				
mutual fund and derivative licenses	500,000	500,000	-	-
Others	6,710,392	2,628,776	1,145,244	584,337
Total	<u>7,210,392</u>	<u>11,057,140</u>	<u>1,145,244</u>	<u>8,512,701</u>

27. DIRECTORS AND MANagements' REMUNERATION

27.1 Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2010 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 21, 2010 and April 29, 2010, respectively. Directors' remuneration for the year 2009 was approved by the ordinary shareholders' meetings of the Company and the subsidiary held on April 29, 2009 and April 20, 2009, respectively.

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

28. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Entertainment expenses	277,086	2,448,939	148,401	2,429,804
Publication and marketing expenses	2,202,450	3,528,774	1,101,583	2,772,658
Traveling expenses	1,086,364	4,600,445	868,907	4,494,428
SET Fee	2,784,779	4,101,184	2,784,779	4,101,184
Stationery and office supply	433,513	3,045,768	116,868	2,824,687
Others	6,339,448	13,109,660	4,745,610	11,749,359
Total	<u>13,123,640</u>	<u>30,834,770</u>	<u>9,766,148</u>	<u>28,372,120</u>

29. 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 subsidiary match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530.

During the years ended December 31, 2010 and 2009, the Company has contributed Baht 0.5 million and Baht 2.3 million, respectively, to the fund and the subsidiary has contributed Baht 0.4 million and Baht 0.2 million, respectively, to the fund.

30. CORPORATE INCOME TAX

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used a tax rate of 25% for the corporate income tax calculations for the years ended December 31, 2010 and 2009 to conform to such tax rate change.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Deferred tax income (expense) (see Note 11)	39,343,485	10,750,490	26,102,602	(17,092,711)
Total	<u>39,343,485</u>	<u>10,750,490</u>	<u>26,102,602</u>	<u>(17,092,711)</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Net income (loss) before tax	27,933,131	6,184,492	(15,530,088)	60,539,338
Tax rate	25%, 30%	25%, 30%	25%	25%
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	(6,983,282)	(1,662,275)	3,882,522	(15,134,834)
Effect of the change in income tax rate from 25% to 30%	18,991,412	-	12,144,065	-
Tax effect of the non-deductible income and expense	27,335,355	12,412,765	10,076,015	(1,957,877)
Income tax - income (expense) (see Note 11)	39,343,485	10,750,490	26,102,602	(17,092,711)

31. RECONCILIATION OF EARNINGS PER SHARE

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the years ended December 31,					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net income	67,276,616	16,934,982	820,035,387	824,787,123	0.082	0.021

	SEPARATE FINANCIAL STATEMENTS					
	For the years ended December 31,					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net income	10,572,514	43,446,627	820,035,387	824,787,123	0.013	0.053

32. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at December 31, 2010 and 2009 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Subsidiary				
Seamico Asset Management Co., Ltd.				
Investment in subsidiary (see Note 6)	-	-	130,000,000	120,000,000
Investment in mutual fund managed by subsidiary	51,385,567	43,548,105	51,385,567	43,548,105
Investment in private fund managed by subsidiary	-	24,618,407	-	24,618,407
Accrued private fund management fee expenses	-	-	-	7,823
Other receivables	-	-	-	1,856
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 6)	1,185,067,357	967,375,679	1,087,504,850	937,505,000
Other receivables from transfer business (see Note 6)	71,819,196	58,180,804	71,819,196	58,180,804
Other receivables	236,935	248,573	236,935	248,573
Related companies				
Under common directors				
Quam Limited				
Other payable	10,538	36,081	10,538	36,081
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares (see Note 5.1)	80,538,525	156,020,644	80,538,525	156,020,644
Other receivables	-	1,230,008	-	1,230,008

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

Subsidiary	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the years ended		For the years ended		
	December 31,		December 31,		
	2010	2009	2010	2009	
	Baht	Baht	Baht	Baht	
Subsidiary					
Seamico Asset Management Co., Ltd.					
Private fund management fee expenses	-	-	62,701	178,930	At rate determined under the contract at 0.4 percent per annum of net asset value of fund Managed (see Note 33.1)
Investment in ordinary shares	-	-	10,000,000	20,000,000	8 million shares at Baht 1.25 per share (2009 : 8 million shares at Baht 2.50 per share)
Investment in mutual fund managed by subsidiary	-	25,625,724	-	25,625,724	2 million units at Baht 10 per unit and 1.95 million units at Baht 10.2432 per unit (2009 : 5 million units at Baht 10 per unit)
Withdrawal mutual fund managed by subsidiary	-	25,625,724	-	25,625,724	At net asset value 5 million units at Baht 10.1279 per unit
Withdrawal private fund managed by subsidiary	26,551,873	135,000,000	26,551,873	135,000,000	At fair value of fund
Fee from selling agent	-	-	-	144,214	Commission charged at 0.15 percent of NAV unit trust sold
Other income	-	-	-	100,000	At the rate determined under the contract of Baht 25,000 per month
Associated company					
KT ZMICO Securities Co., Ltd.					
Income from transfer of business	71,819,196	58,180,804	71,819,196	58,180,804	At the rate determined under the contract (see Note 6)
Service expenses	1,800,000	1,200,000	1,800,000	1,200,000	At the rate determined under the contract of Baht 150,000 per month (see Note 33.2)
Rental expenses	594,036	396,024	594,036	396,024	At the rate determined under the contract of Baht 49,503 per month (see Note 33.3)
Related companies					
Under common directors					
Quam Limited					
Office rental	1,128,913	238,566	1,128,913	238,566	At the rate determined under the contract of HKD 22,941 per month (see Note 33.6)
Thanh Cong Securities Company J.S.C.					
Financial Advisory fee	4,566,200	9,439,147	4,566,200	9,439,147	At the rate determined under the Contract total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month (see Note 33.5)
Related persons					
Commission received	-	50,678	-	50,678	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	-	23,850	-	23,850	Commission charged at Baht 450 per contract

33. COMMITMENTS

Transactions with related parties

- 33.1 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. As at December 31, 2010, the Company has closed the provident fund already.
- 33.2 On May 28, 2009, the Company entered into agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, Operating, Information technology including information system development and technical support, Compliance, Human Resource management General Support and General management. The term of agreement is one year and will be expired on April 30, 2010. The agreement is automatically extended one year by payment in amount of Baht 150,000 per month.
- 33.3 On May 1, 2009, The Company entered into agreement with KT ZMICO Securities Co., Ltd. for rental office at 16th Floor (No. 1601), 287 Liberty Square for operating business in amount of Baht 49,503 per month. The term of agreement is from May 1, 2009 to January 31, 2010 and has continued the agreement to January 31, 2013.
- 33.4 On May 12, 2009, the Board of Director's meeting No. 5/2009 had a resolution to approve the payment of retention bonus to employees transferred from the Company to continue their works at KT ZMICO Securities Co., Ltd. totaling of Baht 111 million. The payments will be made periodically within 18 months by payment every 6 months start from proportion 20 : 20 : 40, respectively, started from June 2009 to December 31, 2010 with the condition that such payment will be made to employees who have status as the KT ZMICO Securities Co., Ltd. staff at the payment date. However, the payment is paid only according to the commitment under employment transfer agreement. For the years ended December 31, 2010 and 2009, the Company already paid the retention bonus in the total amount of Baht 55.6 and Baht 55.4 million, respectively. As at December 31, 2010, the Company has paid to staff already.
- 33.5 On March 20, 2009, the Company entered into agreement with Thanh Cong Securities Company J.S.C. ("TCSC"), a securities company in Vietnam. According to the agreement, the Company will provide advisory and other services to TCSC in order to develop technical proficiency and improve potential in international investment banking, securities market and research including distribute the research information of TCSC in Vietnam and overseas through Seamico's network. The term of agreement is one year and the Company will receive such service fee in total amount of USD 420,218 which will be made periodically within 12 months in amount of USD 35,018 per month. The amount mentioned is net with related taxes in Vietnam.
- 33.6 On October 19, 2009, the Company entered into a licensing agreement with Quam Limited for rental office in Hong Kong. The term of agreement is 6 months for the period from October 19, 2009 to April 18, 2010 and automatically renew on a monthly basis. The Company agreed to pay a monthly fee at the rate of HKD 22,941.

Transactions with other business parties

33.7 As at December 31, 2010 and 2009, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its offices building and equipment.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Within 1 year	3.2	1.7	1.6	1.6
Over 1 year to 5 years	2.2	2.0	0.4	2.0
Total	<u>5.4</u>	<u>3.7</u>	<u>2.0</u>	<u>3.6</u>

34. 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.

35. FINANCIAL INSTRUMENTS

As at December 31, 2010 and 2009, the Company and its subsidiary have not speculated in or engaged in trading of any off-balance sheet financial derivatives instruments.

35.1 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.

35.2 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, 2010										
Outstanding balances of net financial instruments										
Repricing or maturity dates										
Floating		Within			Over	Non-performing	No	Interest rate (Percent)		
interest rate	At call	1 year	1-5 years	5 years	receivables	interest	Total	Floating	Fixed	Rate
Financial assets										
Cash and cash equivalents	32	115	-	-	-	-	20	167	0.25-1.25	1.85-1.89
Investments in debt and equity securities - net	-	-	-	-	-	-	137	137	-	-
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	-	287	-	-
Total	32	115	-	-	-	287	157	591		

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS										
As at December 31, 2009										
Outstanding balances of net financial instruments										
Repricing or maturity dates										
Floating		Within			Over	Non-performing	No	Interest rate (Percent)		
interest rate	At call	1 year	1-5 years	5 years	receivables	interest	Total	Floating	Fixed	Rate
Financial assets										
Cash and cash equivalents	26	220	-	-	-	-	17	263	0.50-0.75	1.10-1.15
Investments in debt and equity securities - net	-	-	345	45	-	-	224	614	-	1.50-6.10
Securities business receivables and accrued interest receivables	-	-	-	-	-	286	16	302	-	-
Total	26	220	345	45	-	286	257	1,179		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2010

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (Percent)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years	receivables	interest		rate	rate
Financial assets										
Cash and cash equivalents	27	100	-	-	-	-	20	147	0.25-1.10	1.89
Investments in debt and equity securities - net	-	-	-	-	-	-	137	137	-	-
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	-	287	-	-
Total	27	100	-	-	-	287	157	571		

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2009

Outstanding balances of net financial instruments

	Repricing or maturity dates							Interest rate (Percent)		
	Floating	At call	Within		Over	Non-performing	No	Total	Floating	Fixed
	interest rate		1 year	1-5 years	5 years	receivables	interest		rate	Rate
Financial assets										
Cash and cash equivalents	17	190	-	-	-	-	17	224	0.10-0.63	1.10-1.15
Investments in debt and equity securities - net	-	-	345	45	-	-	224	614	-	1.50-6.10
Securities business receivables and accrued interest receivables	-	-	-	-	-	286	16	302	-	-
Total	17	190	345	45	-	286	257	1,140		

The average yield on average financial asset balances and average cost of funds on average financial liabilities for interest bearing financial instruments are presented in the following table:

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	477,564,348	6,645,686	1.39
Investments in debt securities	99,038,843	2,167,198	2.19
Securities business receivables and accrued interest receivables	4,400,581	-	-

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2009

Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	496,594,655	10,155,004	2.04
Investments in debt securities	299,312,064	5,012,377	1.67
Securities and derivatives business receivables and accrued interest receivables	424,006,027	30,342,295	7.16

Unit : Baht

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2010

Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	453,344,277	6,298,108	1.39
Investments in debt securities	99,038,843	2,167,198	2.19
Securities business receivables and accrued interest receivables	4,400,581	-	-

Unit : Baht

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2009

Financial Instruments	Average balance	Interest income	Average Yield (Percent)
Financial assets			
Cash and cash equivalents	461,904,652	9,574,955	2.07
Investments in debt securities	299,312,064	5,012,377	1.67
Securities and derivatives business receivables and accrued interest receivables	424,006,027	30,342,295	7.16

35.3 Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of December 31, 2010 and 2009 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

Outstanding balances of net financial instruments

	At call	Within		Over	No	Non-performing	Total
		1 year	1-5 years	5 years	maturity	receivables	
Financial assets							
Cash and cash equivalents	115	-	-	-	52	-	167
Investments in debt and equity securities – net	-	-	-	-	137	-	137
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	287
Total	115	-	-	-	189	287	591

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2009

Outstanding balances of net financial instruments

	At call	Within		Over	No	Non-performing	Total
		1 year	1-5 years	5 years	maturity	receivables	
Financial assets							
Cash and cash equivalents	220	-	-	-	43	-	263
Investments in debt and equity securities – net	-	345	45	-	224	-	614
Securities business receivables and accrued interest receivables	-	16	-	-	-	286	302
Total	220	361	45	-	267	286	1,179

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2010							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
Financial assets							
Cash and cash equivalents	100	-	-	-	47	-	147
Investments in debt and equity securities - net	-	-	-	-	137	-	137
Securities business receivables and accrued interest receivables	-	-	-	-	-	287	287
Total	100	-	-	-	184	287	571

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2009							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
Financial assets							
Cash and cash equivalents	190	-	-	-	34	-	224
Investments in debt and equity securities - net	-	345	45	-	224	-	614
Securities business receivables and accrued interest receivables	-	16	-	-	-	286	302
Total	190	361	45	-	258	286	1,140

35.4 Foreign exchange risk

As at December 31, 2010 and 2009, the Company and its subsidiary do not have any material financial instruments in foreign currency.

35.5 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 debt securities, fair values are estimated by using discounted cash flows analyzes based on current interest rates and remaining years to maturity.

As at December 31, 2010 and 2009, fair values of financial assets and financial liabilities are not significantly different from their book values.

36. DISCONTINUED OPERATION

During the quarter ended June 30, 2009, the Company has transferred its securities business to KT ZMICO Securities Co., Ltd. After the transfer of business, the Company's operations will be related to investments in funds, debt and equity securities and derivatives. The proportion of income from discontinued operation is 97% of total income. Expenses related to securities business have decreased entirely. Expenses from discontinued operation are 98% of total expenses.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 24, 2011.